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MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1279 — Press ~~Mis.~~

144-145

Dated 10 - 6 - 1862.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 10th June 1862.

No. 144. Read the following Extract from the Proceedings of the Right Honorable the Governor General of India in Council, in the Home Department (Separate Revenue), under date the 26th May 1862, No. 2,617:—

Read the undermentioned papers relative to the questions (1) of abolishing the practice of counterstamping Stamp paper, and (2) of supplying all the three Presidencies with stamped paper from a Central Office in Calcutta:

(A.) Memorandum by Mr. Crawford, Superintendent of Stamps, dated 3rd May 1860.

Home Department, Notification No. 1,666, dated 4th September 1860.

Letter to the Government of Bengal, No. 1,702, dated 8th September 1860, and Endorsements to the Governments of Madras and Bombay of the same date.

Letter from the Government of Madras, No. 1,763, dated 2nd October 1860, and enclosure.

Telegram from the Government of Bombay, No. 2,007, dated 10th November 1860.

Letter from the Government of Bengal, No. 3,957, dated 11th December 1860, and enclosure.

(B.) Read also Mr. Crawford's Report on the English system of Stamp Revenue Administration, dated London, the 11th December 1861, received with the Secretary of State's Despatch, No. 1, dated the 16th January 1862.

RESOLUTION.

1. The first of the two questions above referred to relates to the necessity or otherwise of retaining the counterstamp on stamped papers, with the view of providing against the fraudulent issue from the Stamping Office of Stamps which have not been brought to account. This safety, as expressed by Mr. Crawford in his Memorandum dated the 3rd of May 1860, "does not consist "in the actual counterstamp impression itself, for that is given from a cold steel die, of which a "counterfeit can easily be made; but in the check which is afforded by the repeated counting "and interchange of receipts between two independent Offices."

2. Prior to the introduction of Act XXXVI of 1860 (Stamp Act) the counterstamp was required *by Law* on all stamped papers. After the passing of the abovementioned Act and the issue of a Notification under Section 4, giving directions as to the kind of Stamps to be used, the attention of the Governments of Bengal, Madras, and Bombay was drawn* to the fact that the use of a second or counterstamp was neither required nor prohibited by the new Law. It was suggested that the counterstamp might perhaps be retained except in the case of the special kinds of stamped paper required by the new Act, such as Bills of Exchange, Bankers' Cheques, and Bills of Lading, in respect of which the process of counterstamping it was thought might cause inconvenience. It was stated, however, that, should it be deemed expedient to abolish the counterstamp altogether, reports should be submitted showing the detailed arrangements for protecting the public revenue under the new system.

* 8th September 1860.

3. The Bengal Superintendent of Stamps recommended the entire abolition of the counterstamp, the maintenance of the check being provided for by the Establishment of an intermediate Counting Branch in the Superintendent's own Office. The Board of Revenue opposed but the Lieutenant-Governor supported this recommendation.

4. The Madras Government strongly deprecated the abolition of the counterstamp, agreeing with the Madras Board of Revenue that it was "essential as a check on the Stamp Office."

5. The Bombay Government reported the actual abolition of the counterstamp, which, in their opinion, "afforded no real protection against fraud."

6. The decision of this question was deferred pending the receipt of information respecting the English system of administering the Stamp Revenue which Mr. Crawford, Superintendent of Stamps in Calcutta, then on leave in England, was requested to furnish.

7. A Report on the subject having now been received from Mr. Crawford, the question has again been brought up for consideration.

8. Stamped paper may be regarded as divided into the following Classes:—

First.—Adhesive Stamps.

Second.—Stamped paper prepared by Government and supplied to the Collectors for sale.

Third.—Private blank paper or printed forms of unexecuted documents brought to be stamped.

Fourth.—Executed Deeds brought to be stamped.

To the first Class of Stamps (Adhesive) which are prepared in England, the counterstamp is of course inapplicable. The present question is, therefore, confined to the three last mentioned Classes.

9. It seems to the Governor General in Council that, in respect of the Third and Fourth Classes, the counterstamp is not necessary, while its enforcement would, undoubtedly, entail considerable inconvenience on the public.

10. As regards the Second Class, namely stamped paper prepared by Government for sale the Governor General in Council is of opinion that the counterstamp may beneficially be dispensed with, provided a sufficient check of another sort can be arranged. The counterstamp is evidently only a check in so far as it ensures the recounting and registering of the stamped paper by an Office different from that in which it is manufactured. His Excellency in Council thinks it probable that, with the English system as a guide, some simpler mode than the present counterstamping process might be introduced, with the view of ensuring the requisite check on the counting of stamped papers. Perhaps a mechanical check, by self-registering, counting or numbering machines, might be found a sufficient protection; but Mr. Crawford will, doubtless, be able to advise the Bengal Government as to some simple and expeditious plan, mechanical or otherwise, of securing a thoroughly independent and trustworthy check on the counting of stock.

11. The second of the two questions referred to in the papers now under consideration has reference to the centralization of the manufacture of Stamps for all India in Calcutta proposed by Mr. Crawford in his Memorandum of the 3rd May 1860.

12. After alluding to the very inferior description of Stamp (cold steel die) and paper used in Bombay, and, he believed, also in Madras, as compared with the Bi-color Stamp and English water-marked paper used in Bengal, he remarked:—"The Government of India should, however, "be protected in every practicable way against the possibility of fraud, and I see only two courses "to pursue—either to establish one of Bryan Donkin and Co.'s Bi-color Stamping Machines at "each Presidency, or to centralize the manufacture of Stamps in Calcutta for all three Presi-"dencies."

13. He proceeded to show that though the same number of additional machines (two) would be required in the centralization scheme, there would be much less outlay in the establishment and working expenses as well as on the supervision. There would also, he observed, be no risk of the operations of the Department being brought to a stand still by a machine getting out of order, as might be the case at Bombay or Madras, where only one machine would be sent.

14. Mr. Crawford, in his Report of last December writes:—

"But a check on the Stamp issues could be effected by having the whole year's stock sent "down from Calcutta. I am certain that the Calcutta Office could now supply both Bombay "and Madras with sufficient Stamps for a year's consumption. These Stamps would of course, "be the Bi-color Stamp now in use in Bengal, and be quite safe from forgery, and there would "be no complaint as to the quality of the paper which would bear the water-mark and have "the impression of the value of duty current in each Presidency. The risk attending the manu-"facture of Stamps at Bombay and Madras would be done away, and instead of being at three "places would be concentrated at one."

15. Referring to the classification of stamped papers given in paragraph 8 of this Resolution, the Governor General in Council observes that the arguments for centralizing the manufacture of stamped paper do not in any way apply to the Third and Fourth Classes consisting of private paper or deeds brought by individuals to be stamped. On the contrary, it is an object to multiply rather than to restrict the number of places where such papers can be stamped, even though it be at some expense and risk.

16. As regards the Second Class, comprising stamped paper prepared for sale by the Government, His Excellency in Council is inclined to think that it may with advantage be manufactured in Calcutta, supplies being sent to the other Presidencies. By this plan uniformity is gained; establishments are concentrated, and worked therefore with greater efficiency and economy; the risk of fraud is lessened, and the danger of inconvenience from the break down of a single machine is diminished.

17. The Governor General in Council is not aware of any practical difficulty in the way of carrying out this plan. Ample stocks could be kept at each Presidency, and supplies could be readily obtained by Steamer or Railway. The Government of Bengal should be called upon to report further on this question as soon as the Superintendent of Stamps is in a position to say confidently whether the Calcutta Stamp Office can undertake the work or not.

18. Adverting to the suggestions made in Mr. Crawford's Report of December for avoiding the delay in cutting and drying the paper, and on other points, the Governor General in Council would wish that that Officer should be instructed to place before the Lieutenant-General of Bengal, with as little delay as possible, whatever arrangements he is prepared to suggest in order to make the Stamp Office thoroughly efficient, both as respects protection to the Public Revenue and the affording of every reasonable facility and convenience to the public. It is essential that the Stamp Office in Calcutta should be put upon a proper footing, so as to be able to comply promptly with the public demands upon it, even if its operations are not to embrace the Presidencies of Madras and Bombay.

Ordered, that a copy of this Resolution and of the documents marked A. and B. be forwarded for the information and consideration of the Bengal Government, to which the Calcutta Stamp Office is subordinate, with a request that the measures which may be recommended by the Superintendent of Stamps for establishing a proper check in regard to paper of the Second Class in lieu of the counterstamp, may be communicated to this Government, and that the Report referred to in paragraph 17 may be submitted.

Ordered also, that copies, as above, be sent to the Governments of Madras and Bombay for information as to the conclusions arrived at in respect of the counterstamp in the Third and Fourth Classes of paper, and with an intimation that the result of the measures taken in Calcutta to establish a proper check in regard to paper of the Second Class will be hereafter made known to them; also with a request that the views of those Governments may be communicated as to the advantage or otherwise of the whole of the paper which is manufactured by Government for sale being manufactured in Calcutta.

(True Extract.)

(Signed) E. C. BAYLEY,
Secy. to the Govt. of India.

Memorandum by J. A. CRAWFORD, Esq., Superintendent of Stamps, dated Fort William, the 3rd May 1860.

The Stamp papers in use for proceedings in the Bengal Presidency are made at the Government Stamp Office in Calcutta, and pass through four different Departments before they are ready for issue.

(I).—The single Stamp store.

(II).—The Machine Department.

(III).—The Counterstamp Establishment at the General Treasury.

(IV).—The Double Stamp Store.

In the single Stamp Store the cases of water-marked paper are opened and from it paper issued to the Machine Department, whence it returns after being impressed with the Bi-color Stamp, and is received back into the Store as a paper bearing a 'single Stamp,' from which the single Stamp Store takes its name.

The Machine Department, as its name implies, contains the machinery by which the Bi-color Stamp is impressed, and by which the check plates of Government Promissory Notes, Opium, Passes, Salt Receipts, &c., are printed.

The Counterstamp Department is at the General Treasury, where the single Stamp papers have the counterstamp affixed; on receiving which the paper becomes a 'double Stamp paper' and passes back to the Stamp Office into—

The Double Stamp Store, where it is taken into stock and from which it is issued on indent to the different Collectorates throughout the country on indent.

The sizes of paper used are four—Nos. 1 and 2 when passed through the bi-color can be impressed with two stamps or be made into Stamp papers at each revolution of the Machine; Nos. 3 and 4 give three papers to each sheet, or one sheet can be made into three Stamp papers at each revolution.

It must, therefore, be borne in mind that the same number of revolutions of the machinery will give an outturn of ⅓rd more Stamp paper when Nos. 3 and 4 are use than when Nos. 1 and 2 are stamped. The detailed process of the manufacture is as follows:—A certain quantity of blank water-marked paper is opened from time to time, according to circumstances, such as the Mofussil demand for papers, or any run upon any particular value of Stamp paper. According to these contingencies is regulated the amount of paper to be given over for printing to the Machine Department.

On arrival in the Machine room it is "wetted" for next day's use, and remains "wet" till next morning, when it is passed through the machine, and after being printed it is put into the drying room to dry. After being dried (a process which takes from one day in the hot whether to a fortnight in the rains) it is passed into the counting room where each sheet is cut in two or three Stamps, according to the size of paper used. It is then counted and stored in the single Stamp Store. From this a daily supply, regulated according to circumstances, is sent with a letter of advice or Chellan to the General Treasury. It is counted on receipt, passed through the Counterstamp Presses, recounted and sent back to the Stamp Office, where it remains in the custody of the General Treasury Sircars till next morning, when it is counted by the Stamp Office Sircars and is taken into stock in the Double Stamp Store, and a receipt given to the Sub-Treasurer if the number returned agrees with the letter of advice number of the single Stamp Store.

As far as security to the Government Revenue from forgery or fraud is concerned, I believe the above plan to afford as effectual a check as could be devised.

It is well known that the safety to Government does not consist in the actual counterstamp impression itself, for that is given from a cold steel die, of which a counterfeit can easily be made; but in the check which is afforded by the repeated counting and inter-change of receipts between two independent Offices.

But independently of this there is primarily the greatest safe-guard in the 'Bi-color' Stamp, which of itself baffles forgery, in this country at any rate. Having this primary check against fraud, the question aries—Whether a simpler mode of manufacture could not be devised and carried out with safety to Government? I am of opinion that this is quite practicable, and will advert to it hereafter.

Whilst I am of opinion that the Stamp papers in use in this Presidency are sufficient for all purposes of security to Government Revenue, such is decidedly not the case with regard to those used in the Bombay Presidency, which are as bad as can be.

I am told that the same is the case with the Stamp papers current in Madras; but of these I have no personal knowledge, and therefore will not speak. When I was in Bombay in the month of October last, in the course of a visit I paid to the Mint, I was shown the counter-stamping process carried on. I was surprised to find the paper was of "Country manufacture" and the original Stamp and the counterstamp were "cold steel die impressions." I was more amazed, however, to learn that the Mint Authorities did not hold themselves in any way responsible for the correctness of the number of papers received for counterstamp or returned after impression of the counterstamp; but that as long as the Mint got a receipt from the Superintendent of Stamps for the number said to have been sent, there was an end of the responsibility of the Mint. It is very possible I may have misunderstood the Mint official who was my

informant, and therefore I do not wish to assert positively whether such is really the mode of procedure. But I do not think I misundersood him, and, moreover, there is no separate distinct Counterstamp Establishment entertained at the Mint at Bombay, as there is at the General Treasury at Calcutta.

However, if such a loose mode of procedure exists, what is there to prevent more papers being sent daily than are represented in the Stamp Superintendent's Chellan, and to have them all counterstamped but only the Chellan number returned? The paper being country manufactured might be obtained from outside and stamped in the Stamp Office before transmission to the Counterstamp Department in the Mint. The collusion of a portion of both Office Establishment would easily effect this.

The Government of India should, however, be protected in every practicable way against the possibility of fraud, and I see only two courses to pursue: Either to establish one of Bryan Donkin and Company's Bi-color Stamping Machines at each Presidency, or to centralize the manufacture of Stamps in Calcutta for all three Presidencies. In the former contingency Bombay would require an extra establishment of 320 Rupees as per margin, Madras 342 Rupees per mensem extra.

Bombay has 1 Tindal and 9 Lascars; 4 more would be required to complete 14, the number to each Machine in Calcutta.

Or 4 men at	... 5 =	20
Engineer		300
		320

Madras has 8 men and would require 6 more.

6 at 7 ..	=	42
Engineer ..	..	300
		342

The rates of wages for the workmen are the lowest given in each Stamp Office.

If, however, the centralization of the Stamp manufacture were determined, I could effect a small saving to Government on the cost of Establishment, not on the cost of present Establishment, but on what would be the extra cost if a Machine and Engineer were sent out to each Presidency.

The present demands of all these Presidencies I take to be as per margin; of Bengal, North-Western Provinces and Punjab I am certain. Had it not been that I had a long time at the early period of my superintendence during which the demand for Stamps was limited, and had I not foreseen, in a measure the demand that was about to be made and worked the *two* Machines extra time and had I not been aided by the re-issue of Stamps saved in the Mutinty after the impression of an extra distinguishing Stamp, the demand would never have been met by the two Machines at present in the Stamp Office; for the regular daily outturn of a Machine is 15,000 papers when Nos. 3 or 4 paper is used or 10,000 if Nos. 1 and 2; but the higher number may be taken, as very little large paper is printed. A year's outturn would be *271 × 30,000=81,30,000.

Bengal, N. W. Provinces and Punjab		90 Lakhs.
Pegu, say		5 ,,
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One year		365 days.
Sundays	52	
Native holidays... ...	38	
Good Friday	1	
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One Machine, however, was occupied 47 days in printing Government Promissory Notes, doing the work of the Loan Office; and, therefore, the work of one Machine for 47 days must be deducted, when the year's outturn would be 74,35,000, or leave a deficiency of 15½ lakhs of Stamp papers. A third

A fourth Machine would give us a surplus of 36,00,000, not a very large sum to have in stock to meet sudden demands.

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The present demands of all these Presidencies I take to be as per margin; of Bengal, North-Western Provinces and Punjab I am certain. Had it not been that I had a long time at the early period of my superintendence during which the demand for Stamps was limited, and had I not foreseen, in a measure the demand that was about to be made and worked the *two* Machines extra time and had I not been aided by the re-issue of Stamps saved in the Mutinty after the impression of an extra distinguishing Stamp, the demand would never have been met by the two Machines at present in the Stamp Office; for the regular daily outturn of a Machine is 15,000 papers when Nos. 3 or 4 paper is used or 10,000 if Nos. 1 and 2; but the higher number may be taken, as very little large paper is printed. A year's outturn would be *271 × 30,000=81,30,000.

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A fourth Machine would give us a surplus of 36,00,000, not a very large sum to have in stock to meet sudden demands.

mbay and Madras to be put in a proper position, ought also to have each a spare Machine as a stand bye if a separate Printing Establishment is to be entertained.

A fifth Machine would be necessary to have as a stand bye in case of accidents, for it would never do to commence the manufacture of Stamps for the whole of India without guarding against all possible contingencies arising from breaking down of Machinery, &c., I would, therefore, urge that, instead of giving Bombay and Madras a separate Machine Establishment, the two Machines which would be required for them should be transferred to Calcutta.

The Steam Engine which is ordered out from England could as easily work five Machines as three, and the five would only require one Superintendent instead of three—one at each Presidency.

Supposing the centralization of the manufacture to be allowed, a thorough re-organization of the Stamp Office Establishment would be required in consequence of the increased responsibility; and the opportunity might be taken of simplifying the round-about way of manufacture which at present obtains.

With the precautions which I shall detail below, I thing the counterstamp might be abolished.

I would retain the Single Stamp Store, in which, as now, the original cases of blank watermarked paper should be opened; and each ream of paper counted, and even reams of 480 sheets only passed into the Machine Room. I would urge the counting because the excise duty on paper is paid in England by weight; and if the paper does not exceed the weight for a ream, no account is taken as to whether it contains 475, or 485, or 480 sheets.

The Single Stamp Store Head Sircar should be responsible for the correctness of each ream sent into the Machine Room.

The Engineer would keep every spoiled sheet of each day in his own possession, and when the good sheets were dried the Single Stamp Store Sircar would count them, and their number plus the soiled sheets in the Engineer's custody would give the number sent in for printing the day before.

Thus the account could be kept between the Engineer and the Single Stamp Store and daily adjusted. But in order to ensure the drying of the papars in 24 hours, steam or hot water pipes should be laid round the Drying Room. I lay great stress on the necessity of this if only for the desirability of adjusting the printing outturn daily.

The Single Stamp Store Sircar would in his turn make over those very sheets to the Tehvildar who would first grant a receipt of so many whole sheets of stamped paper said to contain so many sheets of Stamps. These whole sheets would be cut into proper sheets in the Double Stamp Store and counted as "Stamps;" on the number agreeing with that said to be in the rough receipts, a receipt in full should be given by the Tehvildar, which receipt the single Stamp Sircar should bring daily to the Superintendent to be attested by him.

The papers should be put up in parcels of 500, value by value, and the Tehvildar should be responsible that the correct number is in each parcel. The whole number of parcels should be locked up every afternoon under joint lock and key of the Superintendent and the Tehvildar in the same way as treasure is locked up by the Sub-Treasurer.

It may be urged that the abolition of the counterstamp renders the negotiation of the Stamp paper easier. I do not see how it would be easier than in the case of Postage Stamps, which bear in themselves a direct money value. Again, the Native character is never likely to be raised if a perpetual suspicion is allowed to exist of one's Native subordinates. A sufficient but not excessive security with liberal salaries and proper supervision are all that is necessary

If any change is to be made, now is the time. Machinery is being made at home, the moulds of which would do for the extra machinery required for the Centralization of the Stamp manufacture, and the three machines could be ready nearly as soon as the one, whilst the shafting for the whole five could be got ready at the same time.

The only other question which now strikes me is, whether there shall be distribution of Stamps at Madras and Bombay, or shall the Stamps for all stations in India be passed here in Calcutta? I am in favor of the latter course. The responsibility would lie direct between Calcutta and each subordinate Office.

The Stamps for each Madras or Bombay District could be packed in separate cases addressed to their destination. A given number, according to circumstances, should be packed in a large case and despatched to the Government Landing Officer at Madras and Bombay, who would land and open the case, compare the contents with the letter of advice, and despatch the small cases to their destination—his responsibility ceasing on obtaining and forwarding to the Superintendent in Calcutta the receipt of the Dâk Banghy, Railway, or other Authorities of mode of conveyance adopted.

I send Stamps to Mooltan and Peshawur and to the Raichore Doab *viâ* Bombay—why not to all India?

But to carry this scheme out properly, the Stamp Office should be separated from the Stationery Department; and the Officer in charge of the Stamps should become an authority on Stamp Law, as well as perform the ordinary duties of Superintendent, and be paid accordingly.

ORDER THEREON, 10th June 1862, No. 1,279.

No. 145. Referred to the Board of Revenue for early report.

(Signed) P. P. HUTCHINS,
Acting Deputy Secretary to Government.

REPORT

ON THE

SYSTEM PURSUED FOR THE ADMINISTRATION

OF THE

STAMP REVENUE OF THE UNITED KINGDOM.

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1. The administration of the Stamp Revenue of the United Kingdom is vested in Her Majesty's Commissioners of Inland Revenue, acting together as "The Board of Inland Revenue." The Commissioners are six in number,—four ordinary members, with a Chairman and Deputy Chairman. The attendance of three members constitutes a Board. They also act as Commissioners of Taxes and Excise. The Board is the final authority in all questions of enforcement of penalties for infractions of the Stamp laws and evasion of the duties. The correspondence of the Board is carried on by two joint secretaries, one of whom takes the correspondence of the Stamp Office, with that of the Taxes Department.

2. The following are the several offices under the Board of Inland Revenue for the manufacture and sale of stamps, and the collection of the stamp duties:—

1. The Chief Office, Somerset House, London, E.C.
2. The Sea Policy Office, Gresham House, London, E.C.
3. The District Stamp Office, Manchester.
4. The Scotch Office, in Edinburgh.
5. The Irish Office, in Dublin.

In addition to the above there are two channels through which the sale of stamps is effected:—

The Country Distributors and Sub-Distributors throughout the United Kingdom.

The Licensed Vendors of Stamps.

The Chief Office at Somerset House.

3. This is not, as might be supposed by the term, *one* large office, but rather a collection of separate offices, which, whilst all acting in concert and working together, are in reality independent of, and serve as a check upon, each other. In other words, the heads of these several offices are answerable, not to any individual superior authority, but solely to the Commissioners of Inland Revenue, as the Board of Inland Revenue, to whom they are directly responsible and subordinate. These several offices are eight (8) in number:—

1. The Receiver General's Office, at which all the duties are payable.
2. The Chief Accountant and Comptroller's Office, in which the Receiver General's receipts are checked and debited to that officer, and his accounts audited. The branch of the office in which this business is carried on is called the Warrant Office.
3. The Stamping Office, in which the stamps are actually impressed, &c.
4. The Registrar of Warrants' Office, where not only the cash receipts, but the number of stamps impressed are checked.
5. The Solicitor's Office, where the duty on all executed instruments is ascertained and fixed before impressment of the stamp.
6. The Allowance Office, where the allowance for spoilt stamps is granted.
7. The Licence and Sale Office: in other words, where the forms of every kind of licence, probate, and administration certificates, &c., and every kind of bill and adhesive stamps, are kept on sale.
8. The Warehouse Keeper's Office, in which is kept the stock of blank paper, parchment, skins, and the bulk stock of adhesive stamps, and from which the country distributors are supplied.

4. Leaving each of these offices for separate notice hereafter, I will now proceed to describe the working of the Stamp Office, in so far as the public is concerned, and the routine obliged to be observed when putting in their own materials for the purpose of being stamped.

The work of the Stamp Office is classified under two heads, "Town Work," and "Country Work."

5. Town work means, strictly speaking, all the transactions of the Office with the public direct, on cash payments made into the Receiver General's hands. Town work is of three kinds:—

The stamping of "unwritten" goods.
The stamping of "written" goods.
The sale of adhesive stamps, &c. at the Sale Office.

6. The stamping of "unwritten goods." By the term "goods" is meant every kind of blank paper, parchment, skins, cheque forms, &c., sent in by the public to be impressed with stamps. Under this head are also included all kinds of lithographed and printed forms, if not executed. These are called, in the parlance of the office, "discount goods," because, in order to induce parties to keep up a stock of such, discount is allowed at the rates of 1½ per cent. and 10*d.* in the pound, when the proper amount of stamps is taken. For instance, on all receipts and bills, whenever the *duty* amounts to *one shilling* and *under*, and when not less than two pounds' worth is taken, a discount is allowed of 10*d.* in the pound, and also on every pound in excess of 2*l.* Dock warrants are an exception, as they are held to be legal documents, and no discount is allowed on them at a higher rate than 1½ per cent. When the *duty* exceeds one shilling, and does not amount to 10*l.*, the allowance comes under the "small" law, as it is called, and is restricted to 1½ per cent., and that, too, only in cases where purchases are made in sums of not less than 30*l.* To come under the above rules for discount, the goods must be plain or unwritten.

7. An applicant for the stamping of such goods observes the following mode of procedure. He goes into the Cash Receipt Room of the Receiver General's Office. The rooms are all numbered, so that a person who has once transacted business in the proper room can easily find his way again. Here he will find, hanging up in separate bundles, every variety of form of warrant used in the office for the payment of duty. Selecting the one which is headed with the name of the duty he wishes to pay in (for instance, if about to tender probate duty, he will take down a form headed "Probate and Administration"), he will himself fill up the form, writing legibly, at the top of it, the date of the month and year, his *surname*, and address. Should the name be a common one, however, the addition of the Christian name should be made, to facilitate identification. He should next insert in words the number of stamps of each particular amount required, on the line on which the corresponding duty is printed, and state in figures the total amount of duty he is about to pay in.

8. This done, he hands in the warrant over the counter to one of the receiving clerks, who examines the reckonings on the warrant, and receives the duty money. It is also his business to see that the number of stamps is inserted in the proper place: thus, if five stamps of 3*d.* each are required, the word "five" should be on the line on which the figure 3*d.* is printed, and not on any other line. The duty paid, the clerk signs the warrant, and states on it the amount received. He also enters the name of the party paying, and the amount paid, in his cash book. The warrant is then passed through a door in the wall down a shoot to the Warrant Office. Here, for a time, the applicant loses sight of his warrant, and proceeds himself to the delivering-in room, to wait there with his goods till its arrival, until which he must retain possession of his goods, and cannot hand them in to be stamped.

9. Meanwhile the warrant is in the hands of the Comptroller's clerks, of whom there are three constantly attending to the incoming warrants. Their duty is to comptrol and enter the warrants as they come in, and to give them a current number. For this purpose they have each a book. The one takes the numbers 1 to 200, the second 201 to 500, the third 501 upwards. The first book is devoted to "discount," the second and third to "non-discount" warrants. The numbers

given to the latter cannot, therefore, be consecutive, owing to the constant and regular influx of work; for if the work were detained till the second clerk had exhausted his numbers, the object sought to be obtained by the division of labour would be frustrated, and the work brought to a dead lock. Thus, if 50 non-discount warrants were sent into the Warrant Office at once, each clerk would number half, the one from 201 to 225, the other 501 to 525. The proportion of non-discount to discount warrants is nearly as two to one. Besides entering these warrants in the books, and writing on them the numbers standing against them, the Comptroller's clerks enter the amount received by the Receiver General's clerks, and check their receipts.

10. Whilst this is being done, which takes a much shorter while to carry out than to describe, the applicant is waiting for the arrival of his warrant in the delivering-in, or receiving room. Suddenly he sees a small door open, and a bundle of warrants slide down a shoot to the table, at which one of the stampers is sitting ready to receive them. Unfolding these warrants one by one, he proceeds to call out the name on each (laying aside those to the names on which there is no response, to be again called over from time to time during the day). On the applicant answering to his name, the goods are demanded, which are then placed with the warrant to which they belong, and are both passed into the stamping room. The owner of the goods is told to come again in two or three hours, or next day, if it is a heavy job, to the "delivering-out room." Thereupon he takes his departure, and we again lose sight of him for a while.

11. The goods are now in the stamping room. Before being put forward for stamping, they are subjected to a process called "telling in," that is, they are compared with the warrants by one of the men called "tellers in," whose duty it is to see that the warrant is properly signed, the Comptroller's number and date duly affixed, and, in cases of endorsement, to see that the proper duty is affixed to the original deed, when, if all is in order, the number of goods put in corresponds with the number stated in the warrant, the *number of the warrant* is pencil-marked on the goods. The warrants are then made over to the Superintendents of Tables, who give out the work to the pressmen, except in the case of warrants covering drafts, in which case the drafts bear the original number of the Comptroller, without which they would not easily be identified. These are entered in a book kept by a teller-in, and have a current number of the Stamping Office attached to them and the goods. This current number ranges from 1 to 1,000, on reaching which the entries are closed, and the numeration starts again from 1. The draft warrant is then passed to the Superintendent of Tables, who enters it in his register, and gives out the goods to the machine-men to impress with the proper stamp. All parchments and skins have what is is called an escutcheon put on, on which the stamp is impressed. Hence these kinds of goods undergo an extra process, which is also done by machinery. The escutcheon is nothing more than a piece of blue paper gummed on to the skin, and further secured by a thin strip of lead, the ends of which are passed through the blue paper and skin, and turned down on the reverse side, after which the ends are secured by a label being pasted over them.

12. After the stamps have been impressed, the Superintendent of Tables receives the goods, and identifies them by the number attached to them and the warrant. He then passes them on through a shoot to the telling-out room. This room is under the Superintendent of Warrants, though the actual "tellers out" are under, and borne on the establishment of the Supervisor of Stamps, an arrangement which does not appear to me to be a very satisfactory one, though I am told that practically it is found to work well enough. The *goods* are received into the telling-out room by the person appointed to distribute them to the tellers out; the warrants go to the check clerks. The goods are then distributed to the "tellers out," by whom they are carefully examined, and all imperfect or damaged impressions are finally detected and rejected. Imperfections in stamping may arise either from the date marks or other portion of the dies not showing themselves, or from two or more impressions being struck at one blow. These latter are called by the stampers "Blind Harpers," from a stamper of that name, who, in consequence of his imperfect sight, was constantly in the habit of striking more than one stamp at a time, by allowing two leaves to go under the press together. Blind Harpers are detected by the absence of the glazing (owing to the paper not

having come in contact with the die) which is always present on stamps struck one at a time. Not only are the stamps examined here, but told. The telling out consists in counting the number of each denomination of stamp impressed under the respective warrants. The teller prepares a docket, in which he enters the result of his examination, without any reference to the warrant, which in fact he has never seen, and has nothing to do with. The parcel of stamps is then carefully tied up, and handed with the docket to the clerk, who then compares the docket with the warrant belonging to the goods. If found to agree, he at once files the docket, writes on the parcel the name of the owner, and the amount of duty impressed. On the warrant itself is written the time of the day the same was delivered out. The clerk then passes the parcel through a shoot into the waiting or delivering-out room.

13. Here, in due course of time, according to their own convenience, the owners of goods are found in waiting. The stamper in charge of the room, having received the parcel, calls out the name written on it; on receiving an answer, he demands what was the amount of duty paid on the goods. If the reply agrees with the amount marked on the goods, the parcel is at once handed over to the person in waiting. The requiring the party who answers to the name called out to state the amount of duty paid is the only security that the party so answering is the person entitled to receive the goods which have been stamped. With all the checks in operation against each separate office, there is, it appears to me, a manifest failure of check as regards the public, which I will at once proceed to notice.

14. The owner of the goods having parted with his warrant (which is his voucher for having paid the stamp duty) in the Receiver General's room, and with his goods in the "delivering-in" room, what security has the Stamp Office that the goods will thereafter be claimed by the right person? None whatever, save as stated in the preceding paragraph, the reply from the claimant giving the correct amount of duty paid. The delivering-in room, it must be stated, is open to any one and every one. A fraudulently disposed person has only to wait about (as if in expectation of the arrival of his warrant), hear another person state his name and the amount of duty when delivering in his goods, learn the time when the goods will probably be ready (for most parties ask this question, in order to guide their return to the delivering-out room), and so, having got his information, take his departure. A short while before the time mentioned to the owner of the goods, and before his arrival in the delivering-out room, to proceed there, ask if a warrant in the right name has been worked, if it has, the correct answer as to the amount of duty paid will ensure him the delivery of the goods, and enable him to get clear away with them. I believe no instance of such a fraud having been attempted has ever occurred. It might occur, however, and I imagine that the absence of any such attempt is owing to the fact of a police officer being regularly on duty at the entrance of the passage leading to the delivering-out room, whose constant presence creates an impression of much greater risk of detection attending an attempt of this kind than would be experienced by a clever hand. For, of course, any one intent on such a fraud would make himself master of the personal appearance of the individual he was about to defraud, and would not put himself forward on arrival in the delivering-out room till assured, by looking round the room, of the absence of his intended victim.

15. The check on the perpetration of any such fraud appears to me to be very simple, viz., to have at the foot of each warrant, and divided from it by a line of perforation (similar to that used for separating postage stamps), a counterfoil, on which should be printed two lines, with the words, "Name," and "Amount," printed thus,—

Name _____

Amount _____

After examining the warrant, the Receiver General's clerk should enter the name of the party paying the duty and the amount, and attest it by his initials, in the same way the warrant is certified. The counterfoil should then be torn off the warrant, and given back to the person who paid the duty. This would ensure the delivery of the goods to the rightful owner, if the practice of the delivering-out room were to be to refuse delivery in cases in which the counterfoil of the warrant was not forthcoming. The extra trouble would be comparatively trifling,

whilst the security would be complete. It may be asked why the person paying in the duty should not himself enter his name and the amount on the counterfoil, as on the warrant, leaving the clerk to attest the correctness of the entries by his initials. To this I would reply, that in the great majority of cases the owners of the goods do their business through clerks or errand boys,—rarely in person. In such cases, it would assuredly be more satisfactory to the owners that the receipts brought them by their servants should be those made out and given by the office. A clerk might possibly, in a press of work, overlook a discrepancy between the amount in the warrant and that on the counterfoil, when both filled up by the party himself, which oversight would not be so likely to occur, if the clerk himself filled up the counterfoil himself from the warrant.

16. I have now, in the second place, to describe the manner in which written goods are dealt with. The term written must here be received in its literal sense, for, though I have said above that lithographed and printed forms, when unexecuted, are treated precisely as if they were "unwritten" goods, yet the insertion of a single letter or figure in *writing* will remove them from the list of unwritten to that of written goods, so strictly is the sense of the word limited by the practice and rule of the Stamp Office. "Written" goods may be of two kinds, executed and unexecuted instruments. Unexecuted instruments go through precisely the same process as regards payment of duty, impressment of stamp, &c., as is observed with "unwritten" goods, except that no discount is allowed. *Executed* instruments, however, have to be submitted first to the Solicitor's Office, where they are examined as to whether they have been presented for the purpose of being stamped within the period allowed by law. If so, the Solicitor marks on them the duty to be paid, after which it is passed through the office in the usual course. If the period prescribed by law has been exceeded before the stamp duty is tendered, and the impressment of the stamp asked for, a penalty is incurred. The penalty is an uniform one of 10*l.*, however high or low the duty may be. In addition to the penalty, interest is levied on the duty which has been evaded. The Solicitor marks on the instrument the duty and penalty which has been incurred. The owner of the instrument then fills up a penalty warrant with these particulars, except that, when stamped, besides the impressment of the "duty" stamp, it is also impressed with the penalty die with the words "penalty paid." The Board is not responsible for any documents lost in the office—this is specially provided for by Act of Parliament. It is presumed that the documents are "after" stamped for convenience sake, instead of being prepared on ready stamped goods.

The third kind of town work is the sale of adhesive stamps and licence forms. Every description of these stamps, Postage, Chancery, Bankruptcy, together with every form of licence, is sold at the "Licence and Sale Office." Here, for the convenience of the public, are located clerks from the Receiver General's and Chief Accountant's Office; so that a person requiring adhesive stamps and licence forms has not to go to the Receiver General's Office to pay in his duty, and wait for his warrant to be passed through the Warrant Office, but can go straight to the Licence Office, pay the duty to the receiving clerk, have the warrant comptrolled, and receive the stamped goods he requires over the counter from the Licence Office clerk.

Under the above three sub-divisions, as above described, *i. e.*, unwritten and written goods, and sale of adhesive stamps and licence forms, is embraced the whole of the town work.

17. "Country work," so called, is the business transacted with the country distributors throughout England and Wales. Every country distributor, when his whole stock or any particular portion of it runs short, fills up a requisition on a form supplied by the Warehouse Keeper from Somerset House, for the different values of stamps he is in need of, and the number required of each. This requisition he signs, and sends to the Warehouse Keeper, Somerset House. On receipt of the requisition, the Warehouse Keeper makes out a warrant in accordance with it, and, at the same time, a corresponding invoice. Should it appear that the distributor is asking for an unusually large or unnecessary quantity, the warrant is altered, modified, or reduced. The warrant is then sent up to the Warrant Office, when the Comptroller raises a charge in his books against the distributor; he then certifies to this by affixing his initials to the warrant, and returns it to the Warehouse Keeper. The Warehouse Keeper then selects the

different kinds of goods required, and sends them into the Stamping Office direct, where they are told in and dealt with as in the case of goods received from the public, till they reach the telling-out room, from whence, when examined and recounted, they are delivered back direct to the warehouse, and from thence they are despatched, when packed, as per invoice, to their destination. Sub-distributors are supplied by the distributors, and have no communication direct with the Head Office for goods. The Marine Policy Office, at Gresham House, is supplied in the same manner as the country distributors, and hence its requisitions are classed under the head of "Country Work."

18. I will now turn to a review of the several offices making up the Stamp Office, as it is called, in the order in which I have enumerated them in paragraph 3.

The Receiver General's Office.

At this office all duties whatsoever are payable. There are nine clerks from the Receiver General's Office who are employed in the receipt of the Stamp and Licence duties—seven in the Receiving Room and two in the Licence Office. Each clerk begins the day with an empty till, so that those of the public who come early in the day must pay in the exact amount of duty for which they require stamps on their goods. As the day progresses and money comes in, the clerks become in a position to give change and do so. Each clerk keeps a day book, in which he enters the name of the party paying in the duty, and puts down the duty under its proper head, such as whether it is for discount, non-discount, or newspaper duty. He has also a memorandum book in which he enters all bank notes and cheques, putting against them the name and address of the party paying them in, thus keeping a record to trace how the payment of notes and cheques has been made.

The receipt of money ceases at 3 P.M., to enable each clerk to make up a separate total of his receipts. These, when prepared, are all made over to the junior clerk, who from them prepares an abstract of the day's receipts. At the end of the day, two clerks from the Bank of England attend at the office, and receive from the clerks their receipts for the day. The one Bank clerk receives the cash with a memorandum on which is the clerk's name, thus—

Jones—Gold	-	-	-
Silver	-	-	-
Copper	-	-	-
Total	-	£	

The other Bank clerk receives the bank notes (then and there cancelling them) and all the paper money. The Bank clerks go to the chief clerk, and agree receipts with him thus—

Brown—Cash	-	-	-
Notes	-	-	-
Jones—Cash	-	-	-
Notes	-	-	-
Robinson—Cash	-	-	-
Notes	-	-	-
Total	-	£	

They only go into particulars in case of any disagreement. If the Bank clerks and chief clerk agree all is correct. In case of disagreement the discrepancy must be reconciled. Besides the clerks who receive money direct from the public, there is one whose sole duty it is to take charge of the bills from the country distributors. The Receiver General's clerks keep the following books:—

Day Book—Cash Payments.
Day Memo.—Notes, &c. (in which office payments are also entered).
Day Balance Sheet—Abstract Day Balance.
Weekly Balance and Quarterly Balance.

The following books are always kept in the office:—

Stamps—Postage.
Chancery—Bankruptcy.
Admiralty—Customs.
Summary of Daily Cash.
Cash Account—Bank.
Rough Daily Balance.

No odd money is payable from the bank account to credit of the Exchequer, but only even sums of 1,000*l.* and upwards. In the event of any error being discovered when the warrants are dissected by the Registrar of Warrants, the clerk who received the money on account of the warrant in which the error is detected, has to make good whatever the deficiency may be. The deficiency is afterwards recovered from the person who paid in the warrant, as his name and address are on the warrant.

The Comptroller's (or Warrant) Office.

19. The portion of this office in connexion with the Receiver General's Office, as regards the collection of Stamp and Licence duties, is called the Warrant Office. The business of this office consists in comptrolling and checking the warrants of the public and the receipts of the Receiver General. The staff connected with the Stamp Office is composed of four clerks and one superintendent, two of the clerks being on detached duty in the Licence and Sale Office. The warrants, immediately on arrival from the Receiver General's Office, are divided between these three clerks, the one taking all the discount warrants, the other two the non-discount. These two latter divide the non-discount warrants between them thus. There are seven clerks in the Receiver General's room. One of these two warrant clerks takes all the non-discount warrants signed by three of the seven, and the second takes those signed by the other four. The work consequently falls very unevenly occasionally. Every warrant is carefully examined in every detail, the castings and all the calculations of value are checked. The current number is then affixed and the warrant entered in the Register Book (the clerk's Daily Cash Book), with the number of the receiving clerk opposite, which enables the Comptroller to check the Receiver's Cash Book. The warrant being then signed by the entry clerk, has the date stamped on it, and is passed down to the waiting room for the delivery of goods.

The Warrant Office in connexion with the Receiver General's Office keeps four Check Cash Books, three above mentioned, and one for newspaper warrants. From these are prepared three abstracts—

1. One which is filed in the office.
2. One which is sent down to the Registrar of Warrants.
3. One which is sent in by the clerks from the Licence and Sale Office.

After the registry of each warrant a charge is raised against the Receiver General for all the amounts as paid in to him, by debiting him in the Comptroller's books with the amount of each warrant.

The Stamping Office.

20. In treating of this office, it will be as well to take the different branches of it separately. I will, therefore, turn, in the first instance, to the "Stamping Room," in which the greater part of the business for the public is done. The goods to be stamped are received from the delivering-in room with the warrants which cover them, and pass at once on to the "tellers-in" table. Here they are taken, one by one, by one of the tellers in, and are carefully examined to see that the number of the goods is correct, and, on unexecuted goods, he marks the value of the stamp from the warrant, and then passes on the warrant with the goods to be stamped. No warrant is passed on for working unless the goods and it agree. If a deficiency of goods is detected, the warrant is stopped until the deficiency is made up by the owner. Immediately on the detection of a deficiency, a docket is made up stating particulars of the deficiency, and this docket is put up in the delivering-out room on a board, which is lettered from A to Z, under the initial letter of the name of the owner as given on the warrant. Surplus goods,

the number of goods of each duty. There is nothing for it but to count the goods, and examine what stamps are on them. The result of this investigation is entered on a docket, which, being signed by the teller, is put up with the goods, and sent to the clerk who has had custody of the warrant ever since it left the stamping room. The clerk compares the warrant and the docket, and on finding any discrepancy between the two, he stops the goods, returns them and the docket to the "tellers out" to re-examine. If the discrepancy still exist (he has no authority to cause the mistake to be rectified, not even by sending it back for the impression of the correct stamp), his duty is to pull a bell, which rings in the Registrar's room. The Registrar proceeds to the telling-out room, ascertains what is the mistake, takes the document and warrant to the stamping room, and after the error is rectified, either by blocking out the surplus or wrong stamp, and impressing the right one in lieu, he returns to the telling-out room, with the warrant and goods made to agree.

The check on the Comptroller's Office and the receipts of the Receiver General's Office is effected thus:—The register of all warrants passed daily through these two offices, as well as of the town allowances, is kept in this office, and here is adopted a system of check upon these offices, in respect of the amount of duty paid daily for stamps, which is in itself very simple, but very sure. It is impossible for them to receive either too much or too little duty without detection, which must of course be very satisfactory to the office as well as to the public. If too little has been received, the Receiver's clerk is held liable for the deficiency; if too much duty has been taken, there is no refund, but the difference is made up to the party in stamps.

On the morning after the day on which the warrants have been worked and registered, they are handed over by the register clerks to the clerks of account, who proceed to assort them according to their designations,—deeds, bills of exchange, drafts, inland and foreign, &c. This done, they first add up the totals of each kind, and when they whole are cast, they compare such addition with the previous day's receipts (this being furnished by the Comptroller). If found to agree, the result is satisfactory. They next proceed to classify the duties under separate heads, and calculate each rate of duty. Should these, when cast up, realize the amount of the previous totals, the conclusion is that all are correct, for money has been turned into stamps, and stamps into money. If, on the other hand, a difference should appear, the whole of the warrants are recomptrolled by them, the result of which is, generally, the discovery of some error of the following kind,—either too little or too much duty has been paid in, or a mistake has occurred in carrying the wrong total of one warrant into another.

The next step is to enter these classified calculations into daily, weekly, monthly, quarterly, and annual books; so that, at the expiration of each of these periods, can be immediately ascertained the number of stamps impressed, the amount paid under each particular head of duty, and hence an increase or decrease of the several duties can be readily known. The warrants, when worked out, are put by day by day, and, at the expiration of the month, are tied up in a monthly bundle. These monthly bundles, at the end of a year, are put up together. Only three years' warrants are kept at any one time, so that, immediately at the expiration of 1861, the warrants of the year 1858 will be destroyed, and those of 1861 put up in their place, and so on.

All the goods not delivered out in the day, and those not told out, are brought into the Registrar of Warrants' Office, and put into a safe till the next morning.

The errors detected in a year by this office are more than sufficient in value to cover the salaries of the establishment, which consists of the Registrar, one head clerk, three other clerks, two supernumeraries at a shilling an hour, and eleven tellers out (these latter are borne on the Stamping Office list). I have before adverted to the unsatisfactory arrangement which obtains with regard to the tellers out. These men, and the telling-out room in which they work, are superintended by the junior clerks of the Registrar of Warrants' Office, but the men themselves are a portion of the establishment of the Supervisor of Stamps. That is, they are employed in checking the work of the very establishment to which they themselves belong. The Registrar of Warrants is responsible for the manner in which the telling out is carried on, and the tellers out ought, therefore, to be a part of his establishment, and directly subordinate to him. The inexpediency of the present arrangement becomes more apparent when it is known that, in the event of a press of work in the stamping room, calling for the

employment of an extra hand or two, the Supervisor of Stamps is able to, and does on such occasions, withdraw men from the telling-out room to meet the emergency. The men so withdrawn may be employed in "telling in" as well as at the screw fly presses, and may then return to tell out the same goods which they have already told in. As I have said before, this arrangement is said to work well enough in practice here, but I am confident it would not work at all in India.

The Solicitor's Office.

25. To this office all executed deeds and documents on which the stamp duty has not been paid must be submitted before they can be passed for the impressment of a stamp. The owner or holder of such instrument presents it to the Solicitor's clerk, who examines it first as to the date on which it has been executed, and if it has been presented within the period prescribed by law (two months for law stamps, and fourteen days for agreements), the amount of duty required to cover the value of the transaction in the document is pencil-marked on it by the clerk; the document is then returned to the owner, who proceeds to make out a warrant, and pay in his duty, &c. in the usual manner. The amount of duty stated in the warrant must agree with the duty marked on the goods, otherwise the warrant will be stopped in course of execution in the stamping room. The amount of duty to be marked for impressment is also regulated by the number of words and folios (72 words to a folio). Without this information being given at the time the document is presented to the Solicitor's clerks, they cannot mark them for stamping.

In the case of documents which are presented after the prescribed period, they become subject to a penalty and interest on the stamp duty (which has been evaded) from date of execution of the document. Parties presenting documents after the prescribed period, and being desirous of having them stamped without duty, must memorialize the Board, and at the same time submit, together with their memorial, a statutory declaration duly stamped, verifying the document required to be stamped. After twelve months the Board has no power to mitigate or remit the penalty, and no document can be stamped without the full penalty being paid down.

In this office, also, the proceedings for the recovery of penalties for infraction of the stamp laws and evasion of the duties are instituted and carried through. The usual mode of procedure is to write to inquire of the party against whom information has been lodged what he can say in explanation of the charge made against him. Process is issued for the recovery of the duty and penalty—a refund of a part or whole of the latter is discretionary with the Board under certain limits, *i. e.*, not more than one half the penalty can be remitted. The explanation is submitted for the orders of the Board. On their intimating to the Solicitor that no proceedings are to be taken, or that a mitigated penalty has been enforced, a letter is addressed to the offender, informing him of the result of the Board's decision, and he is required to pay up the duty and penalty called for by them. In the event of non-payment, the offender is proceeded against for the recovery of the full duty and penalty. Parties are constantly in the habit of bringing unexecuted documents to the Solicitor's Office for the purpose of ascertaining the proper amount of stamp to be impressed. These are all treated as plain paper, for it is primarily the business of the parties themselves to put on what stamp they like. If the Solicitor's opinion is asked in any particular instance, it is given verbally, to facilitate the business of the office, but the doing so is not an official act. The general press of business does not allow of any close attention to such questions.

With executed documents, even the Board is not responsible for any omission or error of the Solicitor in marking an insufficient stamp, nor for any loss accruing to the owner through such mistakes of the Solicitor. When it is in the power of the Board, the difference of stamp is impressed, as a matter of course, on the party paying in the difference of duty.

The Allowance and Cancel Office.

26. To this office, as its name implies, are made all applications for the allowance of fresh stamps, in lieu of those which may have become unserviceable; and in this office all such unserviceable stamps are cancelled before the issue of fresh ones in lieu. Persons having in their possession unserviceable stamps, of any

kind whatever, must, if they wish to obtain others, produce and deliver the spoiled stamps at this office on one of the days set apart for receiving them. With the stamps must be submitted an affidavit setting forth the facts—such as, that they have not been wilfully destroyed, with the intention of defrauding the Revenue in any way, but that they have become unserviceable through accidental causes. If the facts of the case appear satisfactory to the office, the stamps are cancelled, and the authority of the Board, in the person of one of the Commissioners sitting for the purpose, is issued to the supervisor at foot of the affidavit, to impress other stamps in lieu, provided that they are claimed within one calendar month from the date of affidavit. Simultaneously with the issue of the orders to the supervisor, a ticket having a corresponding number is delivered to the owner, who must present this ticket with the goods. They are then impressed and delivered out in the regular routine.

Unexecuted instruments are treated in like manner. Executed instruments are differently dealt with, inasmuch as no allowance whatever is granted unless a counterpart thereof is produced.

All the stamps, when cancelled, are sent down to the Supervisor of Stamps to be burnt in the destruction room. Executed and unexecuted instruments (if parchment or skins) are effectually defaced and returned to the owners.

The Licence and Sale Office.

27. In this office is sold every kind of licence stamp, postage and other adhesive labels, probate and administration certificates, and other forms required by law. For the convenience of the public, the Receiver General and Comptroller locate two of their clerks in this room. The different forms of warrant applying to the different descriptions of stamp are put up here as in the Receiver General's room, and must be filled up in like manner, and on the warrants passing the Receiver's and Comptroller's clerk, they are taken to that part of the counter where sits the clerk in charge of the register books of that particular description of stamp required. On the warrant being entered in this book, it is passed to the clerk in charge of the delivering out, and the delivery from the stock is made by him to the party answering to the name on the warrant. There is a separate book kept for each description of duty. By this means, as in the case of plate dealers, pawnbrokers, &c., it is easy to see by inspection of the books who are the parties, if any, who have failed to take out their licences. The office is under a Registrar, with one head clerk, three first and three second class clerks, two juniors, and four copyists.

The Registrar draws for his stock on the Warehouse Keeper, and the Warehouse Keeper makes out a warrant and invoice. The warrant is sent to the Comptroller, who raises a charge against the Licence Office by an entry to its debit. The Warehouse Keeper, on the return of the warrant attested by the Comptroller, sends out the goods with the invoice to the Registrar, on receipt of whose receipt for the goods, the warehouse is credited with the amount delivered out. The stock is taken daily by the Registrar. This is effected by not breaking bulk of the stamps more than can be helped, thus rendering the task of counting easy. The Registrar's stock is taken periodically by one of the inspectors.

The Warehouse.

28. In the warehouse are kept the bulk stock of all the different descriptions of adhesive labels, stock of blank paper, parchment, skins, &c., from which the distributors, Licence Office, and Sea Policy Office are supplied. The stock of forms used in the Stamp Office is also kept here. The mode of indent has already been described, under the head of "Country Work," and it is useless to repeat it here.

The stock of adhesive stamps is generally kept at the rate of three weeks' consumption of the lower values, and a quarter's expenditure of the higher duties. Whilst, of the *large* values, it is considered better that there should be a heavy stock in the warehouse, than that the plates should be frequently used at the printing presses of the contractors.

When the Warehouse Keeper requires stamps of any particular value, he makes out a warrant for the quantity. The Comptroller debits him at once with the money value, crediting him for the paper. The warrant is then sent to the contractors, who send a person to receive the paper, which is counted out to,

and counted by the person so authorized. He then puts the contractors' seal on the paper, and it is sent to their office to be printed. The stamps, when printed, are sent to the perforating room, in bundles of 500 sheets; the perforating room gives a docket receipt for each bundle to the Warehouse Keeper, who gives receipts thereupon to the contractors. The number on the docket receipt is put on the bundle to which it refers, and when the sheets composing that bundle are delivered perforated to the warehouse, the receipt is given up to the perforating room.

Law stamps are also indented for by the Warehouse Keeper, for his stock, by a warrant, which is similarly dealt with by the Comptroller; and on the return of the warrant, the goods are sent by the Warehouse Keeper to be stamped for himself. In the case of indenting for law stamps on account of a requisition received from a country distributor, the stamps are debited at once to the charge of the latter, with an immediate credit to the warehouse stock. All the forms used by the several offices of taxes and excise are kept in the warehouse.

The stamp stock is all kept under the key of the Warehouse Keeper or his deputy, and by them alone is any stamped stock, whether law stamps or adhesive labels, given out.

There are ten clerks, twelve warehousemen or tellers, two porters, and a boy, employed in the warehouse, beside the Warehouse Keeper and his deputy. The clerks are divided thus,—one clerk and one warehouseman in the receiving room, where all the blank stock of paper, skins, &c., is received from the Government Stationery Office.

Three warehousemen and two porters in the delivery room, in which the papers, &c., are stored after receipt, and from which they are given out to meet consignments.

Four clerks in the Invoice and Warrant Office.

Four warehousemen or tellers in the telling room, in which all the goods are received after being stamped, and where all the sheets of adhesive labels are counted when received after perforation, before being taken into stock. Here also the same are told out before packing.

One clerk and four warehousemen in the packing room, where all the goods are packed, the clerk here merely looking to the fact that the bulk of each description of goods is correct, the tellers looking to the particulars. From hence the goods are despatched as per invoice. In the packing room is a weighing machine, in which the packed goods are weighed, as a check against the carriers.

Four clerks are in the stamp stock room, but they have merely to deal with the accounts, the stock being accessible only to the Warehouse Keeper and his deputy.

The Sea Policy Office, Gresham House, E.C.

29. The sale at this office is practically restricted to marine policy stamps and bankruptcy labels. For the convenience of the city public, this office was made the depôt for the sale of all kinds of stamps, but in consequence of the number of licensed vendors in the city, the facilities for obtaining stamps are so great, that, with the two exceptions above noted, there was no demand for the stock on sale. This was consequently returned to the warehouse. There is a distributor in charge of the office, with three clerks to assist him. The mode of indent is the same as that observed by country distributors.

30. In the District Office, Manchester, newspaper stamps only are impressed, but a full stock of stamps and adhesive labels is kept on sale. The distributor in charge is paid, like all other country distributors, by poundage. The rate allowed to this office is one and a half per cent. on sales, which is worth, one year with another, nearly 2,000*l.* per annum. It is a curious fact that newspapers are sent from London, and even Cornwall, to Manchester to be stamped. The mode of indent is the same as with all country offices.

The Scotch Office in Edinburgh.

31. This office, like that in Manchester, had its business restricted at one time to the impression of newspaper stamps, one penny receipts and drafts, and sixpenny agreement stamps. For the convenience of the public a few more of the lower

values of duty are now impressed, the dies being supplied by the Chief Office at Somerset House. The officer in charge indents for a bulk stock from Somerset House, under the usual rules, and from this he supplies the distributors throughout Scotland. The establishment is small, but the office routine is precisely the same as in London.

The Irish Office in Dublin.

32. All the impressed stamps used in Ireland are struck at the Stamp Office in Dublin. The constitution of the office, the routine observed, and all the details, are on precisely the same footing as in London. It is, therefore, unnecessary to give a description of them again. The establishment is, of course, proportioned to the work of the office. The bulk stock of adhesive stamps is supplied from London. The country distributors in Ireland are supplied from the Stamp Office in Dublin. There are stamps in use in Ireland which are not required in England, such as petty session stamps, &c. The existence of these does not, of course, affect the mode in which the business of the office is transacted; it merely calls for extra dies for these duties, over and above those in general use.

Country Distributors.

33. These officers are appointed by the Lords of the Treasury. There are at present 219 distributors in England and Wales, who are paid various rates of poundage from eight per cent. down to one-half per cent., according to the amount of their sales. A distributor is required to give security in a bond, and two sureties in three times the amount of stock he has to dispose of. He is expected to remit to the Receiver General whenever he has an even sum of 100*l.* of collections. His stock is periodically taken by one of the Inspectors of Inland Revenue. All the stamped (I should say impressed) paper, parchment, and skins are marked with the name of the district of which the indenting party is distributor, before despatch to him from Somerset House, and it is the business of the distributor to mark the district name on all stock sent out by him to the sub-distributors. It who had been [illegible] inspection, by ordering his sub-distributors to send in their stock to him a few days previous to the visit of the inspector. The mode of indent to be observed by distributors has been fully described in a previous paragraph.

Sub-distributors are appointed by the distributors (who make their own arrangements with them as to the amount of security) except in cases where the collections exceed 5*l.* per annum, when the nomination is made by the Lords of the Treasury. Sub-distributors have to deal direct with the distributors of the towns or counties in whose circle they are located; their number is almost always varying. They are paid a fixed rate of poundage, viz., two per cent.

It will be seen from this that Government has to pay two rates of poundage on every sale of stamps in the country—one to the sub-distributor and another to the distributor. But for the fact of the convenience to the Head Office in dealing with a distributor, instead of a number of sub-distributors, I do not see the use of the appointment of distributors. The loss to Government, I am informed, is about 50,000*l.* per annum by this double arrangement.

Licensed Vendors.

34. These are appointed by the Board of Inland Revenue. A party wishing to become a licensed vendor must make an application to the Board, giving two references as to his respectability. Inquiry is then made as to the necessity of appointing a licensed vendor in the locality. If the necessity is established, the Board issues the requisite authority. The party has to enter into a personal bond for 100*l.*, as a guarantee against selling forged stamps. Should he infringe the bond, a "writ of extent" is issued, and everything in his possession is seized, in satisfaction of the bond. They can purchase direct from the Licence and Sale Office in London or from a distributor. They are entitled to the same discount as the public, and are allowed to charge ½*d.* for the paper on which bill stamps are impressed, in addition to the duty borne on the face of the stamp.

The writ of extent issued against licensed vendors is precisely the same as that issued against a defaulting distributor.

35. The constitution of Her Majesty's Stamp Office at Somerset House is so different to that of the Stamp Office, Calcutta, the extent of the business transacted is so much greater, the business itself so much more varied, the daily office routine and industrial details so dissimilar, that it was not possible to institute anything like a fair comparison between the two offices.

I have therefore thought it best to report in detail on the system which obtains in Her Majesty's Offices for Stamps as carried out in the Head Office at Somerset House, so that the Government of India might have on record the fullest information it was possible for me to obtain; and thus, should occasion for inquiry on any particular point arise hereafter, the delay of a reference to England on the subject may be avoided.

36. It will have been seen, from the foregoing detailed account of the mode in which the practice of stamping is carried on at the Stamp Office in Somerset House, that the use of the counter-stamp is unknown in England, and that the check lies in the system of accounts in use.

37. This leads me to a consideration of the correspondence, copies of which were forwarded to me under cover of the Letter No. 87, dated 19th June 1861, from Her Majesty's Under Secretary of State for India.

38. I have carefully read over the whole of this correspondence. The joint letter of Messrs. Perry and Hampton, No. 1126, dated 23d November 1861, was written more than six months after I left India, at which time no decision had been arrived at as to the retention or abolition of the counter-stamp. I perfectly agree with what is said in paragraph 2 of the letter. The change of office routine announced in paragraph 3, by the discontinuance of the practice of sending all paper received through the Collector of Calcutta back again to that officer for delivery to the owners, is a decided step in the right direction. The convenience of the public might be further considered, if it has not been already met, by the abolition of the counter-stamp.

39. As regards the abolition of the Treasury [illegible] stamps at Bombay and Madras would be done away, and instead of being at three places would be concentrated at one. One argument, therefore, for the retention of the counter-stamp on judicial stamp papers for the Mofussil in Madras would be done away.

47. I am of opinion that, with regard to other stamps, with good screw fly presses and better dies, and a proper system of office routine and accounts, the counter-stamp may be safely discontinued.

48. I trust that the Government has not acceded to the recommendation of the Board of Revenue, Madras, paragraph 4, Letter 4,261, September 20th 1861, which would place the Madras public at so great a disadvantage as compared with the people of Bombay and Bengal.

49. I think Mr. Perry has put the scale of salary for the proposed establishment very fairly, and I cannot, therefore, allow myself to hope for any reduction in the cost of the new arrangements, as anticipated by his Honour the Lieutenant Governor of Bengal, in Letter No. 3,957, of 11th December 1860, to the Secretary to the Government of India, Home Department.

50. In conclusion, I would beg respectfully to remark, that I trust Mr. Arthur, the Engineer of the Stamp Office, Calcutta, a very deserving Government servant, whose case I have already unsuccessively advocated, may have some addition of pay granted to him, for the extra labour and duties which will devolve on him under the new Stamp Act for India.

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must be a correct result if the number of whole sheets is 500. But to ensure this saving of time, it would be necessary to employ a paper-cutting machine, similar to that in use at the Alipore Jail, and which was, I believe, purchased from Messrs. Shand, Fairlie, & Co. The action of the machine is very rapid and very correct, and I am confident its employment would be a vast saving of time, as well as a great convenience to the office. The less delay there is in the period which elapses between the time of the blank paper being sent into the machine-room and its return ready stamped to the store, the greater security to Government.

44. As I have before remarked in my note of 3d May 1861, the delay in drying the stamped paper in the rains is most trying, extending occasionally to a fortnight before the stamps can be carried to the stock account. The only remedy is the laying down of hot-water pipes to heat the drying room in the rains. I am confident that Mr. Arthur, the Stamp Office Engineer, could, from his knowledge and experience, plan and lay down a row of hot-water or air pipes, if called upon to do so.

45. It is evident from the correspondence of the Government of Madras, that the checks on the manufacture and sale of stamps have been carried to much greater lengths than in Bengal, where some of the checks referred to by the Madras authorities have never been in use. If, however, with similar dies, and I believe a similar description of paper, the use of the counter-stamp can be dispensed with, as it has been in Bombay, surely there is no need to keep up the restriction in Madras. If the Stamp Office can issue stamps without bringing them to account, there must be something wrong in the system of accounts.

46. But a check on the stamp issues could be effected, by having the whole year's stock sent down from Calcutta. I am certain that the Calcutta Office could now supply both Bombay and Madras with sufficient stamps for a year's consumption. These stamps would of course be the bicolour stamp now in use in Bengal, and be quite safe from forgery, and there would be no complaint as to the quality of the paper, which would bear the water-mark and have the impression of the Aronssil distribution. I see no reason whatever to alter the views and opinions I expressed in my note of 3d May 1860, as to the perfect practicability of dispensing with the impression of the counter-stamp without endangering the Government revenue.

40. The plan proposed by Mr. Perry is, I think, with some modifications, well calculated to meet the case. It must be borne in mind, that any suggestions I make are, of course, subject to correction, writing as I do without any knowledge as to what, if any, alterations have been made in the practice of the Calcutta Office.

41. I would suggest that the responsibility of the correctness of each despatch of paper to the machine should rest with the Supervisor of the Counting Establishment. For it is obvious that the clerk to whom Mr. Perry would entrust the duty of superintending the printing of the stamps, cannot be responsible for the correctness, if he has no one to count in the paper. This should be clearly understood at first.

42. In the second place, I would have the sheets, when dried, received back uncut by the supervisor, who should give his receipt to the Superintendent of Printing. After which, the supervisor should deliver them whole to the Tehsildar of the Stamp Office, in whose office they should be counted, and a receipt given to the supervisor, after which the sheets should be cut and made into bundles of 500, and stored.

43. My reason for advocating this difference of procedure is this:—The paper as sent out from England is large enough to be printed with two or three stamps, according as it is No. 1, No. 2, or No. 3 paper. The whole sheets being delivered to the machine-room and received back by the supervisor in the same state, makes the account much shorter and simpler between the machine-room and the supervisor, for it stands to reason that 500 large sheets will take less time to count than 1,500 smaller ones, which would be the number to be counted by the supervisor if 500 sheets of No. 3 paper were printed and cut before delivery to him. Then again, 500 whole sheets, if correct when counted on receipt by the Tehsildar, would be then cut in bulk, and give at two cuttings 1,500 stamps, which

Pro: 2d October 1862

No. 23 & 25

Pro: P of Rev. dy 12th June
No. 1909 in
Fort St. George 5 July 62
No. 1952

This Govt. may be communicated as to the advantage or otherwise of the use of the paper which is manufactured by Govt. for sale being manufactured in Calcutta.

No. 144 & 145

Revenue 1862 Oct.
Pro: of Govt. for June.
No. 1628.

Extract from the Pro: of the Govt. of India in the Separate Revenue Dept.

Dated 26th May 1862
Received 9th June 1862
No 1279 - 10th June
No. 2617.

E - 2 - L

Forwarding Copy of a Resolution together with the documents connected with it for information as to the conclusion arrived at in respect of the Countervailing in the Third & Fourth Classes of paper, with an intimation that the result of the measures taken in Calcutta to establish a proper check in regard to paper of the Second Class will be hereafter made known to this Govt. also with a request that the Receivers of Customs

No. 1279.

Reported to the Board of Revenue for early report.

Fort St. George
10th June 1862

4 Copies to Bd. of Rev.
with Encl. A. Dispo.
15 — Spare Copies to do. 17