

*Proceedings of the Madras Government, Revenue Department,
7th July 1871.*

No. 76. Proceedings of the Board of Revenue, dated 22nd June 1871,
No. 2,506 :—

Read the following letter from the Superintendent of Stamps, to the Acting Secretary to the Board of Revenue, dated Madras, 20th May 1871.
No. 731.

In acknowledging the receipt of the Proceedings of Government, dated 21st ultimo, No. 716, communicated to me by you on the 25th idem for report, I have the honour to submit a statement, showing the sales, during the past Fusly 1279, of each denomination of stamps used under the General Stamp Act, the issues thereof to districts from this Office during the past twelve months, and the stock of each value at present in store both here and in the districts.

2. It will be seen from this Return that, with the exception of the thirteen values specified in the margin, there is		
1 Anna.	5 Rupees.	in hand a stock of the other denomina-
2 Annas.	6 "	tions sufficient to last for many years to
4 "	8 "	come, if the sales during the past year
8 "	10 "	be accepted as a fair criterion of future
1 Rupee.	15 "	requirements. As it is intended to intro-
2 Rupees.	20 "	duce the new form of stamps only gradually, I consider that it is not necessary to
4 "		indent at present for any of these denominations, of which there is such a stock.

3. As regards the thirteen values above excepted, and in the case of which the new stamps may at once be introduced, the Board will observe that the stock thereof in the districts (and there is none of them in store in this Office) will just suffice only to meet current demands. They are now manufactured as required, and supplied on quarterly indents. Our requisition therefore for the new description of stamps may for the present be confined to these denominations.

4. The quantities required of each of them next demand consideration. Here I think it will not be safe to take the actual sales as the basis of our estimate. The district authorities must necessarily indent for, and this Office promptly supply each year, more than can be actually sold in that period, if the several treasuries and vendors throughout the districts must be kept well supplied at all times. The issues from this Office during the past year furnish a better criterion, and I have taken them accordingly as my guide (except where they fall short of the sales) in framing the annexed indent. As my stock under the new system of manufacture and supply can be replenished only by supplies from England, it is important that that stock should consist at all times of a quantity sufficient to meet two years' demand at least, namely, that of the current and next ensuing years, and that it should be maintained in that its normal condition by an annual indent for one year's supply to replace current issues. My present indent has been prepared on this principle, and will I trust meet with approval.

5. It is stated that it is the intention of the Government of India to prescribe that stamps of one anna value shall always be denoted by adhesive stamps; but it does not appear whether a special adhesive stamp will be supplied for this purpose or whether the anna purple stamps already supplied and now in store is

intended to be used. In the latter case the one anna denomination will have to be struck out from my indent.

6. Although there was no sale in Fusly 1279 of any stamp of 2,000 Rs. value, still considering that there is none of it, stock in this Office, and that the temptation to forge such high value stamps is great, it is desirable that there should be some of the new forms of stamps of the value in question in hand; in case any unforeseen demand arises, I have accordingly included this value in my requisition.

7. I see no allusion made in the communication from the Government of India to the Bill or Hoondie stamps now in use, and which are impressed on a thin special paper, also imported from England. It may not be thought necessary to have a separate set of stamps for Bills of Exchange, but I question if the same kind of paper used for other purposes under the Stamp Act will serve for Drafts and Bills.

8. In case the Indent I now submit is complied with, and future supplies of stamps are likewise furnished from England, the supply of water-marked paper which I have lately indented for, will

Vide Indent dated 7th January 1871. be unnecessary, and I request accordingly that that requisition may be countermanded. I have already 8,000 reams of this paper in store, much of which, under the altered arrangements, must eventually prove useless for the purpose for which it was intended.

ENCLOSURE No. 1.—Statement.

ENCLOSURE No. 2.—Indent.

ENCLOSURE No. 3.—Copy of report of a Committee appointed to report on the best method of guarding against forgery of stamp-papers.

This indent will be submitted to Government with reference to Government Order, 21st April 1871, No. 716.

2. The Superintendent's estimates are fairly right, but the principle on which he frames them is wrong. He is mistaken in thinking that the district authorities must necessarily be supplied in each year with more stamps than can be sold in that period, for after they have once got a sufficient reserve, their indents *ought* to represent exactly the quantity sold, and will approximate to it more and more as the date on which they are framed become more and more complete.

3. The great difference between the district indents and sales for Fusly 1279 is due partly to the change in the Stamp law which took place on the 1st January 1870, and the uncertainties which attended it, and partly to the want of a sufficient reserve, but the actual sales, if they could be ascertained, would be the proper guide in estimating the future demand.

4. Unfortunately Act XVIII. of 1869 was in force only during one-half of last Fusly, and the Board have ascertained that there are no accounts showing the sales of stamps of the different denominations either for the six months from

January to June 1870 or for the six months from July to December. The estimate must therefore be framed with a wide margin.

5. Under the new system it will always be necessary to have at least one year's supply in reserve in the Stamp Office and one year's supply in process of issue and replenished by quarterly or half-yearly issues. Accordingly the stamps now indented for, of which there is no stock in the Stamp Office, should all be sent out as soon as possible.

6. The Superintendent states that he only requires at present a supply of stamps of thirteen denominations.

7. The first of these is the one anna stamp. The selected values are so arranged that it will never be necessary to use a one anna impressed stamp in combination with others, and this being so, the Board cannot see what possible use there could be in having the one anna stamp of the new system different from the purple stamp now in use under the General Stamp Act. The Superintendent has a sufficient supply of these in stock, so the first item of the Indent, namely, 350,000 one anna stamps, may be struck out, *unless* (which is not likely) it is proposed to have a new one anna stamp.

8. The last item is for fifteen stamps for 2,000 Rs. each. It is scarcely worthwhile to keep sending for so few at a time. It would be better to substitute 100 for 15.

9. The Superintendent draws attention to the fact that bill-stamps are now impressed on a thin paper especially made for the purpose. The Board presume that this will still be the case.

10. The Superintendent points out that the water-marked paper, the indent for which was sanctioned in Government Order, 14th January 1871, No. 105, will not be wanted now, but it is probably too late to countermand it. The 8,000 reams which the Superintendent has in stock will be sufficient for all requirements if the new stamps are prepared within a reasonable time. It will be convenient to know when they may be expected.

(True Copy.)

(Signed) D. F. CARMICHAEL,
Acting Secretary to Government.

Edw. F. R. Bantleman.

REVENUE DEPARTMENT,
FORT SAINT GEORGE,
7th July 1871.

No. 77.

No. 1,175.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Separate Revenue, No. 4.

Stamps.

SIR,—With reference to paragraph 7 of your Under-Secretary's letter dated 31st March 1871, No. 2,031A., I am directed to forward herewith the Indent

of the Superintendent of Stamps, showing the number of stamps of each value required from England under the new arrangements contemplated by the Government of India; and this supply should be sent out as soon as possible.

2. The explanatory letter and statement of the Superintendent and the Proceedings of the Board of Revenue thereon, dated 22nd June 1871, No. 2,506, accompany this letter; and I am to draw the special attention of the Government of India to paragraphs 7 to 10 of the Board's Proceedings. The Indent for water-marked paper, alluded to in paragraph 10, was transmitted to the Secretary of State with despatch dated 16th January 1871, No. 1.

I have the honour to be,

Sir,

Your most obedient servant,

(Signed) D. F. GARMICHAEL,
Acting Secretary to Government.

Ed. F. B. Bantleman.

From LIEUT. COLONEL H. HYDE, R. E., *Master of the Mint, to the Offg. Secy. to the Govt. of India, Financial Dept.,—No. 897, dated 22nd February 1871.*

I have the honor to forward a report on the best means for preventing the forgery of Stamps in India, and with the report enclosures as per list enclosed.

2. I have to express my regret at the long time this question has been under consideration, the same being entirely due to me. But the question is a very difficult one, and though I have given the subject constant and earnest consideration, I am not satisfied with the proposals, which are the best the Committee can devise.

3. It is very easy to see the faults, but exceedingly difficult to propose a satisfactory remedy.

P. S.—The forged Stamps and arrangements for forgery will be forwarded hereafter.

Report on the best means for preventing Stamp Forgeries.

Stamp forgeries can be of two kinds :—

1st.—The forgery of an entire Stamp.

2nd.—The forgery of a high value on a Stamp of low value.

The second kind of forgery is that generally met with in India, because from the construction of the Stamps the alteration of value presents only a fraction of the difficulty that would be experienced in undertaking an entire forgery; while practically the alteration is equally remunerative. It is, however, necessary to consider the whole design of the Stamp, both with reference to its liability to complete forgery, as well as to forged alteration of value.

Stamp forgeries have to pass scrutiny of two kinds :—

1st.—That of the public who purchase and use Stamps.

2nd.—That of the Court Officers and Experts called in to examine Stamps.

A large proportion of the native public are positively incompetent to distinguish one Stamp from another; in instance

Forgery is chiefly by altering value.

of which, a case has been stated to the Committee in which the label* used by Bass and Co. on their beer bottles was fixed to a certain agreement made with some coolies engaged to go to Assam, and passed as a Government Stamp to the document.

A Stamp can hardly be devised to protect this class of people, and it appears only practicable to consider the use of Stamps by such as are educated sufficiently to recognize, in a certain degree, a Stamp and its use; among even this class, however, a large proportion will be wholly incompetent to distinguish between two specimens of engraving that bear only a very general resemblance to each other, and the difficulty of protecting these classes from being imposed upon by forged Stamps is very great.

The present system of Stamps is an uniform Stamp with changeable values. This is of course economical in first cost and in after use, but it has the great evil that it is a Stamp that affords the maximum facilities to the forger who forges to deceive the mass of the people using Stamps.

For the protection of the class of people who simply purchase and use Stamps, the characteristics required in a Stamp are not those required for the prevention of forgery, *i. e.*, for making the work so difficult and expensive that forgery will not pay and must be detected.

The requirements are, therefore, twofold :—

1st.—For the protection of the Stamp purchaser.

2nd.—For the protection of the document and the revenue.

For the first, each value of Stamp should evidently be such as to attract the attention of, and be distinguishable at a glance by, an uneducated observer. The Stamps as at present used are exactly the reverse of this; for the Stamp is first recognized, and the value or subordinate part of the Stamp has then to be searched for.

Whereas, if each value was to be represented by a specific Stamp having a prominent striking shape and character, the purchaser would be protected and the forgery of value would be rendered impossible; with the second, *viz.*, the security

* See specimen.

Impossible to protect the absolutely ignorant.

Protection against forgery—
(1) of the purchaser.
(2) of the revenue.

The Stamps for different values should differ in appearance.

of documents and the protection of revenue, this arrangement would in no way interfere.

It may be accepted, as regards the work of forging Stamps, that the difficulty of execution and the chance of detection increase with the number of hands concerned and the number of processes required; that therefore it is desirable to render necessary for production of a Stamp the concurrence of several arts, which it is impossible for one individual to possess.

The component parts of a Stamp are :—

The paper,

The design,

The ink, and printing.

The paper should be thin and tough: thin with the object of defeating operations by erasure; tough to ensure security of the documents.

The character should be marked and specific.

It is understood that the water-mark of the Bank of England paper is guarded from imitation by the penalties of the law. It would then appear advisable that a specific water-marked paper, having been procured for Indian Stamps, it also should be protected.

To a certain extent, the water-mark in paper is capable of imitation, roughly it is true, but with more success than is generally imagined possible. In fact, the ability that is capable of imitating sufficiently well an engraved Stamp would equally well imitate a water-mark.

The character of the paper then should be specific, and very defined in its texture and in its dimensions, which should vary in shape for each value of Stamp, and should be of such form as not to admit of being cut from smaller to higher value, or of imitation from ordinary paper of commerce.

The water-mark should also vary with the value, and should be as clear as possible, having more the character of writing than of machine lines, and it should, if possible, carry certain dates and letters and the value of the Stamp in several places, and be referable to a Table showing the dates of manufacture and issue.

The main point, however, is the character of the paper, and as in the damp climate of Bengal, during the south-west mon-

The Stamp should require the concurrence of several arts.

1. The paper,

should be thin, against erasure.

Water-mark and shape characteristic,

and varying with the value.

soon, paper soon loses its sizing and texture, special attention is necessary on this point.

The design.—There are several systems of engraving used for Stamps which may be classed under machine-work and artistic design.

The work on the existing plates is an inferior class of machine-work. There are, however, many descriptions of machine-work, some of very high order, admitting of the most elaborate and beautiful designs that can only be faithfully imitated by a duplicate of the machine that traced the original plate, and even then only if, in addition to having the machine, the forger has a knowledge of the combination and adjustment that produced the plate he wishes to imitate; but as the combinations possible are practically infinite, the task of imitation would be hopeless. Hence such work, if properly printed, will perfectly secure all the objects required, provided the Stamp has for the uneducated scrutiny the specific striking character before mentioned; for it is to be noted that in these intricate patterns of great merit, the very intricacy often suppresses the prominent parts that are required to impress the attention of the unpractised eye, and effectually deprives the unintelligent observer of power to compare and detect deficiencies in what is before him.

Further, a given ability devoted to forgery will always in such intricate work achieve, under the scrutiny of the unintelligent, a success greater than it could hope to attain on work that presented, as it were, its defects more naked to the eye, and it again becomes necessary to give to a Stamp intended for general use the two characteristics, one to ensure a perfect recognition at a glance by the unintelligent, the other to meet the requirements necessary for the security of the Stamp itself.

Artistic design.—This kind of engraving is the most difficult, indeed practically impossible, of imitation under the scrutiny of an expert; it would be of little use for scrutiny by the Natives of India, though it would afford security of the Stamp itself, because though no copyist, however skilful he may be, could hope to make a copy of an artistic design that would fail immediate detection from an expert, very few Natives of India would be able to distinguish any difference between copies and the original design made by even indifferent hands.

II. The design.

Machine-work may be made absolutely inimitable, i. e., if proper scrutiny is applied,

but intricacy should be avoided, as prominence is required.

Artistic engraving also incapable of imitation.

The design, however, may be sufficiently imitated to deceive most purchasers.

The ink.—Should be of the best quality, and of color difficult to imitate. This practically involves the work of printing.

However excellent the design may be, and however excellent the paper may be, all will be nullified if the impression be not good. The best ink is of no use without proper skill to use it, and the finest plates will be speedily worn out and destroyed without they are skilfully used. Plates can be obtained, and ink can be obtained, but the real difficulty seems to be in the using the plates and ink.

The Stamps as now printed are exceedingly bad (except when the plates are new), worse than ordinary bottle labels, and are such as would not for one moment be accepted or even contemplated in England. The plates are worn out in less than their proper time,* and at their best produce most indistinct and impaired designs. This is not due to any faults in the establishment individually, but to the fact that the highest order of plate printing is attempted to be carried out by an establishment utterly unfit for the work. Bi-color plate printing requires the highest skill, as the printers must be good mechanics as well as printers, and so much is this the case that in England it is somewhat difficult to find men for the work except the establishment be sufficiently large as to admit of a division of labor, i. e., of the employment of printers and mechanics separately.

It is, then, evident that good Stamp printing can only be effected in India† by an establishment of properly skilled men, and that without such skill is provided, it would be waste of money to purchase good plates and materials.

It seems also evident that it is most undesirable to multiply such Government Establishment (i. e., of specially trained Europeans) as a thorough effective Stamp-printing Office would require, and the Committee, therefore, are of opinion that, if it be possible and economical (which the Committee think it will be), all Stamps should be printed in England and sent out to this country, as they believe Government Currency Notes are, without any difficulty.

* The Mint Master states that the plates that are sent to the Mint for alteration and repair conclusively show that there is a deficiency of skill in using them, and Messrs. Donkin's letter is to the same effect.

† Printing in India presents greater difficulties than are met with in England; for instance, in the Lithographic Department, Surveyor General's Office, the character of the ink has to be changed three times during the year on the change of season.

III. Skilful printing absolutely necessary.

Inferiority of the present work.

The requisite skill is unobtainable in India.

All Stamps should be printed in England.

In support of this, they would point out that all adhesive stamps are printed and sent out; that it is understood that Stamp-printing is economically carried on in England by electrotyping copies of original plates, which could hardly be arranged for in India, without very largely and at great cost increasing the Stamp Department. Moreover, as the paper must be made and sent out, there would seem to be no valid reason why it should not also be stamped before it is shipped.

The Committee are informed that in Russia all bills of lading are printed uniformly on Government stamped paper at a Government Press, and there seems no reason why this plan might not with advantage be introduced into India.

The Committee understand that for Court fees Adhesive stamps will be invariably used. It is, therefore, only necessary to arrange for impressed Stamps of the values required under the General Stamp Act of 1869.

This Act (Section 49) enjoins that a single Stamp shall be provided for every value up to and including one thousand Rupees; it is therefore necessary to provide about 125 values. The Committee, while acknowledging that the most satisfactory method of doing this would be to have a distinct plate for each value, are of opinion that this arrangement might involve too large an expenditure, and might render difficult the carrying out of the suggestion regarding the distinctive character of the various Stamps. They would, therefore, divide the values into certain classes clearly distinguished:—

- 1.—By size of paper.
- 2.—By peculiar water-mark.
- 3.—By shape of the Stamp.

They would distinguish the values in each class by the colors of the Stamps.

To meet the requirements of the law as it stands at present, the following distinct plates might be adopted:—

Class I.—Distinguished by paper of the largest size and water-mark, with the words "One Thousand Rupees." Value 1,000 Rupees.

Class II.—Distinguished by paper of the second size and water-mark, with the words "From One Hundred Rupees to One Thousand Rupees." Values 100 Rs., 200 Rs., 400 Rs., 700 Rs.

Very easy as the paper has already to be sent out thence.

What values are necessary?

The values should be classified, the classes being distinguished—

- By size.
- By water-mark.
- By shape of Stamp.

Class III.—Distinguished by paper of the next size and similar appropriate water-mark. Values 10 Rs., 15 Rs., 20 Rs., 25 Rs., 37 Rs., 50 Rs., 70 Rs.

Class IV.—Distinguished by smaller paper and appropriate water-mark. Values 1 Re., 2 Rs., 2 Rs. 8 As., 4 Rs., 5 Rs., 8 Rs.

Class V.—Smallest paper and appropriate water-mark. Values 2 Ans., 3 Ans., 4 Ans., 8 Ans., 12 Ans.

In making up such a value as Rs. 187-8, it would be necessary to impress upon a sheet of paper appropriate to that value (*viz.*, of Class II) a Stamp of Rs. 100, another of Rs. 50, and a third of Rs. 37-8. Similarly for other values, a Stamp so made up might be completed by printing in type the aggregate value on the edge of the sheet.

The Committee note that this method may render necessary a slight alteration in the wording of Section 49 of the General Stamp Act.

The Committee, therefore, recommend, as the most efficient protection against forgery of Stamps, the issue of the best possible machine engraved and medallion design bi-color Stamps in the manner above indicated, or in any similar manner which may be found more convenient, and that all Stamps be printed in England; the work of the Stamp Office in India being confined to the issue of Stamps and the providing, by timely indents, for all demands.

For the details of the plan, they recommend that Messrs. DelaRue & Co. and other experienced Firms be consulted by the Home Government, it being impossible for the Committee to obtain the needful information in this country within any reasonable time, or with the means at their control.

H. HYDE, *Lieut. Colonel, R. E.,*

Mint Master.

F. B. PEACOCK,

Offg. Secy., Board of Revenue.

F. W. J. REES,

Offg. Supdt. of Stamps.

(*Am. Copy*)

Bruswalling

R. W. J. De. D.

Slight change in the law.

Summary.

List of Enclosures.

- A. Financial Department Proceedings, July 1866.
 B. Memorandum from Junior Secretary, Board of Revenue, to the Superintendent of Stamps, with letter referred to, No. 2125, dated the 24th July 1867.
 C. Proceedings of the Government of Madras for January 1869.
 D. Proceedings of the Government of Madras for March 1869.
 E. Letter from the Secretary to Government, Fort St. George, to the Secretary to Government of India, Financial Department, with enclosures, No. 2343, dated 14th August 1869.
 F. Printed copies of the above.
 G. Draft reply to above, No. 3213, dated 8th September 1869.
 H. Proceedings of the Government of Madras for November 1869.
 I. Proceedings of the Government of Madras for December 1869.
 J. Letter from the Secretary to Government of Punjab, to the Secretary to the Government of India, Financial Department, with enclosures, No. 69, dated 18th January 1870.
 K. Two Indent Forms from Treasury Officers for Stamps.

H. HYDE,

Master of the Mint.

Revenue Department.

No. 1175

To

THE SECRETARY TO THE GOVERNMENT OF INDIA.

Financial Department

Sir,

With reference to paragraph
 of your Under Secretary's letter
 dated 31st March 1871 No. 2081
 I am directed to forward herewith
 the Indent of the Superintendent
 showing the quantity of Stamps
 of Stamps of each value required
 from England under the new
 arrangements contemplated by
 the Govt. of India, and the
 quantity of Stamps
 should supply the Govt. out as
 soon as possible.

2. The explanatory letter
 and statement of the Super.
 and the Pro of the 13th of Jan.

Cham

Rev-1240/71

In Govt Rev¹³ 877/71

R 2106/71

Rev 2106/71

Chacon states 223 June 1871 No. 1
2606 accompany the letter and
I am to draw the special at-
tention of the Govt of India
to paras 7 to 10 of the 13th No.
The instant for under-marked
papers alluded to para 10 was
transmitted to the Secretary of
State with Despatch dated 16th
January 1871 No. 1.

List
22 July 1871

Report to the
Ind. Dir. for the
Western Port
Wharves