M.R.O. 14–5,450–22-10-25.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 509 Press Mis.

13–14

Dated 1–3–1867.

Not to be folded or roughly handled

Rev. No. 509

No. 13. Read the following letter from the Secretary to the Government of India, Financial Department, to the Chief Secretary to the Government of Madras, dated Fort William, the 6th February 1867, No. 757:—

I am directed to forward, for the information of the Government of Madras, a copy of papers* relating to the arrangements which it has been necessary to make in Bengal, in consequence of the defects in the Special Adhesive Stamps lately received from England.

* From Government of Bengal No. 169 of 18th January 1867.
From Secretary of State No. 3, dated 6th February 1867.

From the Junior Secretary to the Government of Bengal, (Stamps), to the Secretary to the Government of India, Financial Department, dated Fort William, the 18th January 1867, No. 169.

With reference to the endorsement from this Office No. 945, dated the 10th March last, I am directed to forward herewith, for the information of His Excellency the Governor General in Council, a copy of the correspondence cited in the margin, and to request that Adhesive Stamps, with distinctive colors for each denomination of Stamp, may be obtained from England for use, instead of the Stamps which it has now become necessary to reject, because of the facility with which the values impressed on them can be altered.

From Board of Revenue, Lower Provinces, No. 1,962, dated 3rd December 1866.
From Board of Revenue, Lower Provinces, No. 1,965, dated 4th December 1866.
To Board of Revenue, Lower Provinces, No. 168, dated 18th January 1867.

From the Officiating Junior Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated the 3rd December 1866, No. 1,962.

1. Referring to your letter No. 944, dated the 10th March last, I am directed to report, for the information of Government, that the new system of affixing Adhesive Stamps to foreign papers, which came into operation on the 13th July last, has worked well and successfully, both as a check on fraud and as a marked convenience to the mercantile community, as evidenced in the accompanying letters* from the Collector of Stamps and the Secretary to the Chamber of Commerce.

* From Collector of Stamps, Calcutta, No. 35, dated 13th September 1866, with enclosures.
From Collector of Stamps, Calcutta, No. 43, dated 15th November 1866.
From Chamber of Commerce, dated 10th October 1866.

2. The Board were at first led to infer from the purport of the third paragraph of Mr. Mackenzie's letter of the 13th September, that the check against fraud which the scheme contemplated in the use of the cold steel die for the defacement of Adhesive Stamps affixed to documents, was not sufficient. Mr. Mackenzie was accordingly asked to explain, in connection with this point, whether the Stamps (adhesive) were perforated or properly defaced, as they should be, for the prevention of their use a second time From Mr. Mackenzie's reply (*vide* his letter of the 15th November) it appears that though the perforation is not so complete as to obliterate and perforate the entire Stamp, yet if the Stamp were removed with a view to its employment on a second occasion, the die impression would be wanting on the paper, which would at once lead to the detection of the fraud.

3. Mr. Mackenzie, however, has stated that, notwithstanding the impression of the Stamp, it is possible to remove it. The object, therefore, of the addition to Section 8, Act X. of 1862, as proposed by him, is simply to make the fraudulent removal and use of Stamps already impressed, penal. As the enlargement of the law in this respect would afford additional security to the revenue, the Board recommend that early opportunity may be taken for adopting Mr. Mackenzie's suggestion.

4. As respects the proposition of the Chamber of Commerce for extending the use of Adhesive Stamps to documents, such as letters of Credit, Policies of Insurance and papers ordinarily

used in commercial transactions, subject to the provisions of Section 8, Act X. of 1862, which allows of the cancelment of Adhesive Stamps by the person making the instrument or writing, and on which Mr. Mackenzie has submitted his opinion in the 5th, 6th, and 7th paragraphs of his letter of the 15th November, I am desired to remark that the Board are not prepared to recommend the concession, or any alteration of the law in this respect.

5. Mr. Mackenzie has been desired to continue the new system of work, as well as the extra establishment entertained by him for the purpose, pending the early orders of Government on this reference.

6. The return of the enclosures is solicited.

From the Collector of Stamps in Calcutta, to the Junior Secretary to the Board of Revenue, Lower Provinces, dated the 13th September 1866, No. 35.

1. As requested, I beg to submit a Statement, setting forth the number of papers each day stamped under Government General Order No. 1,310, "Financial," dated 6th July 1866, from 13th July to the present time (two months).

Letter No. 651, 12th July 1866.

2. This process of stamping is simple and rapid, the majority of applicants have the Stamps affixed, and the date die impressed on each paper within four or five minutes from the time they pay the money, and even this period will be shortened when Stamps of higher denominations are received. At present we have no Adhesive Stamps in value above Rupees 24.

Specimen submitted.

3. Should the result of the experiment be deemed satisfactory, and it be determined to introduce Adhesive Stamps on papers hitherto impressed with the cold steel die, I would respectfully suggest (as it is possible I find to remove the Stamp from the paper even after it is impressed with the date die,) that to Section 8, Act X. of 1862, the following from the English Stamp Law be added.

Any person fraudulently removing, or causing to be removed, or assisting in removing an Adhesive Stamp from any instrument chargeable with Stamp duty, or affixing a Stamp so removed to any other instrument chargeable with duty, or to any paper with intent that the stamp shall be used again; or selling, offering for sale, or uttering any Stamp; or uttering any instrument having on it a stamp knowingly removed; or practising or being concerned in any fraudulent device, with intent to defraud Government of the duty, is liable to penalty of Rupees 500 over and above any other penalty to which he may be liable.

4. In England adhesive or impressed stamps are permitted to be used on the following instruments:—

Agreement under hand only.

,, to let a furnished house for a less period than a year; and duplicate or counterpart.

Lease of ditto ditto and duplicate or counterpart.

Contract note, on sale or purchase of shares.

Certified copy of Register of Births, &c.

Charter party.

Cost book mines. Any document authorizing a transfer of shares.

Delivery order.

Dock warrant.

Proceedings of the Madras Government, Revenue Department,
1st March 1867.

Inland Draft or order payable on demand, letter of credit, &c.

Policy of insurance on life.

,, against death from accident or violence, or as compensation for personal injury; and against loss or damage, or as indemnity for loss or damage of any kind, (No. 1 chargeable as life, fire, or sea insurance.)

Proxy or voting paper, to vote at one meeting of a Company, Institution, Public Trust, &c.

Receipt, discharge, or other acknowledgment of payment of a debt, &c., of £ 2 or upwards.

Trust deed of distribution for benefit of creditors, additional duty under the Bankruptcy Act, 1861.

But for the following instruments, the exclusive use of Adhesive Stamps is compulsory.

Foreign bill of exchange, drawn or purporting to be drawn abroad and payable, or endorsed or negotiated, in the United Kingdom.

Foreign bill of exchange, drawn and payable abroad, but endorsed or negotiated in the United Kingdom.

Foreign Promissory Note, drawn or purporting to be drawn abroad, and payable in the United Kingdom.

Foreign bill, draft or order, drawn abroad, payable on demand.

5. Accompanying are extracts from the English Stamp Duties Digest, in regard to the use of Adhesive Stamps.

6. It will be observed that the English Stamp Law leaves the use of adhesive or impressed stamps optional.

7. In India we have separate Adhesive Stamps for receipts, customs, share transfers, and foreign bills. I have ascertained that in England Adhesive Stamps are expressly manufactured for different departments of the State, such as—

Inland Revenue, Probate Court, Chancery Court, Admiralty Court; Matrimonial Causes, Life Policies, &c.

8. Annexed is a Memorandum setting forth the number and value of Adhesive Stamps expected from England in all this month.

Statement setting forth the sale of Adhesive Stamps under Government Order, No. 1,310, dated the 6th July 1866.

FINANCIAL DEPARTMENT.

ON COMMERCIAL AND LEGAL PAPERS.

Date.	Number of papers sent to be stamped.	Number of Stamps used.	Value of Stamps.
			RS. A. P.
13th July 1866	20	37	245 4 0
14th ,, ,, ...	446	512	1,012 3 0
16th ,, ,, ...	301	394	1,800 2 0
17th ,, ,, ...	1,060	1,102	5,181 9 0
18th ,, ,, ...	871	910	1,542 2 0
19th ,, ,, ...	724	858	3,363 7 0
20th ,, ,, ...	1,394	1,467	1,852 4 0
21st ,, ,, ...	361	435	1,279 14 0
23rd ,, ,, ...	124	166	1,023 14 0
24th ,, ,, ...	142	193	1,095 4 0
25th ,, ,, ...	220	258	817 8 0
26th ,, ,, ...	101	140	819 10 0
27th ,, ,, ...	314	368	1,329 6 0
28th ,, ,, ...	1,650	1,799	5,443 2 0
30th ,, ,, ...	643	711	1,678 6 0
31st ,, ,, ...	736	827	2,312 4 0
Total ...	9,107	10,168	30,825 3 0
1st August 1866... ...	329	385	1,259 0 0
2nd ,, ,, ...	751	813	1,125 12 0
3rd ,, ,, ...	221	282	1,432 2 0
4th ,, ,, ...	151	165	292 8 0
6th ,, ,, ...	935	976	1,325 9 0
7th ,, ,, ...	312	379	1,223 4 0
8th ,, ,, ...	317	372	1,364 6 0
9th ,, ,, ...	447	494	779 12 0
10th ,, ,, ...	179	197	472 0 0
11th ,, ,, ...	119	161	919 6 0
13th ,, ,, ...	291	387	1,645 4 0
14th ,, ,, ...	669	766	2,512 8 0
15th ,, ,, ...	787	893	2,292 12 0
16th ,, ,, ...	1,502	1,586	2,220 7 0
17th ,, ,, ...	321	385	1,172 12 0
18th ,, ,, ...	363	433	1,241 0 0
20th ,, ,, ...	1,457	1,509	2,227 10 0
21st ,, ,, ...	527	680	1,464 14 0
22nd ,, ,, ...	294	395	1,456 12 0
23rd ,, ,, ...	117	182	1,136 8 0
24th ,, ,, ...	285	314	1,014 8 0
25th ,, ,, ...	129	170	749 0 0
27th ,, ,, ...	404	445	979 3 0
28th ,, ,, ...	361	405	915 14 0
29th ,, ,, ...	232	258	667 3 0
30th ,, ,, ...	434	491	1,639 0 0
31st ,, ,, ...	924	1,054	2,581 8 0
Total ...	12,862	41,524	36,110 6 0

Proceedings of the Madras Government, Revenue Department, 1st March 1867.

Statement setting forth the sale of Adhesive Stamps under Government Order No. 1,310, dated the 6th July 1866.

FINANCIAL DEPARTMENT.

Date.	Number of papers sent to be stamped.	Number of Stamps used.	Value of Stamps.
			RS. A. P.
1st September 1866 ...	187	274	1,776 8 0
4th ,, ,, ...	1,074	1,095	1,012 12 0
5th ,, ,, ...	683	774	1,906 2 0
6th ,, ,, ...	549	643	1,801 4 0
7th ,, ,, ...	1,397	1,459	2,161 2 0
8th ,, ,, ...	311	357	861 0 0
10th ,, ,, ...	171	210	808 12 0
11th ,, ,, ...	192	214	860 15 6
12th ,, ,, ...	1,083	1,113	874 8 0
Total ...	5,654	6,169	12,032 15 0

Abstract.

			RS. A. P.	
13th to 31st July ...	9,107	10,168	30,825 3 0	Two months.
1st to 31st August ...	12,862	14,524	36,110 6 0	
1st to 12th September ...	5,654	6,169	12,032 15 0	
Total ...	27,623	30,861	78,968 8 0	

J. MACKENZIE,
Collector of Stamps.

Extract from Stamp Duties Digest.

Agreement.—The stamp may be impressed or adhesive (a). If adhesive, every party signing the agreement must, at the same time, write his name and the date of signing across the stamp, so that it may be appropriated to the instrument and effectually cancelled; in default whereof, the stamp is of no avail; and proof of such writing upon or across the stamp is a necessary part of the evidence of the agreement, where an adhesive stamp is used.

Bill of Exchange, Draft or Order.—The duties on bills of exchange, drafts or orders, drawn out of the United Kingdom, must be denoted by adhesive stamps.

The holder of a bill drawn abroad, must, before presenting or negotiating it in the United Kingdom, affix a proper adhesive stamp, and cancel the stamp by writing thereon his name, or the name of his firm, and the date when cancelled.

If an adhesive stamp on a foreign bill or note, on its being received by *bonâ fide* holder, purport and appear to be duly cancelled, the bill or note deemed sufficiently stamped so far as relates to such holder, or if the stamp affixed be not duly cancelled, such holder may cancel it as if he were the person first negotiating the bill or note, and it is then available by him or by any prior or subsequent holder. But this does not relieve any person who ought to cancel the stamp from any penalty incurred.

The penalty for negotiating an unstamped foreign bill, or not cancelling the stamp is £50, and any person receiving a bill without a stamp so cancelled, cannot recover thereon.

The penalty for drawing or negotiating, in the United Kingdom, a bill payable abroad purporting to be drawn in a set, and not delivering the whole number of the set on paper duly stamped is £ 100, and any person taking or receiving such a bill without having the whole set, cannot recover thereon.

The payer of any bill of exchange, draft or order, bearing an adhesive stamp, must also, on paying the same, write, or cause to be impressed on the stamp, the word "paid," in order to its being more effectually cancelled, under a penalty of £ 20.

Charter Party.—The stamp may be impressed or adhesive. If adhesive, it must be cancelled by the person who last signs the charter party, writing on the stamp his name, or the name of his firm, and the true date of so writing. In default, the charter party is invalid for any purpose whatever.

Contract Note, any Note, Memorandum or Writing.—The stamp may be impressed or adhesive. If adhesive, the stamp must be cancelled by the person making or signing the note, writing on or across the stamp his name or the name of his firm, or the initials of either, and the date of cancelling; persons making an unstamped note, or neglecting properly to cancel an adhesive stamp, are liable to a penalty of £ 20.

Draft or Order for payment of money to bearer or to order on demand.—The stamp may be impressed or adhesive. If adhesive, it must be cancelled by the person giving the draft, writing his name or initials on the stamp, under a penalty of £ 10.

The payer of a draft or order bearing an adhesive stamp must also, on payment, write or impress on the stamp the word "paid" under a penalty of £ 20.

An adhesive "receipt" stamp may be used for a "draft or order" stamp since 30th April 1862. A general "inland revenue" adhesive stamp of £ 1 has been issued by the Commissioners, applicable to all such duties, except where an appropriated stamp is required.

Persons fraudulently removing, or procuring to be removed, an adhesive draft, or order stamp, or using any cancelled stamp, or otherwise committing fraud to evade duty, are liable to a penalty of £ 20.

Persons making or paying a draft without a stamp are liable to a penalty of £ 50.

Bankers may affix and cancel penny adhesive stamps on unstamped drafts drawn on them, and deduct the amount of duty. But this will not relieve any person from liability to the penalty for issuing a draft without a stamp.

Delivery Order.—The stamp may be impressed or adhesive. If adhesive, it must be cancelled by the person issuing the order before delivering it, writing on the stamp his name or that of his firm or principal, or the initials of either, and the date of cancelling. Persons neglecting to affix a stamp, or not properly cancelling it, and persons receiving or taking by way of security any such order unstamped or with the stamp not properly cancelled, are liable to a penalty of £ 20.

Lease.—The stamp may be adhesive, provided each party at the time of signing the lease, write his name across the stamp, and that at or before the first signing, the date of the lease be written across the stamp, so that it may be appropriated to the lease, and effectually cancelled. In default, the stamp will be of no avail; and proof of such writing across the stamp is a necessary part of the evidence of signing or making the lease. If the parties signing exceed two, it is sufficient if one person only on each part write his name on the stamp.

Persons signing such a lease or a counterpart thereof, unstamped, or not duly cancelling or not signing across an adhesive stamp, and the person preparing the lease, are liable to a penalty of £ 5 in addition to any penalty on stamping the same.

Letter or Power of Attorney.—The stamp on a proxy may be impressed or adhesive. If adhesive, it must be cancelled by the person signing the proxy, writing his name or initials with the date of the day of the meeting across the stamp.

Persons signing an unstamped letter of Attorney for voting at such a meeting or voting or attempting to vote under its authority, are liable to a penalty of £ 50, and such letter of Attorney or proxy cannot be stamped with an impressed stamp after being signed. But a proper adhesive stamp may be affixed and duly cancelled.

Policy of Assurance or Insurance.—The stamp may be impressed or adhesive. If adhesive, there must be written on it, at or before the signing of the policy, the number and date of the policy, and the names of the persons insured, and of one of the Directors of the Assurance Company or other person by whom it is signed, under a penalty of £ 50.

An impressed or adhesive stamp not appropriated by name to any other instrument may be issued, or a combination of both. An adhesive stamp must be cancelled by writing on it the name or the initials of the person or company making the insurance, the date of writing the same, and any particulars relating to the insurance for which the stamp may be adapted, under a penalty of £ 10.

The provisions and penalties contained in 16 and 17 Vic. c. 59 *s.* 6 (see above) are applicable to such policies; and a person making, signing, or delivering a policy not duly stamped, is liable to a penalty of £ 20.

The Managing Director, Secretary, or principal Officer of an Insurance Company, as well as the Company, is subject to the penalties imposed by this or any other Act.

Receipt or Discharge.—The stamp may be impressed or adhesive. If adhesive, it must be cancelled by the person giving the receipt, writing his name or initials on the stamp, under a penalty of £ 10.

Persons fraudulently removing, or procuring to be removed, an adhesive receipt stamp, or using a cancelled stamp, or otherwise committing fraud in order to evade duty, are liable to a penalty of £ 20.

Certified copy or extract of Register of Births, Baptisms, Marriages, Deaths or Burials.—The stamp may be impressed or adhesive. If adhesive, it must be cancelled by the person issuing the copy before delivering it, writing on the stamp his name or initials, and the date of cancelling, under a penalty of £ 20.

STAMPS FROM ENGLAND.

Description of Stamps, adhesive, for foreign papers.	Quantity.
	RS. 11,50,000
One Anna	45.000
Two Annas	8,500
Three ,, ...	1,50,000
Four ,, ...	5,000
Six ,, ...	45,000
Eight ,, ...	6,500
Twelve ,, ...	60,000
One Rupee	50,000
Two Rupees	6,000
Three ,, ...	30,000
Four ,, ...	4,500
Five ,, ...	15,000
Six ,, ...	1,100
Seven ,, ...	7,000
Eight ,, ...	1,200
Nine ,, ...	10,000
Ten ,, ...	3,500
Twenty Rupees	2,000
Twenty-five Rupees	1,000
Thirty Rupees	300
Forty ,, ...	600
Fifty ,, ...	500
One hundred Rupees	300
Two ,, ...	150
Five ,, ...	40
One thousand	

From the Collector of Stamps in Calcutta, to the Junior Secretary to the Board of Revenue, Lower Provinces, dated the 15th November 1866, No. 43.

1. In acknowledging the receipt of your letter No. 1,684 of the 5th instant, I have the honor to state that the system proposed (as detailed in the margin,) has been fully carried out to the satisfaction of the community resorting to this Office, to have Deeds, &c., stamped.

Each adhesive stamp will have a cold steel die impression, and will also partly pierce the stamp and extend to the paper on each side of the adhesive stamp, in order to render it useless for fraudulent purpose.

2. The check which the proposed system has on fraud is the impression which the die leaves on the document to which the Stamp is affixed, and even if the stamp be removed with a view to employ it on a second occasion, the die impression would be wanting on the paper, and this would at once detect the fraud.

3. In the specimen of the impressed Adhesive Stamp submitted with my Report No 35 of the 13th September last, you will observe that the date die has pierced the paper; notwithstanding, I ascertained by experiment, that even *then* the Stamp could be removed, and it was on this account that I suggested that the Penal Sections of the English Stamp Law should be added to Section 8 Act X. of 1862.

4. Having found the adhesive matter on the Stamps, as prepared and sent out from England useless for this purpose, I asked the Calcutta Chemical Examiner, Dr. Macnamara, to favor me with some preparation, which would cause the Stamp to adhere I also consulted Baboo Kany Lall Dey, the Assistant Chemical Examiner, and subsequently Dr. Waldie, the Chemist, but without success. The latter gentleman has promised to bestow his best attention to this matter, and, if possible, remove the present difficulty.

5. In the seventh paragraph of my Report above alluded to, it was brought to notice that at present the community are allowed to purchase *ad libitum*, and to use adhesive Stamps for receipts, customs, share transfers, and foreign bills. It would now appear the Chamber of Commerce desire to be allowed an extension of this permission in cases of Letters of Credit, Policies of Insurance, Charter Parties, &c., and generally documents in ordinary commercial use.

6. These descriptions of Stamps are never seen by me after their purchase, and therefore I am not in a position to state whether, as a rule, the 8th Section of the Stamp Law has been carried out in its integrity, as not a single case has been brought to my notice wherein Parties have evaded the law.

7. Under these circumstances, and until the proposed Penal Clause of the Stamp Act are known, I would not, from a revenue point of view, recommend the adoption of the proposal made by the Chamber of Commerce.

P. S.—As an additional precaution against fraud, I affix my signature and designation to *all* Adhesive Stamps of the value of Rupees 50 and upwards.

From the Secretary to the Bengal Chamber of Commerce, to the Junior Secretary to the Board of Revenue, Lower Provinces, dated the 10th October 1866.

1. The Committee of the Chamber of Commerce direct me to acknowledge receipt of your letter No. 1,338 of the 21st ultimo, relative to the working of the plan newly adopted in the Stamp Department.

2. How far the experimental trial of that plan has succeeded in checking fraud to which end it appears to have been primarily directed, it is not in the power of the Committee to report; but the scheme presented a fair and reasonable prospect of protecting the revenue against fraud, and the Collector, with whom it originated, will be able probably to state his experience of its working in that respect.

3. The Committee believe, however, that the adoption of the change has been attended with convenience to the public in all cases where the application of Adhesive Stamps and their defacement by the cold steel die in the Collector's Office has been resorted to, in preference to impressment by steam machinery in the Superintendent's Office.

Proceedings of the Madras Government Revenue Department, 1st March 1867.

4. The latter process is manifestly more expeditious, and consequently more convenient, where a number of papers are required simultaneously, bearing stamps of one denomination of value, bank cheques and bills of lading for instance; but where single documents or a set of documents require to be stamped, a set of bills of exchange or of policies of insurance for example, the affixing of adhesive stamps and defacing them by the hand press is unquestionably an improvement. as the operation need not involve a detention of more than a few minutes, and the saving of time to applicants is a strong recommendation in its favor.

5. While the Committee, therefore, are inclined to appreciate the merits of the system on trial, they would again urge upon the Board's attention the point which they have frequently pressed in previous correspondence, and the importance of which they feel to be sufficient grounds for their assertion that, unless that point is yielded for the convenience of trade, the business operations of the mercantile community will find no relief from any system, however well it may be found to work, for the convenience of Government, or as a preventive of fraud against the revenue.

6. The concession for which the Committee now renew their application is simply that, in respect of all Bills of Exchange, Letters of Credit, Policies of Insurance, Charter Parties and other contracts, and generally documents in ordinary commercial use which the law requires to be stamped, the issuer of such documents shall have the power of affixing Adhesive Stamps thereon, subject to the provisions of Section 8 of Act X. of 1862.

The Committee have no doubt whatever that the convenience of trade would be materially promoted if the cancellation of stamps as proposed were sanctioned by the Government of India, and if the use of adhesive stamps, or having stamps impressed were left altogether optional to the mercantile community.

From the Officiating Junior Secretary to the Board of Revenue, Lower Provinces, to the Secretary to the Government of Bengal, dated the 4th December 1866, No. 1,965.

1. In continuation of my letter No. 1,962, dated the 3rd instant, I am directed to forward herewith, in original, the accompanying letter from the Officiating Superintendent of Stamps, No. A., dated the 29th ultimo, submitting a Memorandum, with the cancelled Adhesive Stamps referred to from his Deputy.

2. Looking to the facility with which the value impressed on the Stamps lately received from England can be altered, it would not, the Board think, be advisable to continue their issue to the public. A distinctive color or pattern for each denomination of value seems necessary for obviating the possibility of loss to the Stamp Revenue by the fraudulent alteration of the figures denoting the value, and this, perhaps, would be the simplest and cheapest course for adoption.

3. I am desired accordingly to recommend that, pending the adjustment of the present difficulty, the new Stamps may be withdrawn from issue, and recourse be again had to the Foreign Bill Stamps, of which Mr Bignold reports that there is an ample stock in hand.

4. The return of the enclosures is solicited.

From the Officiating Superintendent of Stamps, to the Junior Secretary to the Board of Revenue, Lower Provinces, dated the 29th November 1866, No. A.

I have the honor to enclose, in original, a Memorandum drawn up by the Deputy Superintendent of Stamps, from which it appears that it is not difficult to counterfeit the higher values of the new special Adhesive Stamps by altering the values of those of lower denomination.

The specimens appended to the Memorandum were executed by the Deputy Superintendent with an ordinary pencil, yet they are sufficiently complete to deceive any person looking at them in a cursory manner.

The defect in the new Stamps is the uniformity of pattern in Stamps of different value.

This fault does not exist in the Foreign Bill Stamps, which were used by the Collector up to the 27th of September last, on which date the new Stamps were received from England.

I do not see how the use of the new Stamps can be continued without risk.

If their issue be at once stopped, there will be two courses open to the Government: the one to resume the use of Foreign Bill Stamps, of which there is an ample stock, pending the receipt of Adhesive Stamps of different patterns from home; the other to revert to the use of the cold steel die.

I forbear to enter on the question of the comparative merits of the impressed and adhesive stamps, as I understand from Mr. Collector Mackenzie that he is reporting directly to the Board the result of the experiment which is being made.

Memorandum on the Special Adhesive Stamps received from the Home Government.

A SUPPLY has recently been received from England of the special Adhesive Stamps referred to in the Order of the Government of India, No. 1,310, dated 6th July 1866, sanctioning, as an experimental arrangement, the substitution of adhesive for impressed stamps in Calcutta, embracing all the values from one Anna to Rupees 50, and the Stamps are now in issue to the Collector of Calcutta for sale. They are all of one and the same color. Those of anna values are all of one pattern, and those of values from Rupee 1 upwards are of another, but as all the latter are of the same design, and the value is shewn upon them only in figures, they may easily be forged by alteration of the figures denoting the value. The values, Rupees 3, Rupees 5, Rupees 6, may thus be altered to Rupees 8. The figure 0 may also easily be converted into 8. To prove the practicability of such forgery, I have altered a cancelled Stamp originally of the value of Rupees 6 to Rupees 8, and on another Stamp of the same value I have altered the figure on one side only of the circle in the centre of the Stamp, leaving the original figure 6 on the other side unaltered. Both Stamps are appended to this Memorandum. The alterations have been made with a penknife and a common office lead pencil, yet they are sufficiently well executed to escape detection, unless closely examined.

The 28th November 1866.

(Signed) A. D. JONES,
Deputy Supdt. of Stamps.

From the Junior Secretary to the Government of Bengal, (Stamps), to the Officiating Junior Secretary to the Board of Revenue, Lower Provinces, dated Fort William, the 18th January 1867, No. 168.

No. 1,962, dated 3rd December 1866.
" 1,965, " 4th " "

1. I am directed to acknowledge the receipt of your letters cited in the margin, and in reply to state that on the Board's recommendation, the Lieutenant-Governor sanctions the withdrawal from issue to the public of the new Adhesive Stamps received from England, and the re-employment of the Foreign Bill Stamps, pending the receipt of Stamps of a distinctive color for each denomination of value in lieu of those now rejected. The Government of India, in the Financial Department, will be this day asked to make the necessary application to the Right Honorable the Secretary of State for India on the subject.

2. Referring to the fourth paragraph of your No. 1,962, dated the 3rd ultimo, I am to state that the Lieutenant-Governor concurs with the Board in thinking that the use of Adhesive Stamps, which shall not be subject to obliteration in the Stamp Office, on the documents alluded to by the Chamber of Commerce, cannot be permitted.

Letter from the Government of India, Financial Department, (Separate Revenue), to the Right Honorable the Secretary of State for India, dated Fort William, the 6th February 1867, No. 3.

1. We have the honor to submit a copy of a communication received from the Government of Bengal, from which it will be seen that the Stamp Office at Calcutta has found it necessary to

reject the Special Adhesive Stamps which have lately been supplied from England, owing to the facility with which a fraudulent alteration of the values indicated on them can be effected.

2. To obviate this risk, it is proposed that a distinctive color or pattern for each denomination of value should be adopted, and we request that a fresh supply of Adhesive Stamps on this principle may be furnished in substitution of those which have been withdrawn from use.

No. 14. ORDER THEREON, 1st March 1867, No. 509.

Separate Revenue, No. 2.
Stamps.

Ordered to be recorded.

(True Extract.)

(Signed) J. GROSE,
Under Secretary to Government.

Exd. F. R. Bantleman.

No. 169.

FROM S. C. BAYLEY, ESQ.,

Junior Secretary to the Government of Bengal,

TO THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Fort William, the 18th January 1867.

Stamps.

SIR,

WITH reference to the endorsement from this Office No. 945, dated the 10th March last, I am directed to forward herewith, for the information of His Excellency the Governor General in Council, a copy of the correspondence cited in the margin, and to request that Adhesive Stamps with distinctive colours for each denomination of Stamp may be obtained from England for use instead of the Stamps which it has now become necessary to reject, because of the facility with which the values impressed on them can be altered.

From Board of Revenue, Lower Provinces, No 1962, dated 3rd December 1866.
From Board of Revenue, Lower Provinces, No. 1965, dated 4th December 1866.
To Board of Revenue, Lower Provinces, No. 168, dated 18th January 1867.

I have the honor to be,

SIR,

Your most obedient Servant,

S. C. BAYLEY,

Junior Secretary to the Government of Bengal.

[Exd. J. H.]

Revenue 1867 - D/ 5th
Ry of Govt for March
No. 1660.

From the Secty
to the Govt of India

Dated 6th July
Received 19th " 1867.

No. 757.

C-1-

Forwarding for information
a copy of papers relating to
the arrangements which it has
been necessary to make in Bengal
in consequence of the deficiency in the
Special Ad hesive Stamps lately
received from England. —

No. 509.

RECD

Bombay
1st July 1867

No. 13-14.