

Wednesday, August 17, 1881

COUNCIL OF GOVERNOR GENERAL  
OF  
INDIA

VOL . 20

JAN. - DEC.

1881

P . L .

ABSTRACT OF THE PROCEEDINGS

OF THE

Council of the Governor General of India,

ASSEMBLED FOR THE PURPOSE OF MAKING

LAWS AND REGULATIONS.

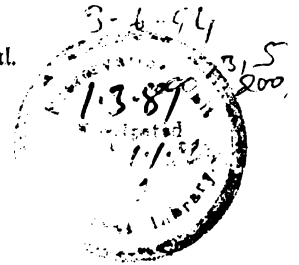
1881.

WITH INDEX.

VOL. XX.



Published by the Authority of the Governor General.



CALCUTTA:

OFFICE OF THE SUPERINTENDENT OF GOVERNMENT PRINTING, INDIA.

1882.

*Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament 24 & 25 Vic., cap. 67.*

---

The Council met at Government House, Simla, on Wednesday, the 17th August, 1881.

P R E S E N T :

His Excellency the Viceroy and Governor General of India, K.G., G.M.S.I., G.M.I.E., *presiding*.

His Honour the Lieutenant-Governor of the Panjáb, K.C.S.I., C.I.E.

His Excellency the Commander-in-Chief, Bart., G.C.B., C.I.E.

The Hon'ble Whitley Stokes, C.S.I., C.I.E.

The Hon'ble Rivers Thompson, C.S.I., C.I.E.

The Hon'ble J. Gibbs, C.S.I., C.I.E.

Major the Hon'ble E. Baring, R.A., C.S.I., C.I.E.

Major-General the Hon'ble T. F. Wilson, C.B., C.I.E.

The Hon'ble C. Grant, C.S.I.

COURT-FEES BILL.

The Hon'ble MR. STOKES moved for leave to introduce a Bill to amend the law relating to Court-fees. He said that in the year 1879 Mr. F. R. Cockerell of the Bengal Civil Service, who had been in charge of the Bills which became respectively Act XVIII of 1869, Act VII of 1870, and Act I of 1879, and was therefore thoroughly familiar with the Indian Stamp-law, was instructed by the Government of India to place himself, on arriving in England, in communication with Messrs. De La Rue & Co., the eminent paper-makers and stamp-manufacturers. He was to bring before them the whole question of the stamp forgeries recently discovered in Oudh and the North-Western Provinces, and to submit, for their inspection and examination, some specimens of those forgeries, together with the mechanical apparatus employed, or supposed to have been employed, in the manufacture of the forged labels. He was then, in consultation with Messrs. De La Rue, and with the aid of their practical experience, to devise some kind of stamping machinery which would afford due protection to the revenue against the fraudulent practices by which its security had been menaced from time to time, and to submit, as the result of this conference, his conclusions on the whole question, and any recommendations for the alteration of the existing system of collection of fees, stating at the same time how far those conclusions and recommendations had the concurrence of that firm.

Mr. Cockerell had now submitted his report. The principal question for consideration was whether adhesive labels were to be retained for the collection of court-fees wholly or partly.

The frauds to which the use of adhesive stamps had given rise were of two kinds:—

1st.—Abstraction of the labels from the papers to which they had been affixed and re-use of such labels;

2nd.—The production of counterfeit labels and making them pass current as genuine.

Messrs. De La Rue were of opinion that from the stamp-manufacturers' point of view there was no way of preventing such attempts at counterfeiting adhesive labels as had been recently discovered, or rendering their accomplishment more difficult. The Government of India had therefore to choose between persevering with the adhesive stamps and a partial or complete recourse to the use of stamped papers in lieu of the labels. Messrs. De La Rue advocated a complete re-introduction of stamped papers for the collection of court-fees generally. They were of opinion that it was more profitable for forgers to work upon labels of the smaller values, as they passed with less scrutiny than labels of the higher values, and that the forgeries discovered were of so clumsy and inaccurate a nature that they should have been detected at once with ordinary care. The real difficulty and danger to the revenue, Messrs. De La Rue considered, arose out of the other kind of fraud, namely, the abstraction and re-use of the adhesive labels.

On the other hand, Mr. Cockerell was of opinion that the wisest course, under the present circumstances, would be a partial substitution of stamped papers for adhesive labels. If after a fair trial of such a measure it was found necessary to go further in the direction of the discontinuance of the use of adhesive labels, such progressive action would not have been rendered more difficult by the adoption of what he proposed, inasmuch as his proposals did not embrace any considerable initial outlay, the value of which would be lost in the event of any closely following change of system. Mr. Cockerell also thought that, considering the great difficulty which forgers had in this country in manufacturing forged stamps rapidly, owing to deficient mechanical appliances and the great expense incurred in paying persons to pass the counterfeit labels, it was unlikely that forgers would work upon the smaller values. With regard to the abstraction and re-use of adhesive labels, he was of opinion that an examination of the cases in which such frauds had been committed showed that they might have been prevented by a due examination and cancellation of the labels affixed to documents when presented to the court or office in which

the fraud occurred. He therefore came to the conclusion that it would be premature to condemn a system the checks and precautions for the proper working of which had never been fairly and perseveringly enforced.

The great advantage which the substitution of stamped papers for adhesive labels in the collection of the court-fees of the higher values instead of those of the lower values possessed was that the increase of expenditure entailed by the former change was very much less than that entailed by the latter change. Mr. Cockerell calculated that the average annual consumption of stamps of the value of ten rupees and upwards was less than Rs. 3,00,000 out of a total consumption of more than  $25\frac{1}{2}$  millions. Then the cost of the lower values of adhesive labels was two shillings and sixpence per thousand, while the cost of the smallest size of stamped papers was 37 shillings per thousand. Besides this vast difference in the cost of production, the introduction of stamped papers involved a great increase in the cost of carriage.

For these reasons Mr. Cockerell recommended that stamped papers should be used for the collection of all court-fees of ten-rupee value and upwards, and that the use of adhesive labels in respect of all denominations of fees below that amount should be continued. His reasons for thinking that the change should commence at the ten-rupee denomination were briefly as follows:—

- (1) that this would include all values of substantial amount in regard to which the greatest risk to the revenue from forgeries was to be apprehended;
- (2) that, to avoid expense in the introduction of stamped papers, it would be necessary to manufacture them on the same pattern, using the same plates, &c., as the stamped papers used under the Indian Stamp Act, 1879. The classification of stamped papers for court-fees should, therefore, be the same as that for stamp-duties, and class III of the latter commenced at ten rupees;
- (3) that it was of great importance that the denominations below one rupee should be represented by adhesive labels, as these denominations were specially required for the purpose of making up the fractional parts of five rupees where the whole value of the stamp required exceeded ten rupees.

Mr. Cockerell proposed no change in the present scale of fees payable in suits the amount or value of the subject-matter of which did not exceed five thousand rupees. With regard to the fees chargeable in the case of suits of higher values, he proposed to re-adjust the scale of fees prescribed by Schedule I of the Court-fees Act so as to reduce materially the number of denominations

of stamps required for the collection of fees. The sliding scale fixed by the present law comprised no less than one hundred and thirty-five denominations of fees above Rs. 275, which was the fee chargeable on a suit for an amount or value of Rs. 5,000. To meet the requirements of this scale very many new denominations of stamped papers would have to be provided. Great additional expense would have to be incurred in making the proposed change, while the new stamped papers would, comparatively speaking, be seldom used, the number of suits for large amounts forming so small a portion of the entire litigation of the country.

The greatest enhancement in the fees which this change in the law would involve would be in the cases of suits for seven thousand and of suits for ten thousand rupees. In the case of the former suits there would be an increase of twenty rupees and in the case of the latter an increase of fifty. In the case of suits for sums exceeding ten thousand rupees the increase would be less in proportion. Thus, the fee on a suit for fifteen thousand rupees would be only twenty-five rupees above its amount under the existing scale, and the fee on suits for Rs. 20,000 would be the same as, and that on a suit for Rs. 30,000 only twenty-five rupees more than, the present fee. The proposed increase, it was calculated, affected only about one per cent. of the entire litigation of the country.

Mr Cockerell calculated that the annual cost of substituting stamped papers for all values of ten rupees and upwards and continuing the use of adhesive labels for values below ten rupees would be about £8,600, or an increase of rather more than £5,000 over the present cost. The total annual cost of substituting stamped papers in respect of all denominations of court-fees and discontinuing the use of labels absolutely would be about £56,000, or an increase over the present expenditure for manufacture alone of about £53,000.

The Government of India had resolved to adopt Mr. Cockerell's recommendations, and it was therefore necessary to legislate and to amend the first article of Schedule I of the Court-fees Act, VII of 1870, in accordance with his suggestions. The Act would also be amended so as to prevent the fraudulent removal and re-use of adhesive labels. And the opportunity would be taken to make certain other amendments in the law which the reported decisions of the High Courts and the experience of the past ten years had shown to be desirable.

The Motion was put and agreed to.

#### PANJAB LAWS ACT AMENDMENT BILL.

His Honour the LIEUTENANT-GOVERNOR of the Panjáb moved for leave to introduce a Bill to amend the Panjáb Laws Act, 1872. He said that the object of this amending Bill was to place watchmen who were appointed to

perform police duties in municipalities under the same legal control in regard to their duties as watchmen of the same class in villages. The alteration in the Act was a very small one, and was rendered necessary by the peculiar circumstances of the case. By Act No. XV of 1875 the Panjáb Laws Act of 1872 was amended, and power was taken to frame rules to regulate the duties of village watchmen. Municipalities were expressly excluded from the operation of the amended law, as it was supposed that the police duties in all municipalities would be invariably performed by organized police and not by watchmen; it has been found however that the expense of organized police is greater than the funds of the several municipalities can bear; and in order to reduce the expenditure on the police it is necessary to use the services of watchmen instead of police. Under the existing law no power existed by which the rules to regulate the duties and responsibilities of such watchmen in municipalities could be framed. The Bill which he asked permission to introduce would confer those powers. The necessity for the change had been admitted by the Government of India, as there appeared no way by which the powers sought could be conferred or exercised under the existing law.

The Motion was put and agreed to.

The Council adjourned to Wednesday, the 31st August, 1881.

R. J. CROSTHWAITE,

SIMLA; }  
*The 17th August, 1881.* } *Officiating Secretary to the Government of India,*

*Legislative Department.*