

*Friday,  
2nd March, 1906*

**ABSTRACT OF THE PROCEEDINGS**

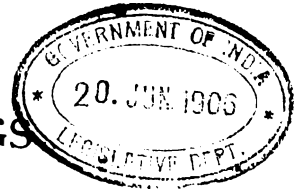
**OF THE**

**Council of the Governor General of India,**

**LAWS AND REGULATIONS**

**Vol. XLIV**

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ABSTRACT OF PROCEEDINGS

OF

THE COUNCIL OF THE GOVERNOR GENERAL OF INDIA

ASSEMBLED FOR THE PURPOSE OF MAKING

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FROM 1905 TO MARCH 1906.

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1906.

*Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the-provisions of the Indian Councils Acts, 1861 and 1892 (24 & 25 Vict., c. 67, and 55 & 56 Vict., c. 14).*

The Council met at Government House, Calcutta, on Friday, the 2nd March, 1906.

PRESENT :

- His Excellency the Earl of Minto, P.C., G.C.M.G., G.M.S.I., G.M.I.E., Viceroy and Governor General of India, *presiding*.  
 His Honour Sir A. H. L. Fraser, K.C.S.I., Lieutenant-Governor of Bengal.  
 His Excellency General Viscount Kitchener of Khartoum, G.C.B., O.M., G.C.M.G., Commander-in-Chief in India.  
 The Hon'ble Sir A. T. Arundel, K.C.S.I.  
 The Hon'ble Sir Denzil Ibbetson, K.C.S.I.  
 The Hon'ble Mr. H. Erle Richards, K.C.  
 The Hon'ble Mr. J. P. Hewett, C.S.I., C.I.E.  
 The Hon'ble Mr. E. N. Baker, C.S.I.  
 The Hon'ble Major-General C. H. Scott, C.B., R.A.  
 The Hon'ble Rai Sri Ram Bahadur, C.I.E.  
 The Hon'ble Mr. L. A. S. Porter.  
 The Hon'ble Mr. L. Hare, C.S.I., C.I.E.  
 The Hon'ble Mr. H. A. Sim, C.I.E.  
 The Hon'ble Nawab Fateh Ali Khan, Kazilbash, C.I.E.  
 The Hon'ble Mr. A. A. Apcar, C.S.I.  
 The Hon'ble Mr. S. Ismay, C.S.I.  
 The Hon'ble Mr. W. T. Hall, C.S.I.  
 The Hon'ble Mr. A. C. Logan.  
 The Hon'ble Nawab Bahadur Khwaja Salimulla of Dacca, C.S.I.  
 The Hon'ble Nawab Saiyid Muhammad Sahib Bahadur.

INDIAN COINAGE BILL.

The Hon'ble MR. BAKER moved that the Report of the Select Committee on the Bill to consolidate and amend the law relating to Coinage and the Mint be taken into consideration. He said :—"My Lord, it will be seen from the report that the Select Committee have made somewhat numerous alterations in the Bill. Most of these are of comparatively small importance, and they are sufficiently explained in the report. I think, however, that it may be worth while for me to offer a few supplementary remarks in regard to the sections relating

to the treatment of defaced and light weight coin which have been entirely recast by the Select Committee.

“ Taking first the case of defaced coins, the Bill as originally drafted made a distinction between coins which had been defaced by being shroff-marked, or for the purpose of converting them into an ornament, and all other kinds of defaced coins. It was provided that the two first kinds of defaced coins should be received and paid for at special rates; but that all others should be cut and returned to the tenderer.

“ These proposals have been subjected to a good deal of criticism, much of which we consider to be substantially just. It was pointed out that considerable hardship would be caused if coins which had merely been used as ornaments were to be received at a discount, It was also observed that coins might be defaced in other ways than by shroff-marking or by use as an ornament, yet without any intent to defraud; and that hardship might be caused if such coins were cut and reduced to mere bullion value. For instance, in the west of India, rupees which have been circulating in Portuguese Mozambique are frequently stamped with the letters P. M. This would constitute defacement; yet as the value of the coins has not been impaired it would not be just to demonetize them. It was also observed that there was no definition of defacement, and that its absence might lead to uncertainty in the interpretation of the law.

“ We have accepted these views, and have revised the Bill accordingly. We have inserted a definition of the word “deface,” and we have provided that every defaced coin which is not light weight shall be received at its full face value, unless there is reason to believe that it has been defaced fraudulently. As most cases of defacement with which we are acquainted are not fraudulent, this gives a very wide measure of protection to the public, and it completely covers the case of rupees which have been defaced only by use as ornaments. The only case of fraudulent defacement which is of sufficient importance to call for specific notice is defacement by means of sweating, and we have accordingly provided that coins which there is reason to believe have been defaced by sweating shall be deemed to have been fraudulently defaced.

“ Turning now to the case of light weight coins, there seems to have been a certain amount of misapprehension on the part of some of the persons consulted as to what was actually intended. It appears to have been supposed in some quarters that Government proposed in some way to recede from the position

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[*Mr. Baker.*]

that loss of weight due to reasonable wear and tear should be borne by the State, and that we desired to impose it on the last holder of the coin. That is not the case at all. We have for many years, in fact since 1881, accepted the responsibility of making good the loss of weight due to fair wear, and we have never contemplated going back from this position. What these gentlemen have failed to understand is that when the loss of weight exceeds a certain proportion, it cannot be due to fair wear, and must be due to the maltreatment of the coin, in other words, to fraud. In 1896, a series of very careful and extensive enquiries were instituted by Colonel Baird, then Master of the Calcutta Mint, and these have been continued down to the present time. The result of these has been to show that the average life of a coin, when subjected only to fair wear, is a little over 55 years, *i.e.*, that it will not have lost more than 2 per cent in weight and thereby have ceased to be legal tender for that period. The enquiries also showed that among coins issued prior to 1873, not more than one in 1,000 had lost more than 4 per cent in weight by honest wear, while in the case of coins of later date, the percentage of light weights was less than  $\frac{1}{2}$  per cent. Now, according to our system, coins are recalled from circulation when they have reached a certain age. Thus the coinages which bear the dates 1835 and 1840 (which include all coinages down to 1861 inclusive) have been called in, and very few of them are now in circulation. It follows that scarcely any coins now outstanding can have lost so much as 4 per cent by honest wear, and any loss exceeding, say,  $6\frac{1}{4}$  per cent must be due to maltreatment. When that is the case, there is no ground for requiring the State to bear the whole loss. It is only equitable that the holder should contribute towards it. Accordingly, in 1899 we issued rules, not based on any provision of the law, but on executive authority, that coins reduced in weight by more than  $6\frac{1}{4}$  per cent should be received at a slightly reduced rate; and that when the reduction of weight amounted to more than 25 per cent, or one-fourth of the whole, the coin should be cut and returned. This is based exactly on the provisions of the English law, with the exception that our rates are much more liberal towards the public. In England, for instance, the loss of weight allowed on a sovereign is only 3 grains or about  $2\frac{1}{2}$  per cent.

“The Bill as revised merely takes formal power to do by rule what we have been doing for the last seven years by executive order. There is no ground whatever for the extraordinary apprehension, which has been expressed in one quarter, that the new law will necessitate the actual weighing of each individual coin received in payment of rent or in the course of business: and I will venture

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MERCHANT SHIPPING.

[*Mr. Baker; Mr. Richards; Mr. Hewett.*] [2ND MARCH, 1906.]

to hazard the prediction that when the Bill becomes law, no one will be aware that any change whatsoever has been made.

“I do not think I need offer any observations on any of the other clauses of the Bill.”

The motion was put and agreed to.

The Hon'ble Mr. BAKER moved that the Bill, as amended, be passed.

The motion was put and agreed to.

PRESIDENCY SMALL CAUSE COURTS BILL.

The Hon'ble MR. RICHARDS presented the Report of the Select Committee on the Bill further to amend the Presidency Small Cause Courts Act, 1882.

INDIAN STAMP (AMENDMENT) BILL.

The Hon'ble MR. BAKER presented the Report of the Select Committee on the Bill further to amend the Indian Stamp Act, 1899.

INDIAN MERCHANT SHIPPING (AMENDMENT) BILL.

The Hon'ble MR. HEWETT presented the Report of the Select Committee on the Bill further to amend the law relating to merchant seamen.

The Council adjourned to Wednesday, the 21st March, 1906.

J. M. MACPHERSON,

*Secretary to the Government of India,  
Legislative Department.*

CALCUTTA;

*The 2nd March, 1906.* }