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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 113 Press
141-142. ~~Mis.~~

Dated 22-1- 1873.

15/16

Not to be folded or roughly handled

No. 141. Read the following letter from A. MACGREGOR, Esq., Collector of Malabar, to the Chief Secretary to Government, Fort St. George, dated Calicut, 3rd December 1872, No. 69 :—

In accordance with your Circular of the 9th September last, No. 1195, I have the honour to report that the Local Fund House-tax appears to me the only tax which is at present creating much discontent among the community. The feeling is general, but is more especially exhibited by the Mahomedan section of the population, in this district a very numerous class.

2. The fact that Mahomedans stand aloof from our Government Schools is notorious, and consequently to tell them that the tax is designed to support schools, and to point out to them the particular school on which their money is spent and from which they derive no benefit, is, if anything, an aggravation of the hardship of which they complain. It so happens that Moplahs spend more money on their dwellings than Hindoos compared to their position in life. The consequence is the tax falls on them with special severity.

3. It is true that efforts are being made, and with fair promise of ultimate success, to extend the benefit of the grant-in-aid system to Moplah Schools, but this is only quite lately, and the task, even if eventually successful, must be one of time.

4. The house-tax is one of the class of taxes for the abolition of which much credit was taken some years ago.

5. The taxes were abolished as unpopular, unequal, and vexatious on account of the minute inquiry involved, and the necessarily arbitrary character of the assessment.

6. Possibly there is an idea that the reimposition of the house-tax is the first step towards the re-establishment of all Moturpha taxes. There is, I have observed, a feeling among natives of this country that any tax is unjust which is not of the nature of a share in some source of income. The land-tax, and even the income-tax, may be regarded as a share, but the house-tax is based on an item not of income but of expenditure.

7. One of the few rights that the inhabitants of Southern India have contrived to maintain to the present day is a right to a free house-site, but the house-tax renders nugatory this one cherished exemption.

8. The appeals against the house-tax have been innumerable. There were 5000 in two taluqs alone, though the valuations were fixed so low that Government considered the houses had been altogether undervalued.

9. I am unable to record any tangible result of the export duty on rice as coming under my own personal notice. This is not a rice-exporting district. I am of opinion that it is impolitic to maintain an export duty on food grains, while permitting the free export of cotton and coffee which can be produced on the same soils. So far as it goes it would tend to check the growth of a surplus stock of food. The nearer the average production is to the annual amount required for local consumption, the more certain is famine when an exceptionally bad season or course of seasons arrives. A large and well-established export trade in food is the only protection a country like India can have against famine, so that, when the production falls very much below the average, there will still be sufficient to feed the inhabitants.

10. As regards the working of the Local Fund Board, I am of opinion that, in spite of great difficulties, the working of the Boards in this district has been successful, and will be more decidedly so in a year or two, when the preliminary difficulties have been overcome.

11. The ordinary disposition of a central authority to reduce everything to one uniform pattern bears hardly on Malabar, where there is so much that is exceptional.

12. It seems absolutely necessary that the Local Boards should be allowed more freedom in adapting measures to the requirements of the country with which their personal experience furnishes them with accurate and minute information. I have found no lack of inclination on the part of the native members to attend to business, but they are naturally discouraged when they find that their views even when they obtain a majority are not carried out.

13. Wages are, except in the neighbourhood of large towns, paid in kind, and average two Madras measures of rice for a first-class cooly. The women and children earn proportionally less. The great majority of agricultural labourers are permanently entertained by the landowners, and these are paid one-and-a half measures a day whether they work or not. This rate of pay is very little more than enough for a bare subsistence. It admits of an occasional drink. From a report drawn up by my predecessor, in 1863, it seems that there is little difference perceptible since then in the rate of wages.

14. I am unable to see any marked improvement in the position of the agricultural labourer during the thirteen years I have known the district. They are slaves in everything but name, and up to no very distant period were invariably sold with the land. There are abundant opportunities for this class to better themselves by going to work in Wynaad, but comparatively few avail themselves of this, preferring the freedom from anxiety which the protection of a landowner affords.

15. In the towns there has been a marked increase of the rate of wages which is now 4 Annas. The price of food, however, being also increased, this class are not much better off than they were before.

No. 142. ORDER THEREON, 22nd January 1873, No. 113.

This letter has been communicated to the Government of India with the other replies on the general question of taxation of all kinds, but the Governor in Council deems it necessary to notice the Collector's remarks on the house-tax levied under the Local Funds' Act for purposes primarily of education, and secondarily of sanitation and general local improvements.

2. The Governor in Council sees no reason to think that this particular impost is more unfavourably viewed by the people in Malabar than elsewhere, although, from the more general spread of wealth in that district, its incidence may be more extensive and heavier in fact though not in proportion to that wealth.

3. The peculiar race animosities and the idiosyncrasies of the Moplahs prevent such uniformity of action as elsewhere, but the Governor in Council has approved and sanctioned special advantages for the Moplah Schools and students,

Proceedings of the Madras Government, Financial Department,
22nd January 1873.

and he is sanguine that good results may be confidently anticipated from the educational measures which have been adopted in regard to them, and that these will hereafter be appreciated properly by the people themselves.

4. At the same time the Governor in Council fully recognises the force of the objections to the house-tax, and desires that here and everywhere its introduction should be attended with much consideration and moderation, and that it should follow rather than force the inclinations of the people. Where schools already exist, and are evidently successful, the application of the tax for their maintenance is less open to objection on the part of the people.

5. In Malabar the house-tax is no novelty, and there is no reason for associating its revival with any intention of resuscitating the Moturpha taxes generally as a source of Imperial Revenue, the abolition of which was based mainly on considerations of its objectionable details and partial application throughout the empire.

6. The Governor in Council, however, desires to learn from Mr. Macgregor whether in Malabar the extension of the house-tax beyond the range of its present imposition may not be deferred until the results of recent measures for fostering education among the Moplahs are apparent, and the Government will be prepared to consider favourably such modifications in the rates and incidence of the tax as he may think proper to recommend.

(True Extract.)

Chief Secretary.

To the Collector of Malabar.
,, Board of Revenue.

Exd. J. Wright.

Govt. of {1873} Madras.

FINANCIAL.

To

The COLLECTOR of MALABAR,

&c. &c. &c.

dated January 9, 1873.

ad.

G. O., 22nd January 1873, No. 113.

JANUARY.
Nos. 141-142.

Passing orders regarding the remarks of the
collector of Malabar on the house-tax levied
under the Local Funds' Act.

5

No. 69.

Malabar Collr's Office
Calicut 3d. Decr. 1872

From

A. Macgregor Esqre
Collector of Malabar.

To,

The Honble W. Hudleston
Chief Secretary to Govern.t
Fort St. George

Sir

In accordance with your Circular of the 9th September last. No 1195, I have the honor to report that the Local Fund House Tax appears to me the only tax which is at present creating much discontent among the Community. The feeling is general but is more especially exhibited by the Mahomedan section of the population, in this district a very numerous class.

2 The fact that Mahomedans stand aloof from our Government-Schools is notorious, and consequently to tell them that the tax is designed to support schools, and to point out to them the particular school on which their money is spent and from which they derive no benefit is if anything an aggravation of the hardship of which they complain. It so happens that Moplahs spend more money on their dwellings than Hindoos compared to their position in

life - The consequence is the tax falls on them with special severity.

3 It is true that efforts are being made and with fair promise of ultimate success to extend the benefit of the grant-in-aid system to Mopla schools, but this is only quite lately and the task, even if eventually successful, must be one of time

4. The house tax is one of the class of taxes for the abolition of which much credit was taken some years ago.

5 The taxes were abolished as unpopular, unequal and vexatious on account of the minute enquiry involved and the necessarily arbitrary character of the assessment.

6 Possibly there is an idea that the reimposition of the house tax is the first step towards the re-establishment of all Moturpha Taxes. There is I have observed a feeling among natives of this country that any tax is unjust which is not of the nature of a share in some source of income - The land tax, and even the income tax may be regarded as a share, but the house tax is based on an item not of income but of expenditure -

7 One of the few rights that the inhabitants of Southern India have contrived to maintain to the present day is a right to a free house site, but the house tax renders nugatory this one cherished exemption.

8 The appeals against the house tax have been innumerable. There were five thousand in two Taluks alone, though the valuations were fixed so low that Government considered the houses had been altogether undervalued -

9 I am unable to record any tangible result of the export-duty on rice as coming under my own personal notice - This is not a rice-exporting district. I am of opinion that it is impolitic to maintain an export duty on food grains while permitting the free export of cotton and coffee which can be produced on the same soils - So far as it goes it would tend to check the growth of a surplus stock of food. The nearer the average production is to the annual amount required for local consumption, the more certain is famine when an exceptionally bad season or course of seasons arrives. A large and well established export trade in food is the only protection a country like India can have against famine, so that when the production falls very much below the average, there will still be sufficient to feed the inhabitants.

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Local Fund Boards, I am of opinion that in spite of great difficulties, the working of the Boards in this district has been successful, and will be more decidedly so in a year or two, when the preliminary difficulties have been overcome -

11 The ordinary disposition of a Central authority to reduce everything to one uniform pattern bears hardly on Malabar, where there is so much that is exceptional -

12 It seems absolutely necessary that the Local Boards should be allowed more freedom in adopting measures to the requirements of the country with which their personal experience furnishes them with accurate and minute information. I have found no lack of inclination on the part of the native members to attend to business, but they are naturally discouraged when they find that their views even when they obtain a majority are not carried out.

13. Wages are, except in the neighbourhood of large towns, paid in kind, and average 2 Madras measures of rice for a first class cooly - The women and children earn proportionally less - The great majority of agricultural laborers are permanently entertained by the landowners, and these are paid 1½ measures a day whether they work or not - This rate of pay is very little more than Enough for a bare subsistence - It admits of an occasional drink - From a report drawn up by my predecessor in 1863, it seems that there is little difference perceptible since then in the rate of wages.

14 I am unable to see any marked improvement in the position of the agricultural laborer during the thirteen years I have known the District - They are slaves in everything but name, and up to no very distant period were invariably sold with the land - There are abundant opportunities for this class to better themselves by going to work in Wynad, but Comparatively few avail themselves of this, preferring the freedom from anxiety which the protection of a land owner affords.

15 In the towns there has been a marked increase of the rate of wages which is now 4 annas - The price of food however being also increased this class are not much better off than they were before.

I have the honor to be,
Sir,
Your most Obdt Servant
A Macpherson
Collector

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read ~~the following~~ again letter from the Collector of Malabar dated 3d December 1872 No. 269, recorded in Proc. of Govt. of 31st Dec. 1872 No. 1733.

Order thereon 22nd Janry. 1873 No. 113.

This letter has been communicated to the Govt. of India with the other replies on the general question of taxation of all kinds, but the Governor in Council deems it necessary to notice the Collector's remarks on the House tax levied under the Local Funds' Act for purposes primarily of education and secondarily of sanitation and general local improvements.

Ord: 30 Aug 96-100
" 5 Sept 79 - 28-40
" 18 Oct - 181-182
" 7 Nov - 52-56

Financial Dept.

113
1873

To Collector of Malabar

do

The Chief Secretary to Govt. Fort St. George.

Dated 8th Jany. 1873
Rec'd 1 " "
Reg. 14th "

Reporting on certain issues as instructed in Circular Letter No 119 of 29 Sept. last.

2. The Governor in Council sees no reason to think that this particular impost is more unfavorably viewed by the people in Malabar than elsewhere, although from the more general spread of wealth in that District its incidence may be more extensive and heavier in fact though not in proportion to that wealth.

3. The peculiar race animosities and the idiosyncracies of the Moplahs present such uniformity of action as elsewhere, but the Governor in Council has approved and sanctioned special advantages for the Moplah Schools and Students, and he is sanguine that good results may be confidently anticipated from the educational measures which have been adopted in regard to them and that these will hereafter be appreciated properly by the people themselves.

4 At the same time the Governor in Council fully recognizes the force of the objections to the House tax, and desires that here and everywhere its introduction should be attended with much consideration and moderation, and that it should follow rather than force the inclinations of the people. Where schools already exist, and are evidently successful, the application of the tax for

for their maintenance is ~~unquestionable~~ legitimate his opposition to object on the part of the people.

5 In Malabar the House Tax is no novelty, and there is no reason for associating its revival with any intention of ~~re~~ associating the Local taxes generally as a source of Imperial revenue, the abolition of which was based mainly on considerations of its objectionable details and partial application throughout the Empire.

6. The Governor in Council however desires to learn from Mr. MacGregor whether in Malabar the extension of the House Tax beyond the range of its present

(on the letter)

Remit amount to
Dt. Officials | House Tax
Cultivating Circle 11 - Rs 29530
Telicherri 7 - 9290
18 38820

I recirculate Mr. A. MacGregor's letter on taxation & specially on the House tax proposals. In Regn. to the remarks on it by Mr. the Govt. proposing & instruct Mr. Mt. that the House tax should be imposed in Malabar. As it has been already imposed in Cochin & Travancore & with its suspension & the Govt. for Elementary Education will cease. The L.F. act provides

that Funds maybe raised
for this among other local
purposes
by a Land cess
by a Local Fee
by tolls.

The Whole of the proceeds
of the tolls & fees less than
2/3rds of those of the Land
cess must be applied to
the construction, repair
& maintenance of roads
& communications.

The other purposes to which
the funds raised under this
act shall be applicable
are the dispensing profession
including construction & repa

Lock hospitals. maintenance of
both by fines &c in addition
of portion of Dr. & Training
teachers.

The construction & repair of
hospitals. Dispensaries
Lunatic Asylums. Charities.
Markets. Tanks & wells.
Compensation for damages connected
with the projected purchase
buildings & training &
employing Vaccinators &
Medical practitioners -
Sanitary inspection of towns
villages. cleansing of
roads - streets - & tracks -
any other local works of
public utility calculated
to promote the health
comfort or convenience
of the people. The House

	Rs.		Class
Rs.	5	—	1
	3	—	2
	2	—	3
	1	—	4
"	8	—	5
"	4	—	6

tax is only to be imposed in villages where grant in aid schools exist or when the people desire or the Govt. determine to establish such schools.

The proceeds only the cesses to be applied in the first instance to defray the educational expenditure in the village or group of villages concerned. Any surplus may be applied to any other objects touching the health comfort or convenience of the people.

If the Honorary is not imposed, the only means available for all the purposes of the Act other than roads & communications will be the 1/3 of the Land cess.

L. D.

C 19.12.92
R 20/12

I think we should move very cautiously in the matter of abolishing the levy of a house tax throughout Malabar.

It is an object of great importance to educate a portion of the community, the Mahlaks, and by abolishing the tax now in force I am afraid we shall be postponing sine die this achievement of our object.

The Hindu population is rather lost- right of in Mr. Macgregor's letter.