M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Rev. DEPARTMENT.

G.O. No. 1489 Press ~~Mis.~~

25-26

Dated 2 - 11 - 1859

Not to be folded or roughly handled

No. 25. Read the following letter from J. D. SIM, Esq., to J. D. BOURDILLON, Esq., Secretary to Government Revenue Department; dated Kúnúr 24th October 1859.

1. I have had the honor of receiving your letter of the 24th Ultimo, calling for my opinion on the Bill, now before the Legislative Council, "for the Licensing of Trades and Professions."

2. I proceed to state, briefly, my objections to this measure.

I. The proposed tax seems to me to be nearly identical in character with the existing Veesabady and Mohturfa of this Presidency, and, I believe that, in its practical operation, it will be attended with the same evils as have led to their, almost universal, condemnation of those imposts. It is true that petty traders will be exempt from *this* tax, but there is the same scope for official interference, the same inducement to the people to resort to falsehood and deception. To ascertain the income of every trader, whose net profits exceed £6-12 per annum will, of itself, be a work of such magnitude, that, here at least, it must be entrusted, in a great measure, to subordinates, who cannot *all* be remunerated on a scale which will place them above the temptation of misusing their powers. A perusal of Section XIII. of the Bill will show what these powers are, and also how easily, under color of a strict performance of duty, they may be made the means of oppression and exaction. And even if this be prevented by a careful selection of the officers entrusted with these powers, those liable to be taxed under the Act, may be subjected, apparently with impunity, to serious inconvenience by any person, who, from enmity, or with a view to exaction, may lay false informations against them, or may simply make public their mercantile profits. I believe also that the vexatious and inquisitorial character of the tax will react most prejudicially on the rectitude of the people and that its evasion will come to be regarded as a venial offence.

II. However fair it may be in theory, to tax those who do not *directly* contribute to the public, the circumstances of this Presidency, render it very impolitic at present to resort to a tax on trade and industry. The great bulk of the land, held under the Ryotwary tenure, is subject to a land-tax, which, even under the revised assessment, will absorb two-thirds of its *net* produce or profits. Our Exports, consisting almost entirely of raw produce are, with a few exceptions, liable to Customs duties which have lately been augmented considerably. Our Imports are similarly taxed, the Salt duty (also recently raised) amounts to 800 per cent. on the cost of the article, besides which we have the Abkary, Stamp duties and various minor items of revenue. This list, I think, shows that there is scarcely an article of trade or to which industry can be applied, which is not already heavily taxed. Our manufactures are extremely limited and additional taxation can only still more depress them. These considerations lead me to the conclusion, that so far as the commercial and industrial interests of this Presidency are concerned, the proposed tax will be injurious; as regards "Professions" I do not anticipate much revenue, except from the servants of Government, whose salaries are already under its control.

III. I think this Government will be placed in an embarrassing position towards the people by this Bill. It has been authoritatively declared that the Mohturfa will be abolished, as soon as circumstances permit. To abolish it, as this Bill does, and in the very same enactment to establish another tax, closely resembling it in character and to all appearance perpetual will, I fear, be regarded as a breach of promise.

IV. The proposed tax is manifestly very unpopular. Taxation in any shape is doubtless unwelcome at all times, but this kind of opposition ceases where the necessity for money is made evident and the mode of raising it commends itself to the public as the rest under the circumstances. The opposition to the present Bill seems to be characterised by an unfortunate want of confidence in the measures proposed to extricate the State from its difficulties and in a general feeling that the particular measures contemplated in the Bill are most objectionable. I do not think it politic that the general feeling against this Bill should be disregarded, especially as in my judgment, its practical working will greatly increase this dissatisfaction.

V. The Bill appears to me open to the further objection that no limit is proposed to its operation. The present Financial pressure, so far at least as the current expenditure of administration is concerned, is I presume only temporary and the taxation resorted to for its removal should, in my opinion, be temporary also. An assurance to the people that the heavy burdens to which they have lately been subjected will be removed within some definite period would tend to reconcile them to this large increase of taxation. And I think such a pledge would be but an act of justice and proper consideration, to the people of this Presidency, whose steadfast loyalty merits at least this small return.

3. For the reasons above stated, I am opposed to the Bill in question and shall deeply regret its being passed into law. In this event, however, I would beg to suggest the following modifications, viz.—

1. That laying false and vexatious informations before a Licensing officer should be made punishable in the act itself. Without this I fear that such a course may often be pursued simply to extort money.

2. That the period allowed for appeal in Section XVI. should be extended to one month.

3. That the Stamp duties payable under Section XVII. should be refunded whenever a complaint of over-assessment is held to be true.

4. That Section XXI. should be omitted, as going beyond what may be fairly required for the protection of the revenue.

No. 26. ORDER THEREON, 2d November 1859, No. 1489.

Ordered to lie over.

(Signed) J. D. BOURDILLON,
Secretary to Government.

To
J. D. Bourdillon Esq
Secy to Govt. R. D.

Sir

I have had the honor of receiving your letter of the 24th ult., calling for my opinion on the Bill, now before the Legislative Council, "for the Licensing of Trades & Professions."

I proceed briefly, my objections to this measure.

1. The professions & trades deemed to be really conducted in character with the existing Circumstances of this Presidency, and, I believe, that, in its practical operations, it will be attended with the same evils as have led to the almost universal condemnation of those imposts. It is true that petty traders will be exempt from this Tax, but there is the same scope for official interference, the same inducement to the people to resort to false dealing & deception. To ascertain the income of every trader whose net profit exceeds £ 6-12 per annum, (which, of itself,

the borrowing posture towards the people by this Bill. It has been distinctly declared that the Ministers for Ireland have asked, as some of his colleagues have asked, as the condition of their remaining in office, that this Bill should be passed. To establish it on this Bill does, and in the very same enactment by which and this tax, does nothing in character & to all appearance perpetual bill, I fear, be regarded as a breach of pledge.

III. The proposed Tax is unavoidably very unpopular. Taxation in any shape is most difficult and inconvenient, but this kind of Taxation is taken to be the readiest for the Money is made to pay and the mode of raising it commends itself to the people as the best under the circumstances. The opposition to the present Bill seems to be characterised by an unfortunate want of confidence in the measures proposed by Ministers to the State from its difficulties and in a general feeling that the particular measures contained in the Bill are unsatisfactory. I do not think it probable that the general feeling against this Bill should be disregarded, especially as in my judgment its practical working will greatly increase this dissatisfaction.

The Bill appears to me open to further objection that no limit is proposed to

4.

operation. The present financial pressure, so far at least as the current expenditure of administration is concerned, is I presume only temporary and the taxation ought to be for its removal should, in my opinion be temporary also. An assurance to the people that the heavy burdens which they have lately been subjected will be removed within some definite period would tend to reconcile them to this large increase of taxation. And I think such a pledge would be but an act of justice & proper consideration to the people of this Presidency, whose steadfast loyalty merits at least this much attention.

IV. For the reasons above stated, I am opposed to the Bill in question and shall therefore object to its being passed into Law. In this event, however, I would humbly suggest the following modifications viz.

That laying false & vexatious information before a licensing Officer should be made punishable in the District Court that this Schedule fees that such a course may often be pursued simply for the purpose of

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3. That the Stamp duties by the un-
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I have the Honor to be
Sir
Your most Obt Servant
L. D. Evans

Revenue 1859 Returned
Chief Secretary's Office
2 Nov 1859

Ordered to be laid before
the House of Assembly
Chief Secretary's Office
2 Nov 1859.