M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1507 Press ~~Mis.~~

60-61

Dated 5-11-1859

Not to be folded or roughly handled

No. 60. Read the following letter from ARTHUR HALL, Esq.; to J. D. BOURDILLON, Esq., Secretary to Government; dated Cuddalore, 29th October 1859, No. 23.

I have the honor to acknowledge your letter No. 1435, dated 24th October 1859, calling upon me for my opinion of the provisions of a Bill now before the Legislative Council, entitled "A Bill for Licensing of Trades and Professions," more especially with reference to its bearing upon the district of Canara.

2. The Bill in question involves the imposition of a tax, at the approximate rate of three per cent. upon the net profits or gains, when not less than Rs. 66-10-8 per annum, derived from trades and professions throughout the country, or, in other words, puts a direct and heavy tax upon industry and skill, while it leaves untouched persons following no trade or profession, but who enjoy large incomes from accumulated capital.

Sections IX. & X.

3. This principle is analogous to that upon which the Muhtaraſa tax of this Presidency is based, a tax, the levy of which has for years been denounced as an oppressive and unwise mode of raising revenue.

4. It would, therefore, I think, be a serious evil to bring into such universal application, as contemplated by the proposed Bill, a principle of taxation which has already been found to act so prejudicially, while only in force to a limited extent.

5. The Bill also includes in its operation all persons in private employment who draw more than 100 Rupees a month as well as Civil and Staff officers of Government, receiving upwards of the same sum a month, with the exception of those whose salaries have been fixed by Act of Parliament. The limit in the foregoing cases should be, in my opinion, 200 instead of 100 Rupees.

Sections XXIII. XXIV. XXV. & XXVII.

6. The Bill provides for classing the tax payers and lays down the course to be pursued by the Collectors in determining under which class each party is to fall.

Sections XII. XIII. XIV. & XV.

7. The sums to be paid for licenses by each class respectively are also given, by which it appears that the payers are to be divided into 17 classes, and to be assessed at sums varying from 5,000 to 2 Rupees.

Section VIII.

8. The process to be adopted in determining the class to which a party is to belong is of a most inquisitorial nature, and that part of it which authorizes publicity being given to the classified lists of persons requiring licenses, is particularly objectionable.

Section XV.

9. It will be useless to expect that the Natives will fill up truthfully the schedules which are to be sent to each of those who are supposed to be liable to be taxed, for the purpose of their making a return of such information regarding their trades and professions as may enable the Collector to fix the assessments. They will certainly not make faithful returns, and I think it would be much better to dispense with such schedules, and let the native traders and dealers be classified without them.

10. It appears by the Bill, that every petty dealer and shop-keeper whose annual net gains arefound to exceed Rs. 66-10-8, will have to take out a licence and pay; but I do not see how accurate returns of the net profits can ever be obtained, and I think the minimum here laid down is too low, and that it should be raised to 150 Rupees.

11. My opinion of the Bill is that it is unsound in principle, obnoxious in its provisions, andas it now stands, impracticable in its application.

12. An attempt to introduce it into the Provinces would, I apprehend, be met by serious opposition on the part of the people, especially in a district like Canara, where hitherto the inhabitants have successfully resisted the imposition of any new tax.

13. Every interference by the authorities with the people of that district, has always been resisted by them, and every attempt to gain accurate information about their affairs and circumstances, has been baffled by their opposition.

14. An improvement has certainly taken place since the district has been opened out by roads, and the Revenue authorities have gone more among the people than they used formerly to do, but still, from the experience I gained during a service of eight years in that district, I am convinced that it would be very dangerous to attempt to introduce into it the provisions of the proposed Bill.

15. It would lead in all likelihood either to combined passive resistance, as was the case when an unusual tax was ordered to be levied some years ago, or else to open opposition.

16. Petty traders and artizans form a very large class in Canara, so much so, that even supposing there was no positive opposition, the Collector would find it almost impossible to classify all those who would have to take out licences, and if the system was introduced in its integrity, it would, I fear, have a bad effect upon the prosperity of the district.

17. From what I have seen of the people of South Arcot, I am inclined to think that even here the provisions of the Bill would not be easily carried out. On several occasions the people have resisted by open force, what they have supposed to be innovations upon their rights, and there is a spirit of resistance among them ready to show itself on every occasion when a change in taxation is attempted, which they do not happen to like.

18. There are doubtless certain trades and professions for which parties might fairly be required to take out licences, but these should be limited in number and exceptions made where the profits are small, but to endeavour to introduce into a country like Southern India such a scheme of direct taxation as that laid down in the proposed Bill would be, to my mind, most impolitic.

No. 61.

ORDER THEREON, 5th November 1859, No. 1507.

Ordered to lie over.

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

No. 23

From,

Arthur Hall Esqre
Collector of South Arcot

To,

J. D. Bourdillon Esqre
Secretary to Government
Fort St. George

Sir,

I have the honour to acknowledge your letter No. 1435 dated 24th October 1859, calling upon me for my opinion of the provisions of a Bill now before the Legislative Council entitled "a bill for Licensing of Traders and Professions", more especially with reference to its bearing upon the District of Canara.

Section IX
X

2. The Bill in question involves the imposition of a tax at the approximate rate of three per Cent, upon the net profits of gains, which must be not less than 66-10-8 per annum, derived from Traders

and Profession throughout the country, or, in other words, puts a direct and heavy tax upon industry and skill, while it leaves untouched persons following no trade or profession, but who enjoy large incomes from accumulated capital.

3. This principle is analogous to that upon which the Income tax of the Presidency is based, a tax, the levy of which has for years been denounced as an oppressive and unwise mode of raising revenue.

4. I would therefore, I think, be a serious evil to bring into such universal application as contemplated by the proposed Bill a principle of taxation which has already been found to act so prejudicially while only in force to a limited extent.

5. The Bill also includes in its operation all persons in private employment who draw more than 100 Rupees a month as well as Civil & Staff Officers of Government receiving

Sections
XXIII
XXIV
XXV
XXVII

upwards of Rs 100 a month with the exception of those whose salaries have been fixed by Act of Parliament. The limit in the foregoing cases should be in my opinion 200 instead of 100 Rupees.

6. The Bill provides for classing the tax payers & lays down the course to be pursued by the Collectors in determining under which class each party is to fall.

7. The sums to be paid for Licenses by each class respectively are also given, by which it appears that the payers are to be divided into 17 classes and to be assessed at sums varying from 5,000 to 2 Rupees.

8. The principle to be adopted in determining the class to which a party is to belong is of a most inquisitorial nature, and that part of it which authorizes publicity being given to the classified lists of persons requiring licenses is particularly objectionable.

9. It will be useless to

expect that the natives will fill up truthfully the schedules which are to be sent to each of those who are supposed to be liable to be taxed, for the purpose of their making a return of such information regarding their trades & professions as may enable the Collector to fix the Assessments. They will certainly not make faithful returns, and I think it would be much better to dispense with such schedules & let the Native Traders and dealers be classified without them.

10. It appears by the Bill that every petty dealer and shop-keeper whose annual net gains are found by Assessors to exceed 66 Rs. or 10 £ will have to take out a licence & pay; but I do not see how accurate returns of the net profits can ever be obtained, and I think the minimum here laid down is too low & that it should be raised to 150 Rupees.

11. My opinion of the Bill is that it is unsound in principle, objectionable in its provisions, and at these times, impracticable in its application.

12. An attempt to introduce it into the Province would, I apprehend, be met by serious opposition on the part of the people, especially in a District like Canara where hitherto the inhabitants have successfully resisted the imposition of any new tax.

13. Every interference by the Authorities with the people of that District has always been resisted by them and every attempt to gain accurate information about their affairs & circumstances has been baffled by their opposition.

14. An improvement has certainly taken place since the District has been opened out by roads & the Revenue authorities have found more among the people than they used formerly to do, but

still from the experience I gained during a residence of eight years in that District I am convinced that it would be very dangerous to attempt to introduce into it the provisions of the proposed Bill.

5. It would lead in all likelihood, either to combined passive resistance, as was the case when an unusual tax was ordered Wh[illegible] some years ago; or else to open opposition.

6. Petty traders and Artisans form a very large class in Canara, so much so, that even supposing there was no positive opposition, the Collector would find it almost impossible to classify all those who would have to take out Licences and if the system was introduced in its integrity, it would, I fear, have a bad effect upon the prosperity of the District.

7. From what I have seen of the people of South Canara, I am inclined to think that even here the provisions of the Bill would not be easily carried out. On several occasions the people have resisted by open force what they have supposed to be innovations upon their rights, & there is a spirit of resistance among them ready to show itself, on any occasion when a change in taxation is attempted which they do not happen to like.

8. There are doubtless certain Trades & Professions from which parties might fairly be required to take out Licences, but these should be limited in number Exceptions made where the profits are small but to [illegible] endeavour to introduce into a country like Southern India such a scheme of direct taxation as that laid down in the proposed Bill would be, I am mind, most impolitic.

I have the honour to be
Sir
Your most obedient Servt

Arthur Hall
Collector

Mr. Secy to Govt
Cotton Merchants
Cuddalore
29th August 1859.

Revenue 1859 Dept.

Pro. Govt 10th Nov.

No. 2009.

From The Colonial Secretary

British Guiana

To The Secretary to

Government

Fort de France

Dated 29th October 1859

Rec'd 1st Nov. 1859

No. 1507. 5th November

Transmitting Resolutions

of the Provisions of the

Bill for Licensing

Trades & Professions

No. 60 & 61.

With an order

&

Copy sent to letter to C

of 10th Dec. 1859 No. 79

1507

No. 1507

Ordered to lie over.

Fort de France

5 Nov. 1859.