M.F.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1541 Press ~~Mis.~~

9-10

Dated November 12, 1859.

Not to be folded or roughly handled

No. 9. Read the following Memorandum from W. ROBINSON, Esq.; dated 8th November 1859.

Assuming that there exists an absolute necessity for further taxation, this Bill is, so far as it goes, unobjectionable in principle, under its operation large classes who now pay no taxes will be made to contribute to the exigencies of the State, and a considerable revenue will be realized. The points to be considered in treating of the propriety of at once adopting this form of taxation seem therefore to resolve themselves into—1st. The practicability of carrying the measure into effect without rousing a degree of discontent which it is ever unadvisable to awaken simultaneously over the whole face of an Empire. 2ndly. The expediency or otherwise of giving a *common* ground for impatience (whether well founded or otherwise does not much matter) towards Government to so many classes of our subjects at once. And 3rdly. Whether we can, with the agency which we possess for ascertaining the means of the people, carry the measure out fairly and impartially; so as to secure the income of the State, and at the same time prevent that oppression which adds two-fold weight to the incidence of almost all such taxation in this country.

2. I write with great diffidence on a subject affecting parts of India in regard to which my information is defective; but I conceive that any objection which may be advanced against this measure here will have double force in other parts of India. I therefore confine myself to the Madras Presidency.

The dissatisfaction likely to be roused.

3. On the first point it may be remarked, that, taken from a Madras point of view, the proposed Bill is virtually an extension of the Moterfa tax of this Presidency, and of the more local Visabáddi tax of the Ceded Districts to the whole of India. In this Presidency a partial precedent for the tax already exists, and the demand would become easily intelligible to the bulk of the people. Further a fair and light standard of demand is proposed as the maximum; a standard far below what former Governments, in times of exigency, used to demand from their subjects, under the variety of names of Shamilát, Katnam, Rusums, &c. Still even here, many Trades and Professions (and amongst them the most influential and intelligent) which have been hitherto exempted by long and admitted usage from any direct impost of this kind, will be brought within the influence of the new tax throughout the country. Visabáddi is unknown in 18 Districts out of the twenty of this Presidency; and in some Districts, as in Madura, the inhabitants assert a right of exemption from Moterfa even, on the alleged faith of the Government; so that, patient as the people of this country have been of taxation, a certain and general dissatisfaction will be felt throughout the Presidency. And this feeling it will be the stronger as the loyal are now to be called to contribute towards deficiencies which have arisen from the disaffection of people with whom they have little sympathy. This tax will be most unpopular in our most flourishing Districts, in those Districts, as Malabar and Tanjore, which are richest, have the most independent and intelligent population, and where largest proportion of the inhabitants are raised above the position of tillers of the soil. On the whole, I doubt very greatly whether even a considerable accession of revenue would be a set off against the dissatisfaction, which would be called forth simultaneously from every village in the country.

Inexpediency of generalization in taxation.

4. On the 2d point I must avow a creed, that our political safety in India depends, in no small degree, on our taking no measures that tend to unite the now sufficiently dislocated interests, feelings and objects of its various populations. They have naturally a common interest against conquerors, however just. Happily they but partially know it, and they have few points of union; why then give the Mahajan of the North West Provinces, the Pundit, &c., of Benares, the Sowkur of Bombay, the Brahmin money lender of Tanjore and the Mopla trader of Malabar a common war-cry, by sudden simultaneous general legislation of an unpopular character? Legislation in India should be several; localized feeling and interests should be fostered, and taxation especially should vary in character in different parts of the country and for the different populations according to their respective cir-

cumstances and feelings. If money be required, why not impose an Income tax at once on the population of Presidency towns? In our Mofussil, a careful examination would probably lead, to a valuable extension and improvement of the Moterfa and Visabáddi taxes of this Presidency without direct legislation, and this extension might be made without excitement. Other improvable sources suggest themselves. But why class us with Bengal, and bring our population into direct sympathy with the people of other Presidencies, in a matter on which human nature is so proverbially sensitive. Municipal and local taxes for the support of Police and extension of Public Works, to the relief of the general fisc, should be imposed by compulsory law; but generalization should be avoided, and no cause should be given for general and violent discussion of Financial measures required by the State.

Agency.

5. 3rdly. The Bill does not provide for any agency or modus operandi in regard to assessment and collection of proposed tax, which promises to secure either the Public or the Revenue against gross abuse. As regards this Presidency, the Bill would leave this large and new interest practically to the fate and fortunes which now attend the Moterfa and Visabáddi taxes. Now no heads of taxation have been so utterly condemned, even in this Presidency, as the Moterfa and Visabáddi taxes; not so much as being objectionable in principle, as because the agency to which their assessment and collection is practically entrusted is so utterly, and, for present practical purposes, so hopelessly untrustworthy, that the incidence of these taxes is unequal and oppressive; while much more is exacted from the people than reaches the Treasury. I should hesitate to adopt this Bill had it no other objectionable feature than this.

6. Section I. of the Bill provides for the total repeal of the Moterfa regulation; and with this indiscriminate repeal every customary cess now levied under this head would disappear. Several of these should on no account be relinquished. More than one item, e. g. House and Shop tax to the amount of 2 or 3 lacs would be lost, and several police and other local cesses now incorporated in the Moterfa would disappear. A careful and intelligent scrutiny of every item in each district should precede the repeal of the law under which this valuable head of Revenue is collected.

No. 10. ORDER THEREON, 12th November 1859, No. 1511.

Ordered to lie over.

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

Memo on the Licencing Bill.

Assuming that there exists an absolute necessity for further taxation, this Bill is, so far as it goes, unobjectionable in principle, under its operation large classes who now pay no taxes will be made to contribute to the exigencies of the State, and a considerable Revenue will be realized. The points to be considered in treating of the propriety of at once adopting this form of taxation seem therefore to resolve themselves into 1st. The practicability of carrying the measure into effect without arousing a degree of discontent which it is ever needful to awaken simultaneously over the whole face of an Empire - 2nd. The expediency or otherwise of giving a common ground for impatience / whether well founded or otherwise does not much matter / towards Government to so many classes of our subjects at once. And 3rd. Whether we can, with the Agency which we possess for ascertaining the means of the people, carry the measure out fairly and impartially; so as to secure the income of the State, and at the same time prevent that oppression which

which add two fold weight to the incidence of almost all such taxations in this Country.

2. I write with great diffidence on a subject affecting parts of India in regard to which my information is defective; but I conceive that any objections which may be advanced against this measure here will have double force in other parts of India - I therefore confine myself to Madras Presidency -

3. On the first point it may be remarked, that, taken from a Madras point of view, the proposed Bill is virtually an extension of the Moturfa tax of this Presidency, and of the more local Wisabaddi tax of the Ceded Districts to the whole of India - In this Presidency a partial precedent for the tax already exist, and the demand would become easily intelligible to the bulk of the people - Further a fair and light Standard of demand is proposed as the Maximum - a Standard far below what former Governments, in hours of exigency, used to demand from their subjects, under the variety of Names of Shamilat, Kattimam Rusums &c. Still even here, many trades and professions, and amongst them the most

The dissatisfaction likely to be caused -

most influential and intelligent, who have been hitherto exempted by long and admitted usage from any direct impost of this kind, will be brought within the influence of the new tax throughout the Country - Wisabaddi is unknown in 18 Districts out of the twenty of this Presidency; and in some Districts, as Madura, the inhabitants assert a right of exemption from Moturfa even, on the alleged faith of the Government; so that, patient as the people of this Country have been of taxations, a certain and general dissatisfaction will be felt throughout the Presidency - And this feeling it will be the stronger as the loyal are now to be called to contribute towards deficiencies which have arisen from the disaffection of people with whom they have little sympathy - This tax will be most unpopular in our most flourishing Districts, in those Districts, as Malabar and Tanjore, which are richest, have the most independent and intelligent population, and where largest proportion of the inhabitants are raised above the position of tillers of the Soil - On the whole I doubt very greatly whether even a

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considerable accession of Revenue would be a set off against the dissatisfaction, which would be called forth simultaneously from every Village in the Country.

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according to their respective circumstances and feelings - If money be required, why not impose an income tax at once on the Population of Presidency towns? In our Mofussil, a careful examination would probably lead to a valuable extension and improvement of the Moturfa and Vesubadi taxes of this Presidency, without direct legislation - and this extension might be made without excitement. Other improvable sources suggest themselves - But why class us with Bengal, and bring our Populations into direct sympathy with the people of other Presidencies, in a matter on which human nature is so proverbially sensitive - Municipal and local taxes for the support of Police and extensions of Public Works, to the relief the general fisc, should be imposed by Compulsary Law; but generalization should be avoided, and no cause should be given for general and violent discussions of financial measures required by the State -

5. 3rd & 4th - The Bill does not provide for any agency or modes operandi in regard to assessment and collection of proposed taxes, which promises to secure either the Public or

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the Revenue against gross abuse - As regards this Presidency, the Bill would leave this large and new interest practically to the fate and fortunes which now attend the Moturfa and Vissabadi taxes - Now no heads of taxation have been so utterly condemned, even in this Presidency, as the Moturfa and Vissabadi taxes; not so much as being objectionable in principle, as because the agency to which their assessment and collection is practically entrusted is so utterly, and for present practical purposes, so hopelessly untrustworthy; that the incidence of the taxes is unequal and oppressive; while much more is exacted from the people than reaches the Treasury - I should hesitate to adopt this Bill had it no other objectionable feature than this -

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lost, and several Police and other local Cesses now incorporated in the Moturfa would disappear - A careful and intelligent scrutiny of every item in each District should precede the repeal of the Law under which this valuable head of Revenue is collected -

H Robinson

Revenue 1859 Depart.
Pro: of Govt. 20th Nov.
No. 2067.

From H. Robinson Esqr.

Dated 8 Nov. 1859.
Recd. 9

Submits his opinion on the Bill for licensing Trades & professions

With an order
No 1541 - 12 Nov.

No. 1541

Ordered that same do lie over.

Front St. George
12th Nov. 59

Copy in a letter to C
of 10th Dec. 1859. No. 79.

Nos 9 & 10