M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1645 Press ~~Mis.~~

26-27

Dated 5 - 12 - 1859.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, for the month of December 1859.

No. 26. Read the following letter from F. N. MALTBY, Esq., M. C. S.; to J. D. BOURDILLON, Esq., Secretary to Government, dated Madras, 29th November 1859.

I have the honor to acknowledge your letter of the 24th October 1859, requesting my opinion on the Bill now before the Legislative Council, entitled a Bill for the Licensing of Trades and Professions, especially with reference to the bearing of the Bill on Canara.

2. In reply, I have the honor to state that, I am not of opinion that there are many peculiarities in the social state of Canara, which are likely to render the introduction of the proposed system of taxation more difficult there than in other parts of India.

3. As it is resolved to raise a revenue by a Tax on the profits of Trade, the provisions of the Bill appear to me to be generally well adapted to the purpose.

4. I understand that the classification is usually to be made summarily by the Collector and that Clause XII, which provides that the Traders *may* be called upon for a written statement of their profits, is only to be brought into force occasionally at discretion. Even then I would make it optional with the Traders to give in a return or to be taxed at discretion. I would not compel them to give one in under the penalties prescribed. Any person appealing from the Collector's classification should tender a statement of his profits.

5. I have only further to suggest with reference to Clause X, that any persons claiming exemption on the ground that the profits of their Trades do not bring them into Class XVII, should be still required to take out a certificate of exemption on a stamp of one Rupee. It appears to me to be fair that every person exercising a Trade or Profession should pay some contribution for the protection which he enjoys, and the fact that he will not be altogether relieved from taxation may prevent many litigious objections to the Collector's classifications.

6. I also beg to observe that it appears to me that the distinctions between persons exercising Professions and those in emplyment (Clause XXIII) is hardly just. A petty dealer, whose profits only amount to about 5½ Rupees a month, and who bears the risk of loss by his Trade, is taxed, while a Merchant's Clerk in receipt of a salary of 99 Rupees a month is exempt. In other words, a Trader making a profit of 99 Rupees a month will be placed in Class 14 and pay 25 Rupees a year to the State, a Merchant's Clerk receiving a salary of 99 Rupees a month will not pay at all. The Bill is really an Income Tax, and I do not see the justice of taxing one class and exempting the other.

7. I have the honor to add, that in this reply, I have not thought it my duty to enter upon the general question as to the expediency of imposing additional taxation upon this Presidency, which is only just recovering from the depression caused by excessive taxation, or whether, if an additional contribution from this Presidency is necessary, it could be raised in any other way. I would only observe, that even after the reduction of one assessment, the land of Madras is taxed 1½ Rupee per acre, while that of Bengal pays about half that sum. The accumulation of capital in Bengal is, therefore, vastly greater than in Madras; and although the present Act, which provides that persons making similar profits in whatever part of India, shall be equally taxed, is obviously just and fair, and the contribution of each Presidency will be in proportion to the number and wealth of its Traders, it leaves the profits of accumulated capital untouched.

No. 27. ORDER THEREON, 5th December 1859, No. 1645.

Ordered to lie over.

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

Act. which provides that persons making similar profits in whatever part of India shall be equally taxed, is obviously just and fair and the contribution of each presidency will be in proportion to the number and wealth of its traders, it leaves the profits of accumulated Capital untouched.

I have the honor to be
Sir
Your Most Obedient Servant
H. W. A. Maltby
Lt. C. S.

Madras
Dec. 29. 1859.

Revenue 1859 Despat
Pro: of Govt 10th Dec.

No. 2216.

From
F. N. Maltby Esqr.
M. C. S.

No. 1645. 5th December.
Submitting his opinion on the Bill for licensing Traders & Professions.

No. 1645

Ordered to lie over.

Fort St. Geo.
5th December 1859

No 26 & 27.

With an Order.

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