

MADRAS RECORD OFFICE.**Government of Madras.***Revenue* **DEPARTMENT.**

G.O. No.	Press Mis.
Dated	<i>May</i> 18 <i>60.</i>

Not to be folded or roughly handled

N^o 89
1861.

Calicut, 12 May 1861.

To

J. D. Sim, Esq.
Secretary to the Board of Revenue
Fort Saint George.

Sir,

With reference to the
Board's Circular
dated 13 April 1861
N^o 1736.

In imposing Taxes in this country, I conceive that the principles which would guide us in our own country must give way to some extent in India: there we tax ourselves; here we tax others, who have the same aversion to the payment of taxes, that all other people have, but have not, as we have, a voice in their imposition, whilst they possess it in their condemnation, with the aggravation that the imposition complained of is the offspring of foreign rulers. It becomes us therefore, when the necessity to raise new taxes does happen, to avoid that course of legislation which in any way tends to bind the sympathies of the people together, and direct them in a course antagonistic to the Government.

This tendency, I consider, exists in the Income Tax Bill, and constitutes

constitutes one of its objectionable features, if ever the occasion to call forth the sympathies of the people, should arise.

3. We cannot hold India by the sword for a lengthened period, if the intelligence of her people is to keep pace with her future material prosperity. Education is beginning to take deep hold of the country, and education we know to be power. We must therefore, in all we do, carry the feelings of the people with us, and not trust to our present strength to do that, which, on the appearance of an external foe, may prove that we have estranged the loyalty of our subjects.

4. The first thing that must strike the mind of anyone looking at the Income Tax Bill from a native point of view, is the novelty of the mode of taxation in India.

5. Most Natives will naturally regard the tax with distaste. The traditional history of their country abounds in narratives of the cruelties perpetrated in former times, by those, who, on behalf of the then Native Government, were engaged in extracting as

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taxes, money from those who were supposed to be possessed of any private wealth. These Acts of Cruelty have never been forgotten, and they are always associated with an inquisitorial searching into the means of the subjects of Government. Under the provision of the Income Tax Bill, the mode of operation, they will say, has been altered, but the ultimate object is the same - a deprivation of a portion of that wealth which has been acquired under a hitherto just & benevolent Government which had begun to gain their confidence, but which now suddenly demands a portion of the wealth brought together & exhibited in reliance on the same course being pursued.

6. A Land Tax, unfortunately a too heavy one in most parts of the Presidency, is well understood by Natives, but it will be difficult to persuade those who have never heard of the principle until it has begun to be applied to them, that it is their duty to Government, or just to themselves, to pay a percentage of the Balance of profits, after a deduction of
Land

Land Tax, into the Government Treasury.
The same feeling will obtain in regard
to the payments to be made on profits arising
from money invested in Government Securities.
I cannot but feel that the scruples on
this point will be deep & general, and
create much bitterness towards Government.

7. As the great body of the
people is agricultural, the number who
will come within the provisions of the
Act is proportionately large. Very many
of them will fall beyond its provisions,
but to ascertain that they do so, it will
be necessary that they fill up the Schedules
transmitted to them, and although they
escape taxation now, it will be difficult
to persuade them that their time is not
coming.

8. A large Class of people in
Malabar, as you are aware, have for some
years past been purchasing the proprietary
right of certain escheats. Their payments
are made by instalments which extend
over one, two & three years. Many of the
purchasers are poor. In the majority of
cases

cases, they are the old Tenants, and doubtless
they will regard the imposition of a new
impost, in the shape of Income Tax, as
a hard matter. To be called on by the
Government authorities to pay Land Tax,
Instalment of purchase money, and Income
Tax on the same land, they will certainly
regard as novel & unjust.

9. Take our Merchants. That
Class hitherto, in a great measure, exempt
ed from taxation. Not only is this state
of matters to come to an end, but the
Government seeks to make itself acquaint
ed with the concerns in trade of each
person. It is this looking into
private affairs which will be dreaded.
The Government may be quite honest
in all they do, but it will be difficult
to persuade the Native Merchant that
one great object is not to get an insight
into his transactions with a view to further
legislation of a disagreeable nature.

10. What the effect of the Income
Tax will be on our Moslem Population,

remains

remains to be seen. As a race, they are active, sober, industrious & parsimonious, & under our Government, many of them have become wealthy landholders and opulent Merchants, who will view the new Tax with distaste & some amount of irritation. As to the realization of any expectation that a Mapilla will give in a true List & Statement of his profits, I confess I am far from sanguine. Of perjury he will think little, so long as he escapes punishment. The public voice of the claps will be in favor of the sufferer, who will be looked on as a martyr in a righteous cause, and be sympathized with by Hindoos as well as the people of his own Caste.

11. It must not be forgotten that Black Pepper & Ginger which are very largely grown in this Province, & chiefly by the Mapillas, are both free. No land Tax as a rule is levied on the lands on which they are raised. The Tax on Black Pepper was abolished by an order of Government, and has never since been

* Conveyed in the Board's letter dated 12 May 1806.

re-imposed.

12. Amongst the Public Servants, there are many who hold lands, & will consequently be mulcted both on account of them & their salaries. Their feelings will be against the Income Tax, and probably give a colour to those of the people around them.

Others, who will lose their appointments on the re-organization of establishments will not only be sore on this account, but from the fact of their coming within the provisions of Schedule 1.

13. The preceding remarks have been written in view to make known what I conceive will be the feelings of the Natives of this province on the subject of the Income Tax once they begin to experience its application. As to the justice or otherwise of these feelings, I say naught. We have to deal with the things that are, & not with what we may conceive ought to exist. Doubtless there are very many Natives who look on our Government with

gratitude on account of the peace & comparative justice which they have enjoyed under it, but numbers of them, if the idea of the failure of that justice once takes hold of them, would soon become imbued with inimical feelings, which might lead to consequences tending to create those very expences which Government seeks to reduce.

14. It would be well before the Act is brought into force, to inform the Native Population of its provisions, and of the necessity, with its causes, for the imposition of new taxes. This might be done thro' the medium of the District Gazettes. If this course is not pursued, it is to be feared that many of the people may become uneasy, on hearing of a sudden that new taxes, such as they have hitherto been unaccustomed to, are to be raised, & a door is opened by which the evil minded may enter and do infinite harm, unless measures are previously adopted to qualify their evil designs.

15. To carry out the provisions of the Act, it is evident that a very large

large Agency will require to be constituted. Each Taluk will demand its separate Asepors, and the Commisisioners will, for several months, be obliged to devote their best energies, to enable them to keep pace with the duties they will have to perform.

Appeals of every kind will be numberless. In fact, from the unsatisfactory nature of our land accounts, the labor to be undergone will be much increased, without a satisfactory determination of many cases being attainable, except on the arbitrary opinion of the Collector.

16. I do not gather from the Act the class of persons from which the Commisisioners & Asepors are to be chosen, or the rates of remuneration to be allowed them. On the determination of these two points, must, in a great degree, depend the satisfactory working of the Act. I shall be glad to receive information on them from the Board, when I shall again address them on the subject of the Agency to be employed.

I have

I have &c.
Signed/ P. Grant
Collector

/True Copy/

W. B. Bates
Deputy Collector

1861.

Department.

Enclosure 1.

Dear Sir, I have the
pleasure of acknowledging
dated 15 May 1861. No
37.

Yrs. D. 1861/60.

I thank you very much for
regard to the instructions
of the various laws
which I have given in
Bonds. I have also
dated 13 April 1861.
15/1/1861.