M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 481	Press Mis.
135-136	
Dated 29-5-	18 66.

Not to be folded or roughly handled

No. 135. Read the following Proceedings of the Board of Revenue, dated 17th May 1860, No. 2,389:—

Read the following letter from E. B. THOMAS, Esq., Collector of Coimbatore, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George; dated Ootakamund, 7th May 1860, No. 52:—

1. I beg to submit for the consideration of the Board and Government, a letter from Major W. F. Hutton, requesting the reduction of the redemption from 20 to 10 years' Land Tax.

2. If Government are not prepared to reduce the term, which in large properties falls heavily, perhaps it might be worthy of consideration, and practicable, to allow time for payment, requiring half down at first, and the other half at the end of five years.

From Major W. F. HUTTON, to E. B. THOMAS, Esq., Collector of Coimbatore, dated Ootakamund, 30th April 1860.

Having recently purchased a property on the Nílgiri Hills, I am desirous of converting it into a Freehold, but with others, am deterred from doing so by the excessive amount of the redemption demanded.

2. Were it, as in Ceylon, a ten years' purchase instead of twenty, I, and probably many others, would not hesitate to redeem the Land Tax.

3. As the case now stands, the large sum required to be paid down cripples people's resources for carrying out improvements; and they, therefore, prefer paying an annual Assessment; nevertheless, the redemption of the Land Tax is highly desirable, as the present system of levying quit-rent must in a measure, particularly among Natives, act as a hindrance to improved culture, increased Assessment being the natural sequence to the improved condition of the land.

4. The existence of such a fear in the Native mind was lately brought to notice by Major Hamilton, in the case of the inhabitants of the Palni Hills.

5. I would, therefore, respectfully beg you to submit these reasons for reducing the terms of purchase from twenty to ten years, to the Board of Revenue, for the consideration of Government.

Resolved, that the above letter be submitted for the Orders of Government.

2. Major Hutton requests that the rate of redemption be reduced from 20 to 10 years' amount of the Assesment. By this arrangement Government would virtually reduce the Assessment by one half, while there is no reason to believe that it is now excessive. The Collector's proposition of allowing time for payment seems to the Board open to the objection that the trouble of levying the Assesment meanwhile is not saved, and they see no necessity for the Collector opening accounts with private individuals.

3. The Board observe that Major Hutton is wholly mistaken in supposing that the Assessment is enhanced with the improvement of the land by private outlay.

(A true Copy and Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 136. ORDER THEREON, 29th May 1860, No. 831.

1. Major Hutton appears to mistake the intention of the Government in permitting the redemption of the land assessment, as well as the nature of that operation. The redemption is permitted as an equitable conversion of a permanent annuity, into the payment once for all of the equivalent capital sum; and the redemption price is fixed at twenty years purchase of the assessment, because the Interest on Government Securities is about 5 per cent. To reduce that rate would be to sacrifice a portion of public Revenue; which was no part of the intention of the Government, and which they cannot consent to.

2. No reason appears in favor of Mr. Thomas' proposal to allow time for payment of the redemption money. It is a matter for Proprietors to consider whether it is most convenient to them to pay an annual quit-rent, or to redeem it by a single payment. The quit-rent is in no case heavy; and Major Hutton is mistaken in supposing it to be liable to increase.

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

R. D.

No. 881.

Proceedings of the Madras Govt.
Under date the 29th May 1860.

Read the following Pro.
of the Board of Revenue—
(Here enter 17th May 1860 No. 2389)

Major Hutton appears to misstate the intention of the Govt. in permitting the redemption of the land as well as the nature of that operation. The redemption of assessment is permitted as an equitable conversion of a permanent annuity into the payment once for all of the equivalent Capital sum; the redemption price is fixed at twenty years purchase of the assessment, because the interest on Govt. securities is about 5 per cent. To reduce that rate would be to sacrifice a portion of Public Revenue; which was no part of the intention of the Govt. in which they cannot consent to.

2. No reason appears in favour of Mrs Thomas' proposal to allow him payment of the redemption money. It is a matter for petition to consider whether it is most convenient to them to pay an annual quit rent, or to redeem it by a single payment. The quit rent in no case heavy: & Major Hutton is mistaken in supposing it to be liable to increase.

11 Copies to the Board of Revenue
Cyp. 30

Copy in a Letter to Govt
Dy 7th July 60 No 77.

Revenue 1860. Departt
Proc. 7 Govt to 31st May
No 881.
Proc. of the Madras Govt
Dy 29th May 60.

Declining to reduce
the rate of redemption from
20 to 10 years amount of
the Assessment and to
allow time for payment
of the redemption money.

No 1358/136.