M.R.O. 14—10,000—21-4-32

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 580	Press / ~~Mis.~~
258-259	
Dated 15 - 3 - 1862	

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department, 15th March 1862.

No. 258. Read the following letter from C. H. LUSHINGTON, Esq., Secretary to the Government of India (Financial Department), to the Government of Madras, dated Fort William, 21st February 1862, No. 26 :—

Read Reports by the Auditor-General of India and the Civil Paymasters of Bengal, Madras, Bombay, the N. W. Provinces and the Punjab, on the Cash Balances of India for the months of November and December 1861, and January 1862.

Read also revised Estimates prepared in the Financial Department of the Revenues and Charges and the Cash requirements of India for the year 1861-62.

RESOLUTION.—During three years the Financial condition of India, consequent upon the Mutiny, has made it necessary that new Taxes should be imposed upon the country.

Amongst these Taxes is the duty on Arts, Trades, and Dealings, commonly called the License Tax.

The Law by which this Tax is imposed was passed on the 16th July 1861.

It is a Tax which falls chiefly upon the various classes of Artizans, Mechanics, and petty Traders.

That these, as well as the wealthier classes, should, in proportion to their means, contribute to the support of the State, is just in itself and is consonant with the usages of India ; and the Governor General in Council has no reason to suppose that this principle is not understood and contentedly acknowledged by all.

It is the conviction of the Governor General in Council that the License Tax may be equitably and advantageously adopted as part of the Financial system of India whenever the exigencies of the State shall make it necessary.

But the Governor General in Council desires not to impose Taxes upon any classes without necessity ; and the improvement which has now shown itself in the Financial condition of India, enables the Government to dispense with the sum which would have been yielded by the License Tax.

This improvement is demonstrated by the Returns lately received under the new system of Account and Audit and by the steady increase of the Cash Balances.

The Cash Balances of all India amounted, on the 31st of January, to 18,40,00,000 Rupees, which, after allowing for the payment of all sums due for charges in England, will leave a net balance in India of more than fifteen crores.

As during the last year no Loans have been raised ; as in that time there have been no extraordinary receipts ; as it is certain by the Returns already before the Government that the actual Financial results of the year 1861-62 will be more favorable than was anticipated in the Estimates of April last; as most of the branches of Revenue are healthy, and as further reductions of expenditure are in progress, the Governor General in Council is satisfied that the License Tax is not required to maintain a Financial equilibrium. He has therefore resolved to dispense with it.

The annual sum which the Government will thereby surrender is between fifty and sixty lacs of Rupees.

This sum would be collected from about five millions of payers.

As the collection, although not far advanced, has been begun, the Governor General in Council determines that, in order to avoid unnecessary trouble and vexation, and to prevent all doubt of the intention of the Government, the collection shall be abandoned at once without waiting for the completion of the Budget of the ensuing year.

Accordingly, the Governor General in Council orders that, in anticipation of the Law which will be immediately proposed for the repeal of Act XVIII of 1861, all proceedings under that Act be stopped, and that any collections which may have been made under it be returned to the payers.

Proceedings of the Madras Government, Revenue Department, 15th March 1862.

Foreign Department, Governments of Bengal, Madras, Bombay, N. W. Provinces, Punjab, Accountant General to the Government of India.
Deputy Auditor and Accountants General Bengal, Madras, Bombay, N. W. Provinces, Punjab.

1. ORDER.—Ordered that a copy of the above Resolution be forwarded to the Department, Governments and officers noted in the margin for information and necessary orders with a request that it may be published in the Gazettes of the several local Governments and Administrations, and promulgated in the Districts in the Vernacular languages of the several Territories.

2. Ordered also, that this Department be informed what reductions of Establishment are feasible in consequence of the above measure.

(A true Extract.)

(Signed) C. H. LUSHINGTON,
Secy. to the Govt. of India.

No. 259. ORDER THEREON, 15th March 1862, No. 580.

1. Ordered to be communicated to the Board of Revenue in continuation of the Proceedings, dated 7th March 1862, No. 503.

2. The Board will report, with reference to paragraph 2 of the Order of the Government of India, what reductions of Establishment are feasible in consequence of the abolition of the License Tax.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

No. 26.

Financial Department.

FORT WILLIAM, THE 21ST FEBRUARY 1862.

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It is the conviction of the Governor General in Council that the License Tax may be equitably and advantageously adopted as part of the Financial System of India whenever the exigencies of the State shall make it necessary.

But the Governor General in Council desires not to impose Taxes upon any classes without necessity; and the improvement which has now shewn itself in the Financial condition of India, enables the Government to dispense with the sum which would have been yielded by the License Tax.

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This sum would be collected from about five millions of payers.

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Order
Finance Department
Govt. Bengal
Madras
Bombay
N.W.P.
Punjab
Accountant General to the Govt. of India
Accountants General Bengal
Madras
Bombay
N.W.P.
Punjab

Ordered that a copy of the above Resolution be forwarded to the Departments, Governments and Officers noted in the margin for information and necessary orders with a request that it may be published in the Gazettes of the several Local Governments and Administrations and promulgated in the Districts in the Vernacular languages of the several Territories.—

Ordered also that this department be informed what reductions of Establishment are feasible in consequence of the above measure.—

(A True Extract)

[signature]

Secretary to the Govt. of India

No. 1235

To

The Government of Madras.—

Rev: No. 672

No. 580.

Ordered to be communicated to the Bd. of Rev: in continuation of the Proceedings dated 7th March 1862, No 503.

The Bd. will report, in reference to 2 of the order of the Govt. of India, ~~in which they will be known~~ what reductions of Establishment are feasible in consequence of the abolition of the ~~[illegible]~~ License Tax —

Fort St. George
15th March/62

(Signed) [illegible]

14 Copies to the Bd of Rev Dispd 17

Reg. Inwd 8/3/62 No 1014
Rotd 8
From Secy to Govt of India 23rd Feby/62 No 1933.
8/3/62

Rev 1862 [illegible] No 672
[illegible] Act XVIII of 1861 [illegible]