

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	1700	Press
		Mis.
Dated	9-7-	1886

Not to be folded or roughly handled

No. 188. Read the following Proceedings of the Board of Revenue, dated 19th May 1866, No. 3,519.

Read the following letter from the Collector of Ganjam, to the Secretary to the Board of Revenue, dated Chetterpore, 2nd May 1866, No. 761 :—

1. Adverting to the Board's Order, No. 2,660, dated 17th ultimo, instructing Collectors to prepare for the introduction of the Road Cess Act, I beg to submit that, though there may be little hope of seeing this Act amended, I conceive it to be my duty to point out to the Board how very unjustly it bears upon the landholder.

2. The new Cess is to be levied upon the land rental within a maximum rate of rather more than three per cent., and its object is to relieve the General Revenue of the cost of completing and maintaining the inland communications of the country, for though in the Act, the roads on which the proceeds of the Cess are to be spent are styled "District Roads," yet their use and importance are more truly described (as above) in the Statement of Objects and Reasons for the Bill, and they are often and indeed generally of vital importance to the coast and inland trade, and to the salt revenue. Hence the injustice of shifting the burden of constructing these roads upon the class which already contributes most to the General Revenue, leaving untouched the interests and classes which benefit most directly and largely from them.

3. The *theory* of course is, that the landholder is more interested than other persons in the state of communications, because he depends on them to get his produce to a market; but the *fact* is, that the smaller class of traders, or middlemen, always purchase the crops *on the spot* on behalf of larger merchants, and that these make their own arrangements for transport. It has always been the obvious interest of the traders to continue this system, which keeps down the first price, and leaves a larger margin to the merchant. Let, therefore, those pay for the District branch roads who profit most by them, and not the Ryot.

4. The Board are well aware that, with the exception of that small section of the native mercantile community, which is occupied with Home and Foreign trade, as distinguished from the port-to-port trade of these coasts, there exists a very large class of traders whose profits are drawn entirely from untaxed trade, and who pay no direct taxes in any other form; probably, the balance of wealth is largely on the side of this class, as compared with the agricultural, and they, of all others, reap most signally the benefits afforded by good roads, efficient police, and general tranquillity. Yet, while they pay nothing for these advantages, the largest contributors to the revenue are now called upon to pay for the roads on which the untaxed traffic of their neighbours travels; roads which, perhaps, do not approach within miles of their villages. And though even the Income Tax left all the smaller landholders untouched, a tax of three per cent. may now be imposed on them, for objects which are in reality of general interest and value.

5. The only roads to which the Ryot should now be called to contribute would be *village* roads, such as would bring them into easier communication with the so-called District roads, and I submit that the Bill ought, justly speaking, to be limited to this object.

6. As regards the class to which I have referred as properly liable to a tax in support of District roads, I think the means of reaching them are easy. First

*Proceedings of the Madras Government, Revenue Department,
9th July 1866.*

and most simply, by the License tax, which has every thing to commend it, being easily and cheaply collected, familiar to the people, and not difficult of imposition. Secondly, by the imposition of a one-anna export duty on every bag, box, bale, parcel, or package carried from port to port (being under 200 lbs. weight) without reference to contents or value. There is no fear of this trifling amount checking trade, and it would be collected by existing establishments. Probably a considerable sum would be thus raised. I am aware that large sums have been raised in South Arcot, and elsewhere, for District roads, and that it might be deemed absurd and impolitic, either to abandon the fund, or limit its application to village roads; but the fact, that the Ryot is being made to pay taxes which should fall upon other classes, remains as a remarkable instance of unequal legislation.

7. I have omitted to notice, in its proper place, the case of the Ryots in Zemindary estates, who, under the terms of the new Act, will suffer more than the Government Ryots. The rent in the Ganjam Zemindaries is, for the most part, fifty per cent. on the gross produce; the Ryots dividing the crop with the renter; the per-centage will, therefore, be calculated on a heavier rental, and will constitute a higher tax, though drawn from a less substantial class, than the Government Ryots. And, further, to illustrate the unfairness of the arrangement, the Zemindar, whose actual rental was virtually taxed under the Income Tax in spite of the permanent settlement, is now relieved of a liability which there is the same legal ground for imposing as in the case of the Income Tax, for it was notorious to the framers of that Act, and to all the world, that a Zemindar's income was, in almost all cases, his land rental neither less nor more.

8. I trust the Board may see grounds in what I have stated to seek for a revision of the provisions of the Act.

1. Submitted for the consideration of Government.

2. The Board observe that they expressed their opinion on the points discussed by Mr. Forbes in their Acting Secretary's letter, dated 15th June 1865, No. 3,233.

No. 189.

Order thereon, 9th July 1866, No. 1,700.

Local Funds, No. 4.

1. The objections which have suggested themselves to the Collector were fully weighed when the Act was under consideration, and were not deemed sufficient to counterbalance the advantages anticipated from the measure.

2. The circumstances of Ganjam at the present time are disastrous, and the Act will not be introduced there in the current year.

(True Extract.)

(Signed) W. HUDLESTON,

Acting Secretary to Government.

To the Board of Revenue,
the Legislative Department.

Printed by the Government.

*Memorandum for order.
a B.D. No. 19 has been
sent to the Board of Revenue
for Ganjam regarding
the income of the
Land Revenue Act.*

*Mr. Forbes' main objection
is that the Board
are an additional burden
on the portion of the
communities which
already pay the
the largest proportion
of the revenue. - Which
it will have no effect
to increase the community
of the Board the largest
benefit from the measure.
- which I have expected
by means of the
increase of the Board
- which Mr. Forbes
has lighted the
fact of the Board's revenue
in the Board in 1865
8th Sept. 65. No. 2,165 -*

in reference to a similar
similar objection raised by
the H. B. concerning up the
draft Bill B. they had been
directed to prepare. that
in direct to the enactment of
the produce will certainly
bear a fair share of any
burden of taxation laid on
the land.

And it may also safely
be assumed that additional
facilities for conveying the crop
to market. (H. B. has equivalent
to a less charge for carriage)
will enable the H. B. to command
a higher price for his produce
from the local dealer. So
long as the crop on the H. B.

I feel no doubt that the
benefit that the H. B. will
derive from improved communications
more than the H. B. whose land
produce will acquire added
value.

Another part of Mr. W. M. W.
objection is met by the
consideration that the
H. B. is in this case

above referred to. that
the class on the land in
no way. The H. B. has
known the H. B. from
living the rest of the
community for the
same purpose. There
are no objectionable
method of doing so -
as has been decided.

I will refer to Mr.
W. M. W. suggestion on
the point of the H. B.

As to his remark
that the produce of
the class will be
applied to a class
of goods from the
H. B. & the H. B. will
the class will drive
the immediate
advantage that
the H. B. has. It
may be observed
that the produce
will be credited to
the District Road
fund. that the

proposals for employing
that fund almost entirely
emanate from the Govt.
in the first instance.
so that it will not mainly
hit him & decide
whether his objection is
really entitled to weight
or not.

As to the objection
that the Ryots in Jaminadars
will be taxed (orally now
having them their elsewhere)
while the Jaminadar himself,
whose income is derived
from his share of the Govt.
revenue from the State,
goes free.

I see no force in
the objection. Except perhaps
in so far as it might
warrant a lower rate
of cess on Jaminadary
Ryots than on others.
But this will be hardly
in arranging the cess
that are chiefly
Jaminadary

Jaminadary will be
parallel with
Equivalent & assisting
a portion of the Govt.
highway revenue
for the improvement
of the roads. but this
is not due to the Govt.
revenue contemplated
They propose to lay
an ad valorem charge
on the land, not
to charge the Land
Ryots as it now
exists with a payst
to the Road fund.
If the assessment on
the land held by
Ryots in Jaminadary
were not less than
that on the land
of other Ryots, the
position under the
operation of the
Road Cess Act. 1858

be precisely similar
in both cases.

W. Forbes suggests
a license tax - or
a light & short duty
on the coasting trade - or both -
in lieu of the Road dues
on the land, but for
the benefit of the same
fund.

Both expedients have
been suggested before.

At para 21. of his Minute
of 18th Feb. 55. which was in
the North India District Li-
c. Division mentioned
that W. Dimchew, the
Manager of Messrs. Bimay
Sugar Works at Aska in
Saugjam had suggested to
him the levy of a duty on
the coasting trade in grain
exported - for the benefit of
the Road fund - & the
suggestion was referred
to the Bd. of Admin. for report.

18th Feb. of 21. Apr. }
22 May } 65

W. Forbes (Saugjam) reports that
a duty of the value of the annual
road produce about Rs. 5000
would be sufficient
W. Dimchew (Saugjam) reports that
an additional duty of 5% on
produce Rs. 25000 or the 5%
road produce would be sufficient.

Ed. of 28 June 65.

The Bd. sent up the report
of the J. of S. of Saugjam &
Vijaynagar in the
subject - both concurring
in the suggestion, but
advocating the levy of
the duty on the main
articles of export & not the
same grain.

The Bd. however stated
that they directed the S. of S.
of Saugjam & Vijaynagar
for the maintenance of
the roads leading to the
port of export.

The Bd. desired them
to take the opinions of all
the J. of S. on the suggestion,
& on the levy of duty - but
mean while on 5th April 65
the Bd. had been directed
to prepare the Bill for
the levy of a Road dues
on all articles of the
main articles of export
& not the same grain.
The question
of S. of S. was known
disposed of in Ed. of 21.

Mayhew. Distancing him & any
all the cell from general
view on the subject. Retaining
that individual cases with
disproportionate merit
than brought forward.

The first in inside of the
 spot is of same color
 have over looked.

In sending up the Draft
Bill for the Local Gov. the 18th
raised objections, some that
similar to those now urged
by W. Forbes, & suggested that
a general license tax on
retail trade, or professions
or a light income tax etc.
be assessed on the classes
other than Lyth. for the
benefit of the Local funds.
I observed that the suggestion
if approved wd. necessitate
some alteration in the Municipal
Bill then before Govt.

This Gold has since become Law
the Circular has in turn been
assigned to it as one of the
matters of Municipal Corp.
It is therefore no longer available
for the other general purposes
or in other than large lots
it will not be worth buying

The only point then for which
I am concerned is
to suggest your early reply.

Chas. H. 15 June 185-
in Enl. Br. of Light.

to the long way trade. 6
The objection that occurs
to the Government is that in
effect it would operate as
the freest duty for the
long way trade which is mainly
in the concentration of
persons at a few large
ports for foreign trade.
Hence Customs duty is
levied, and is not
in exchange of
commodities between
the several coast ports,
and if the long way
duty on such a trade
is reduced for local
purposes, it is difficult
to imagine any policy
forwards for checking
it, and money paid
on the local volume.
Hence that all such
duties were abolished
abolished and the
validity of the
existing duties on
local purposes would
be maintained.

Have stand up
 signs for disagreeing
 from W. F. F. - R

Should suffer to be himself
seriously irritated a
division of the lot on his
objection.

It is already
too late to discuss time
is now too late for
introducing any add:
to the Sanjam. I am
satisfied & I trust have
been in contact with
people & I trust this
morning. and I am
certainly, recommending
that to put as this
is not. & perhaps also
to be concerned
to live with him
in a manner for a
year at least.

Wm. Foster. P.S.

I do not find in
Mr. Foster's comm. any
matter which was not
duly considered by the
Council who had charge
of the Bill, or by the Govt
prior to the resolution
of the Bill being deter-
mined. and see no reason
therefore why it should
now receive a separate
and new. It might be
recorded, or an intima-
tion conveyed to Mr. F
that his suggestion had
~~been~~ not created
notice at the proper
time - as regards the
escape from taxation
of the untaxed, I hope
the good time is coming
when no map
will not forget them

when the better period has arrived,
as respects the non imposition of
the Road tax act in Ganjam and
Nellore, for the year, I think with
Mr. Huxley that we have very
good reasons for deferring it.

I conclude that the act will not be
sanctioned for introduction in any
form, without a previous special
consideration of the circumstances of
the district - at the least of it.
I hope in introduction. Wm. Foster

I think that Mr. Foster's communication
might be acknowledged and that he might
be informed, as suggested by Mr. Phillips
that the objections which he has offered
to the Road tax act were considered
when the act was under consideration
at the Council. He should be informed
at the same time that the act will
not be applied in Ganjam during
the present year in consideration
of the distressed condition of the
country. N.

Read the following letter from G. S. FORBES, Esq., Collector of Ganjam, to the Secretary to the Board of Revenue, dated Chatterpore, 2nd May 1866, No. 761 :—

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8. I trust the Board may see grounds in what I have stated to seek for a revision of the provisions of the Act.

- (A true Copy and Extract.)

Copy to the Collector of Ganiam.

Ed. J. Wright

16. *Spic. Eth. W. of Mar. 2nd 1890*
Sp. - Ligula line. Dec 1890

Submitting for consideration letter from Chair
lector of Gaungnam submitting remarks on hard-
ship that would be imposed on landholders by
introduction of new Road Cess Act.

No. 3,513

June 1866 May 1866

PROCEEDINGS OF THE BOARD OF REVENUE.

No. 1450

1865

Department