M.R.O. 14-5,450-22-10-25.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1958 Press Mis.

425, 426

Dated 21-8-18 67

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
21st August 1867.

No. 425. Read the following Proceedings of the Board of Revenue, dated 19th August 1867, No. 5,344.

Read the following letter from the Acting Collector of Madras, to the Secretary to the Board of Revenue, dated Sydapet, 10th August 1867, No. 256:—

1. As three months have elapsed since the introduction of the Act for the licensing of Professions and Trades, I have, with a view to submit my report of the progress of the Act in Madras and in the district, called for the necessary information from Messrs. Winscom and Burnell.

2. Mr. Winscom's reply was received yesterday. As the Board have in the meanwhile called for an early report* on the Government Order, No. 1,783, of the 3rd instant, I have the honor to forward, in original, Mr. Winscom's letter† above referred to, with another† just now received from him, in reply to the Board's Proceedings under reference.

* *Vide* Board's Proceedings, 6th August 1867.

† To be returned.

3. The actual collection up to the end of last month in Madras Town, deducting refunds, was Rupees 35,015-2-2, and the expenses during that period Rupees 3,897-15-4, inclusive of contingent charges.

4. In addition to the amount already collected, Mr. Winscom estimates that about 65,000 Rupees more would be leviable, making the total collection at a lac of Rupees.

5. With regard to the charges, I beg to state that, in addition to the present establishment which costs Rupees 1,263, a sum of Rupees 253 per month will be necessary to carry out the provisions of the Act. The total cost would thus be Rupees 1,516 per month.

6. I am of opinion that with the addition now solicited, Mr. Winscom will be able to complete the licensing work by the end of January next.

Enclosure No. 1.

From J. C. WINSCOM, Esq., Collector of Licenses, Madras, to the Acting Collector of Madras, dated Mount Road, 6th August 1876, No. 66.

I have the honor to submit, as requested, the following report on the working of the License-tax Act during the first quarter in which it has been in existence :—

1. As I have stated in my former reports, very little was done in the month of May, most people hanging back under the supposition that the payment of the tax would not be enforced; during this month only 91 licenses were issued.

2. During the month of June the opposition which had previously been shown appeared to subside, and the Act worked as well as could be expected, considering the weakness of its penal clauses, the number of licenses granted during the month on application being 482.

3. In the beginning of July Act XXIX. came into force, which enabled me to proceed to assess parties without their first applying for a license; but the want of an establishment suited for the extra work, especially the want of Conicopolies, has prevented its provisions being as actively carried out as I could wish; however, with the help of two Volunteer Conicopolies, 283 seven-days' notices have been issued, and in most cases have produced prompt payment; the number of licenses granted during the month on application was 295, and on notice served 110, total 405.

4. I have not as yet put the penal clauses in force by summoning any person before a Magistrate; for, though in a few cases the time has expired, yet at present they are not numerous enough to make a batch for any Magistrate, and in some cases are, I think, the result of a misconception of the Act, and should be further inquired into before the law is put in force.

5. In addition to the number of licenses granted, 74 have been registered in our books as having been taken out elsewhere, and I find that by this means the tax has been nearly evaded in some places by Tahsildars granting licenses in Madras to Merchants who reside or have a Gumastah in their taluks in classes far below those in which the parties assessed ought to come. I have pointed out the evil to the Secretary to the Board of Revenue, and I hope some measures are being taken to put a stop to it. Among the worst cases which have come under my notice are those granted by the licensing officer at Ongole one N. Kistna Row; several who ought to have been assessed in the second and third classes having been placed by him in the fifth and sixth.

6. Schedule B. will yield scarcely any further revenue here, nearly all the companies established in Madras having also offices in Calcutta and furnishing certificates from thence.

7. It is as yet premature to form any estimate as to what the proceeds of the tax are likely to amount to, as but a comparatively small number of licenses have yet been issued, though, I believe, not many remain who can be assessed in any class higher than the fourth, which; includes in a uniform payment of Rupees 20 all between Rupees 1,000 and Rupees 5,000 per annum, or what may be termed the whole middle class of Madras.

8. In conclusion I beg to refer to the annexed tables, which will give a statistical view of the working of the Act.

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No. 1

Table showing number of licenses granted and amount of receipts in the three months, with Municipal deductions and refunds.

		Net Receipts. Rs.	A.	P.
May, 91	Licenses	2,214	0	0
June, 482	,, ...	16,001	8	0
July, 405	,, ...	19,992	2	2
978		38,207	10	2
Add deductions allowed for Municipal payments, ...		11,540	8	0
		49,748	2	2
Deduct refunds for over-assessments allowed on petitions		3,192	8	0
Proceeds for three months		46,555	10	2

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Enclosure No. 2.

Table No. II

Showing number of Licenses taken out in each class up to 31st July 1867.

		Rs.	A.	P.
1st Class, 12	Licenses	5,525	0	0
2nd ,, 72	,, ...	11,450	0	0
3rd ,, 126	,, ...	8,821	0	0
4th ,, 381	,, ...	4,023	0	0
5th ,, 282	,, ...	1,048	0	0
6th ,, 107	,, ...	350	0	0
		32,417	0	0
Schedule B 4		5,790	2	2
		38,207	10	2

Proceedings of the Madras Government, Revenue Department, 21st August 1867.

Table III.

Classification according to trade, made up to 6th August 1867.

Auctioneers	4	Toddy and Arrack Shops .	48	Nattucotta	36
Attorneys	9	Undertakers	2		132
Bakers	7	Watchmakers	5	*Bazaarmen.*	
Booksellers	4	Weavers	3	Nut and Tobacco	17
Barristers and Vakeels ...	13	Miscellaneous	9	China Bazaar	33
Book Binders	3		338	Cloth Sellers	126
Beer Shops	33	*Assistants and Clerks.*		Evening Bazaars	10
Brokers	38	Bank	18	Coffee Seller	9
Boat owners	1	Merchants	33	Iron and Tin goods ...	35
Builders	1	Railway	10	Furniture	37
Bootmakers	1	Shops	9	Mats	5
Chemists	7	Solicitors...	3	Chillies, &c.	47
Coach Builders	7	Miscellaneous	11	Medicines	25
Doctors	4		84	Oil and Paints	4
Dubashes	8	*Merchants.*		Petty Bazaarmen	43
Hair Dressers...	1	General	43	Paddy Sellers...	7
Hotel-keepers	6	Indigo	6	Rattan Sellers	11
Jewellers...	10	Iron...	6	Rice	75
Livery Stable Keepers ...	7	Opium	3	Twist	10
Maistry Cooly	1	Rice	31	Vegetables	4
Printers	16	Timber	6	Sweet meat	5
Sherbet Sellers	2	Tamarind	1	Silk...	2
Shop-keepers	28				503
Saddlers	1				
Sowcars	38				
Shroffs	18				
Tailors	3				

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Table IV

Showing transaction in Petition Department to 31st July 1867.

100 Petitions received.

87 Disposed of.

52 Allowed.

35 Rejected.

Refunds Granted.

		Rs.	A.	P.
3	From 1st to 2nd Class	900	0	0
6	,, 2nd to 3rd ,, ...	600	0	0
19	,, 3rd to 4th ,, ...	1,222	8	0
5	,, 5th to 6th ,, ...	30	0	0
52		2,942	8	0
Refunded Messrs. Arbuthnot and Co. for two Municipal receipts payable in November 1867		50	0	0
Refunded for two assessments cancelled on account of licenses being taken out in other places		200	0	0
		3,192	8	0

(Signed) J. C. WINSCOM,
Collector of Licenses.

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Enclosure No. 2.

From J. C. WINSCOM, Esq., Collector of Licenses, Madras, to the Acting Collector of Madras, dated Mount Road, 9th August 1867, No. 67.

1. Since forwarding you the quarterly report as requested yesterday, I have received your favor of the 8th instant, together with the Government Order, No. 1,783, requesting a statement of

the total charge already incurred and the amount actually realized, together with estimates of the probable total yield of the tax for the year, and the cost of collecting it.

2. In the report that I sent you, I gave every particular connected with the amount actually realized, which up to the 31st ultimo in actual cash, after deducting refunds, is Rupees 35,015-2-2, and the expenses during the same period, inclusive of contingent charges, has been Rs. 3,897-15-4. I shall, therefore, in this letter confine myself to the estimated results, viz., first, what the tax will will realize, and, secondly, how long it will take and how much it will cost to collect it.

3. The numbers to be taxed will not come up to the Income tax assessments, as that included all Clerks in offices, Gumastahs, &c., with salaries of Rupees 200 and upwards; whereas these people are now only taxed if they have Rupees 1,000 per annum, and the great bulk of them who would otherwise have come into the 5th and 6th classes are exempt. Reckoning then that there remain about 6,500 more assessments to be made—and I think this will be somewhere near the number—and that the average payment of each individual will be Rupees 10, there will be Rupees 65,000 more to receive in addition to the Rupees 35,000 already paid, or a total of one lac and this estimate is borne out by the amount received during the first year in which the Income tax was in operation, as it realized at 4 per cent about three lacs-and-a-quarter, and this tax is much the same thing as an Income-tax at 1¼ per cent. I think a lac is a fair estimate, but the experience of the Municipal License-tax shows how very wide the differences between realizations and estimates sometimes are.

4. In regard to the expenses, the present cost is Rupees 1,263 per mensem as per margin, and in order to bring the provisions of Act XXIX. into working order, the additional expense of Rupees 253 already applied for is undoubtedly necessary. This will bring the total monthly expense to Rupees 1,516.

Licensing Collector	333
Office Establishment	800
Rent	378
Petty expenses (say)	75
	10
	1,263
Additional Establishment	253
	1,516

5. The only further point for consideration is, how long this expense will be necessary, and at present it is very difficult to give any opinion, for until I have had the increased establishment in full working order for about a month, I cannot judge how much daily work we shall be able to accomplish, or what amount of resistance the smaller classes will offer. If it should be necessary to put the law in force by summoning many before the Magistrate, it will be a very troublesome and tedious business; but I hope a few examples will suffice. I think the bulk of the work will be over by the end of January; but as long as the Act continues in force there will always be some establishment necessary, as more people are always coming who should be assessed, and others who have before escaped, to be looked for, and on the 1st of May it begins again. There is undoubtedly a great waste of labour in there being two taxes for licensing in course of collection at the same time, one of which is deducted from the other; and if both taxes are to be continued for another year, I suppose some arrangement will be made, by which either Government can pay the Municipality a composition for their license-tax, or the Municipality collect the Imperial tax along with their own; at present the Municipal tax adds considerably to our work and materially diminishes our receipts.

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1. Submitted to Government, with reference to their Order, under date 3rd August 1867, No. 1,783, Revenue Department.

2. The Government will observe that up to 31st August, or during the first three months of the License tax year, a net sum of Rupees 38,207-10-2 was collected as License tax in the Town of Madras at a cost of collection of Rupees 3,898, or about ten per cent.

3. The Collector of License tax estimates that a further sum of Rupees 65,000 will be collected on this account, and the Collector of the district considers that the work may be concluded by the end of January, if the proposed addition to the establishment at a cost of Rupees 253 per mensem be made. Supposing Mr. Winscom's estimate to be correct, and supposing the additional establishment to be entertained on 1st September, the cost of collection would be Rupees 3,843 on Rupees 65,000, or about fifteen per cent.

4. With reference to Mr. Winscom's remarks upon the provincial assessments, the Board observe that orders have been already issued to all Collectors to refrain from making such assessments. A report will be required on the case specially noticed by him.

No. 426. ORDER THEREON, 21st August 1867, No. 1,958.

Miscellaneous.

1. As proposed by the Board, the establishment for assessing and collecting the License tax in the Town of Madras will be as follows:—

1 Assessor and Collector	...	Rupees 800 monthly.
1 Assistant	... ...	Rupees 250 monthly.
2 Writers at Rupees 50	...	„ 100 „
1 Do.	... ...	„ 30 „
2 Inspectors at Rupees 30	...	„ 60 „
1 Shroff	... ...	„ 20 „
2 Notice Writers at Rupees 20		„ 40 „
5 Conicopolies at Rupees 15	...	„ 75 „
8 Peons at Rupees 7	... ...	„ 56 „
22		631

making a total charge of Rupees 1,431 monthly, and it is anticipated that the establishment must be retained on this scale till the end of January 1868, or say for five months from 1st September.

2. Assuming that the establishment on the present scale is continued to 31st August, the cost including rent and contingencies to that date may be taken at ... ... Rupees 5,161

Add—

Revised establishment for five months at Rupees 1,431	„	7,155
Rent for five months at Rupees 75	„	375
Contingencies for five months at Rupees 10 ...	„	50
	Rupees	12,741

Thus the total cost of assessing and collecting the tax, which is estimated by Mr. Winscom to produce in round numbers one lac of Rupees, will be Rupees 12,741, or more than twelve and a half per cent. on the proceeds.

3. The rate is high, but the tax is exceptional and the charge is temporary, while the Government assume that the records will greatly simplify and facilitate any future assessment in coming years.

4. They therefore accept the recommendation of the Board, and sanction the retention of the existing establishment to the end of the current month, and the employment of the increased establishment on the above scale from 1st September to 31st January 1868.

5. These proceedings will be forwarded for the information of the Government of India.

(Signed) W. HUDLESTON,
Secretary to Government.

4. With reference to Mr. Winscom's remarks upon the provincial assessments, the Board observe that orders have been already issued to all Collectors to refrain from making such assessments. A report will be required on the one specially noticed by him.

(True Copies and Extract.)

Secretary.

To the Secretary to Government, Revenue Department.

Copy to the Acting Collector of Madras,
with enclosure returned.

Exd. T. Cartlodge.