IFR. O. 1—20,000—15-10-20.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. / 3 3 6 Press Mis.

406-408 Dated 29-8-1870 M

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
29th August 1870.

Read the following :—

No. 406. Proceedings of the Board of Revenue, dated 5th August 1870.

Read the following letter from the Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Madras, 3rd August 1870, No. 11.

I HAVE the honour to submit, for the consideration and orders of the Board of Revenue, certain matters connected with the collection of Income-tax.

2. Returns on Form 2 have been sent in to me during the month of July by many of the merchants trading at Madras in goods imported from, and exported to, Europe, which were drawn up by them in conformity with the instructions sent with Form 2.

3. To thirteen of these merchants Form 3 has been issued, assessing them on their own returns. Some have paid the two quarterly instalments due, others have not yet done so.

4. I have not yet issued Form 3 to any of other merchants who have, or have not, returned Form 2, as numerous inquiries have to be made in each case, and I have considered it advisable to obtain as much information as possible before assessing any one.

5. Since the returns have been sent in the aspects of trade and the hopes of expected profits have been suddenly changed by the declaration of war between France and Prussia.

6. One European house, which had been assessed on its own return, has failed, and the prospects of all are very different from what they were a-month ago. I am credibly informed by several of the principal merchants that all their commission orders have been cancelled; cotton has fallen rapidly and is now quoted at 6½ per pound in the Liverpool market; a war-tax has been placed on Coffee in France; Indigo is sold at reduced quotations, and trade with Europe is almost at a standstill.

7. Under these changed circumstances I respectfully request that the Board will, if they think proper, take steps to procure the sanction of Government to allow merchants engaged in trade to send in fresh returns, and that pending such sanction, I may be authorized to discontinue assessing merchants engaged in trade in European goods.

8. I may here mention that the Chamber of Commerce purpose addressing the Board direct on this subject.

THE Collector is authorized to suspend operation under the Income-tax Act pending futher orders.

2. The Board will address Government on the subject, on receiving the communication referred to in paragraph 8.

No. 407. Proceedings of the Board of Revenue, dated 11th August 1870.

Read again Board's Proceedings, 5th August 1870, No. 5,195.

Read also the following letter from the Chairman of the Chamber of Commerce, to the Secretary to the Board of Revenue, dated Madras, 6th August 1870.

In conformity with the Notification of the Collector of Income-tax, the members of the mercantile community of this town forwarded their returns of income for the current year to that officer, on or before the 6th ultimo. Scarcely a week had elapsed after this, before tidings were received of great political complications in Europe, culminating rapidly in a declaration of war by France against Prussia which has utterly disorganized and panic-struck almost all markets, but especially the Cotton, Indigo, Coffee, and Cotton-goods markets in which Madras merchants are chiefly interested. As some illustration of the disastrous results of the sudden outbreak of hostilities, I may mention that Madras Western Cotton, which on the 1st ultimo was valued at Liverpool at 8*d.*, is now almost unsaleable at 6*d.* per lb; that 39 in. 7 lbs. Grey Shirtings and No. 40 Mule Twist which were quoted at 8*s.* 9*d.* per piece, and 15¼*d.* per lb. respectively at Manchester on the 1st July have since declined to 7*s.* 6*d.* per piece, and 11½*d.* per lb. It is a fact therefore that admits of no doubt, that the estimates that were made by merchants at this port of the result of their business in the current year have been upset by the occurrence of a crisis that could not have entered into their calculations. Speaking generally all orders for the purchase of produce have been cancelled from the Home side, and all orders for Manchester goods have been cancelled from this side. Trade is thus at a standstill, and must continue so until such time as the limits of the area of the war have been satisfactorily determined.

6. Under these circumstances the Chamber feel that they may with confidence solicit from the Board of Revenue permission to amend their Income-tax returns. The Board will readily see that assessments based on the returns honestly made when peace seemed profound, would fall with undue severity on merchants whose hopes of profit have to a great extent been dispelled by the outbreak of a war that may yet become general. I have therefore, on behalf of the Chamber of Commerce, to solicit the Board to obtain the requisite authority from Government for the Collector of Income-tax to suspend his assessments, based on the returns of last month, and to act upon the modified returns which the mercantile community desire now to make with due regard to the changed aspect of all markets in which they are interested.

Submitted for the orders of Government.

2. The Board consider the request of the merchants who sent in returns of income before the declaration of war by France, that they may be allowed to revise them is most reasonable.

3. The matter seems to the Board to be of sufficient importance to warrant a reference to the Government of India under Section 45 of the Income-tax Act.

Proceedings of the Madras Government, Revenue Department,
29th August 1870.

No. 408. Order thereon, 29th August 1870, No. 1,336.

Miscellaneous.

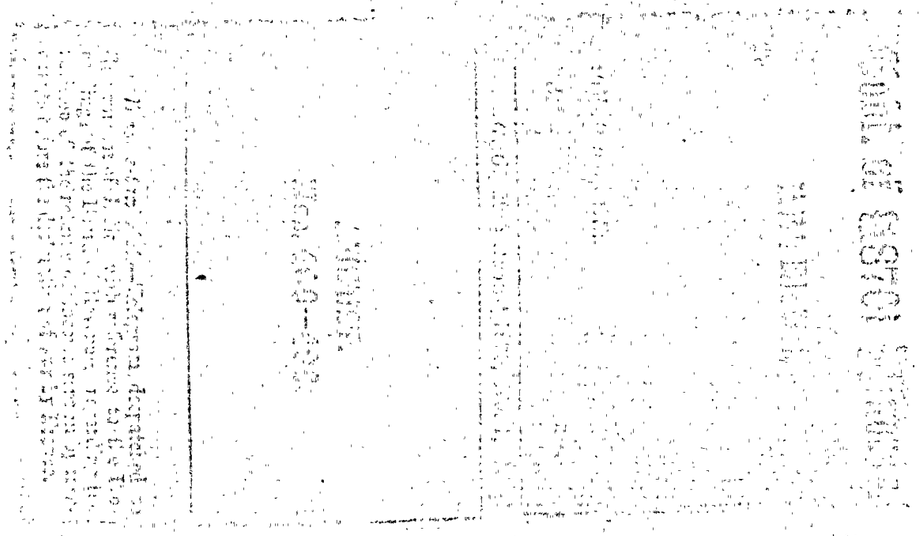
Resolved that the following telegram be despatched to the Government of India.

(Here enter 26th August 1870, No. 27.)

(True Extract.)

(Signed) H. E. STOKES,
Under-Secretary to Government.

Exd. F. R. Bantleman.



No 1336

29th Aug 1870

No 2383 & 2453

Resolved that the following telegram be despatched to the Govt of India

(Encls 26 Aug 1870 No 627)

N.B. The telegram is sent to be printed in the order

Telegram