

(1) Number of pages 4
 (2) Date of repair 24-4-1981
 (3) Initials of the Referencer _____

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

REVENUE DEPARTMENT

G.O. No.	3989 REV.	Press.
B.P. No.		Mis.
Dated	17. 7. 1877	197 .

Not to be folded or roughly handled

1
3989.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

9th July 1877, No. 1868.

Malabar Land-cess.

No. 63. *Proceedings of Government, 9th July 1877, No. 1868.*

As early as the year 1871 when the Local Funds Act was first introduced it was feared that the revenue raised under it in the district of Malabar would be inadequate for the purposes to which it was to be devoted, and in their Proceedings dated 28th April 1871, No. 90, recorded with G.O., dated 17th May 1871, No. 652, the Board of Revenue mention that Mr. Macgregor had proposed that a short Act should be passed declaring the rent-value in Malabar to be *twice* the assessment. The Board were not at that time satisfied that a new Act was really wanted, but a few months later in their Proceedings, dated 10th July 1871, recorded with G.O., dated 17th August 1871, No. 342, they recommended that a law should be passed as soon as possible, providing that the Land-cess shall be rated in Malabar either at 1 Anna in the rupee of true rental, or at 2 Annas in the rupee of assessment.

2. The financial difficulty has hitherto been staved off by means of large annual grants from Provincial Funds varying from Rupees 2,38,030 to Rupees 1,78,630; but under present circumstances it is impossible that these large grants can be continued, even if it were desirable that Malabar should be allowed to remain in a more favorable position as regards local taxation than the other districts of the Presidency; in all of which the Government assessment bears a much higher proportion to the true rent-value than it does in Malabar.

3. The forecast of the financial prospects of the Calicut and Tellicherry Circles for the current year, exhibited in the Board's Proceedings, recorded with G.O., dated 25th June 1877, No. 1780, shows that it is absolutely necessary that some steps should be at once taken for the provision of additional funds, and as the Government have not seen their way to adopt the Board's recommendations with reference to the House-tax, the Hon. Sir William Robinson has undertaken to initiate legislation in the matter, and has drawn a Bill, providing that in Malabar twice the assessment payable to Government shall be taken as the annual rent-value for the purposes of the Local Funds Act. A proviso has also been added to enable the tenant when he pays the tax on the land, as is not uncommonly the case in Malabar, to recover a suitable proportion of the Local Fund Cess from the landlord.

4. This draft Bill will now be forwarded for the consideration and early report of the Board of Revenue and the Collector of Malabar.

5. In paragraphs 8 and 9 of their Proceedings, recorded with G.O., dated 10th March 1877, No. 891, the Board of Revenue deprecate legislative action on the basis of the present Bill, on account of the inequality of the incidence of the assessment, and recommend instead the passing of an enactment enabling the Government "to take steps on definite principles and in a systematic manner to ascertain with fair approximation the real rent-value of the land and to assess a fair local rate thereon."

6. It is admitted, however, that the provisions of such an enactment would require much careful consideration, and that much time must elapse before it could be brought into operation.

7. Meanwhile funds are urgently required. The draft Bill merely increases the proportion to be raised without any change in the principle on which the assessment is based; and its enactment need not in any degree prevent due consideration being given to proposals for legislation in the direction advocated by the Board.

An Act to provide for the levy of additional funds in the Districts of Malabar and Canara under Act IV of 1871.

Whereas it has been found that the funds raised in the district of Malabar, under Madras Act IV of 1871, are inadequate for the purposes to which they are to be devoted, it is hereby enacted as follows:—

I. The application of Clause i of Section 38 of Act IV of 1871 is hereby declared legal as respects all past and future calculation of the rate on the rent-value of land in the districts of Malabar and Canara.

Ia. In the case of land in the district of Malabar twice the assessment payable to Government for the land, or in the case of Inam lands, twice the full assessment which such lands would bear, if they were not Inam, shall be taken to be the annual rent-value of such land for the purposes of Madras Act IV of 1871.

II. The following proviso shall be added at the end of Section 47 of Act IV of 1871:—

Provided also that if the local rate be paid by the tenant of any land he is hereby empowered to collect and recover from his landholder such portion thereof not exceeding one-half as the Collector shall decide. The Collector's decision from time to time on all such questions shall be final.

It shall be lawful for the Governor in Council to extend the provisions of this Act to the district of Canara or to any part thereof by notification in the *Fort St. George Gazette*.

STATEMENT OF OBJECTS AND REASONS.

It has hitherto been customary to calculate the rate on the rent-value of land for the purposes of Act IV of 1871 in Malabar as if the land were held on Ryotwari tenure (Clause i of Section 38) direct from Government. The condition of the greater part of the landed property in the district fails to fulfil these conditions, and the Government assessment bears a much smaller proportion to the true rent-value of land than in other parts of the country.

2. Hence the funds raised under the Act are in Malabar wholly inadequate for the purposes of the Act, and entire insolvency has already been reached in Malabar under most heads of Local Fund expenditure.

3. Local conditions discourage the Government from applying Clause iii of Section 38 of the Act as may legally be done in the district to the assessment of the land rates, and it is calculated that more or less nearly the same financial result will be reached in a simpler and more acceptable manner by the moderate alteration of the existing law now proposed.

4. Section 47 of the Act will enable the landholder (Jeum in Malabar) to recover one-half of the cess from his tenant, when the landlord pays the dues and taxes, and the proviso proposed to be added to that Section will enable the tenant, when he pays the taxes (as is not uncommonly the case) to recover a suitable portion not exceeding one-half from his landholder. The terms of tenure and degree of beneficiary interest in the land are so numerous and varied as between landholder and tenant in Malabar that the adjustment of the incidence of the additional half rate between them will frequently require careful arbitration—that arbitration it is proposed to entrust to the Collector.

(True Extract.)

H. B. F. J.
Under Secretary to Govt.
in charge

To the Collector of Malabar.
 " Board of Revenue.
 " Revenue Department.
 " Legislative ..

Exd. J. Wright.

3989

Revenue Department

No 3274

Obbt. of 118773 Rupees.

FINANCIAL,

To THE COLLECTOR OF MALABAR,
Secy, &c., &c.

Dated July, 90.

Issued -14
Recd. 14 July

G.O. No. July 1877, No. 1862.

JULY.
No. 63.

Malabar Land-revenue.—Forwaring, for consideration and early report, a draft Bill providing for the levy of additional funds in the district of Malabar under Act IV of 1871.

803989

2 August

17. July 90