M.R.O. 1—87 400—29-11-32

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 1594-95 Press Mis.

Dated 1st December 1870.

Not to be folded or roughly handled

Income-tax on profits from coal pits

Endorsement Proceedings of the Board

Revenue on the accounts received and

orders to be forwarded to the Government

of India

M.R.O. 1—87 400—99-11-23

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No: *1894-96* Press Mis.

Dated *16th December* 1870.

Not to be folded or roughly handled

Income-tax on profits from Cocoanut
& Government Proceedings of the Board
of Revenue on the subject referred
above to be forwarded to the Government
of State.

Proceedings of the Madras Government, Revenue Department, 1st December 1870.

No. 1. Read again letters from Government of India, (Financial,) dated 17th December 1869 and 20th April 1870.

Read also the following Proceedings of the Board of Revenue, dated 14th June 1870, No. 4,131.

Read again Board's Proceedings, dated 19th January 1870, No. 372.

In a letter, dated the 17th December 1869, No. 3,177, the Government of India called on the Government of Bombay to submit reports from each Collector as to the average actual proportion of profits from land to land-revenue in his district. The Government of Madras was requested to make similar inquiries.

2. In their Proceedings, dated the 19th January 1870, No. 372, the Board of Revenue communicated the orders of the Government of India to all Collectors, and the file now submitted contains their replies and those of the officials and private individuals whom they consulted.

3. The general result of the inquiry is to show that it is impossible to lay down any fixed rule for the Presidency, or even for the whole of any one district as to the proportion between profits and assessment. No other result could be expected; for even supposing what is far from being the case that originally the assessment was everywhere fixed fairly with reference to the capabilities of the soil, the widest variation in the ratio must necessarily arise from the introduction of improvements in the farm, from the cultivation of new staples, such as cotton from changes in irrigation, and from any other modifications of the existing state of things, such as take place slowly but surely in all agricultural tracts.

4. Before discussing the general question as to how the Income-tax Act should be applied in the case of cultivators, the Board will examine the circumstances of each district *seriatim*.

5. Ganjam.—In Ganjam the Collector estimates the average income from land as equal to the assessment, both on wet and dry land. This estimate the Board think too low. The district is fertile, and enjoys a good climate and a fairly distributed rain-fall, but rents are kept down by the large area of land unoccupied and by the sparseness of the population. The average rate[a] of wet assessment in the district is under Rupees 3 per acre, but it is higher on land under river-channels in the southern talugs, and much of the best land in the district is in the hands of Zemindars. Prices[b] are good. It must be borne in mind that about 8,000 acres are annually laid down with sugar-cane, a special and profitable crop. The

	Acres.	Average acreable Assessment. Rs. A. P.
Dry	105,627	1 4 6
Wet	177,184	2 13 9

	Rs.
[a] Average price of five food grains per garce for 10 years from 1260—1275	115
Do. of do. for 3 years from 1276—1278...	145

holders of dry land in the district will not be affected by the Income-tax law, for their holdings are small, and the country jungly.

6. VIZAGAPATAM.—There is only one Ryotwary taluq under direct Government management in Vizagapatam. The Collector considers the estimate of income from land as equal to the land-tax sufficiently accurate, and does not attempt to give data, or frame a new estimate.

	Acres.	Average acreable assessment. Rs. A. P.
[a] Dry	47,961	1 1 5
Wet	23,788	5 2 7

	Acres.
Cotton, five years' average	18,717
Indigo do.	3,580

7. The area of land in the Government taluq is small, and the average assessment [a] of wet land high. Indigo and cotton are both grown, and require observation; but most of the cultivation is in the hands of small dry land farmers, few of whom can have incomes of Rupees 500 a-year.

8. GODAVERY.—The Collector of the Godavery District takes the assessment rates recently fixed as the basis of his calculation and considers that on the average the income from land is two-and-a-half times the Survey assessment. The average assessment [b] is shown in the margin; and most of the inequalities in its incidence have been rectified by the new settlement. The examples which the Collector gives corroborate the view he takes. The survey valuations were moderate and prices now surpass the commutation rates. Prices [c] of food grains are good and improving; and the number [d] of substantial ryots is above the average.

	Acres.	Average acreable Assessment. Rs. A. P.
[b] Dry	249,701	2 2 3
Wet	210,213	6 12 7

	Rs.
[c] Average price of five food grains per garce for ten years from 1266 to 1275 ...	111
Do. of do. for three years from 1276 to 1278...	130

[d] Single Puttahs of Rs.	1,000	and upwards		26
Do.	do.	500	do.	104
Do.	do.	250	do.	312
Do.	do.	100	do.	2,970

9. The same prosperity does not obtain in the dry upland taluqs; there population is sparse, the climate unhealthy, and few, if any, of the cultivators are wealthy enough to come within the scope of the Income-tax.

10. Extensive sugar-cane (a growing industry) and tobacco cultivators must be dealt with individually. In both cases profits are liberal and the cultivation considerable. There is but little cotton (about Acres 25,000) grown as yet in the district.

11. KISTNA.—The Collector of the Kistna District estimates the average profits of dry cultivation at twice the assessment, and those of wet cultivation at a sum equal to the land assessment. He takes the profits from tobacco, chilly, and betel gardens at a much higher rate, but the smallness of the areas devoted to these products by a number of small land-holders makes it unnecessary to deal with them under the Act.

12. The average assessment [a] on dry and wet land (water-rate included respectively is Rupees 1-8-8 and Rupees 5-14-11, and is on the whole moderate. The wet land lies in the main in the delta taluqs. The harvest from the limited area of wet crops under rain-fed tanks in the upland taluqs is poor and precarious. Dry land is of good quality.

	Acres.	Average acreable Assessment. Rs. A. P.
[a] Dry	1,332,813	1 8 8
Wet	124,288	5 14 11

13. Prices [b] are good, and the average cotton cultivation of the last five years was 205,000 Acres a year, and that of indigo about 15,000 Acres. The number [c] of large holdings is less than in the Godavery District, but on the whole above the average.

	Rs.
[b] Average price of five food grains per garce for ten years from 1266 to 1275 ...	154
Do. of do. for three years from 1276 to 1278...	174

[c] Single Puttahs of Rs.	1,000	and upwards		4
Do.	do.	500	do.	27
Do.	do.	250	do.	263
Do.	do.	100	do.	2,717

14. NELLORE.—The local officers in Nellore differ as to the ratio of the average net income to the assessment. The Sub-Collector considers the average profits of dry cultivation half as much again as the assessment, and those of wet cultivation double. One Tahsildar considers these profits double and treble the assessment respectively; another Tahsildar considers the profits of dry cultivation equal to the assessment, and those of wet cultivation equal to the assessment, or twice that sum according as one or two crops of rice are raised on the same land. One Deputy-Collector considers apparently that the assessment fairly represents the profits, except when the crop raised on dry land is tobacco or oil-seed when the profits are considerably greater; another Deputy-Collector estimates the profits from wet cultivation at from double to four times the assessment according to the season, and the profits from dry agriculture at a sum equal to the assessment, or to one-half more according to circumstances. The Collector thinks that the relative proportion of assessment to profit is as 1 Rupee to Rupees 1-10-0.

	Acres.	Average acreable Assessment. Rs. A. P.
[d] Dry	573,659	1 4 9
Wet	162,797	4 8 4

15. The average assessments [d] of dry and wet land in the Nellore District are Rupees 1-4-9 and Rupees 4-8-4, respectively, but they are very unequally distributed. Prices [e] are good, and the holdings are of fair average size. The district is, however, on the whole a backward dry district, with few special products of importance.

	Rs.
[e] Average price of five food grains per garce for 10 years from 1266—1275 ...	157
Do. of do. for 3 years from 1276—1278	198

[f] Single puttahs of Rs.	1,000	and upwards		5
Do.	do.	500	do. ...	65
Do.	do.	250	do. ...	266
Do.	do.	100	do. ...	1,823

	Acres.
[g] Cotton, average of five years ...	35,875
Indigo, do.	15,368

16. BELLARY.—The Collector of Bellary considers that the profits of agriculture are justly assumed as equal to the assessment. The Deputy Collector likewise considers that the profits on dry land and ordinary rice land do not

exceed the assessment, except when cotton is grown on the former and sugar-cane on the latter, in which cases the profits are four times the assessment.

17. Bellary is a dry district, with a somewhat precarious climate. The average assessment [a] of land is Rupee 0-10-3 per acre for dry land and Rupees 4 for wet. The land under the Tungabudra channels is highly fertile; and dry land bears good cholum and cotton crops in some parts of the district; but the assessment is very unequally distributed. Prices [b] are good, though doubtless more or less influenced by occasional droughts, especially during late years; and the holdings [c] are large for a dry district. The average area under cotton during the last five years has been Acres 360,000; little indigo is grown.

	Acres.	Average acreable Assessment.
[a] Dry	578,059	Rs. A. P. 0 10 3
Wet	162,797	3 15 3
[b] Average price of five food grains per garce for 10 years from 1266—1275 ...		Rs. 176
Do. of do. for 3 years from 1276—1278		249
[c] Single puttahs of Rs. 1,000 and upwards		1
Do. do. do. 500 do. ...		17
Do. do. do. 250 do. ...		161
Do. do. do. 100 do. ...		731

18. CUDDAPAH.—The Collector of Cuddapah considers that the district is over-assessed, and that the incidence of the land-tax is far too unequal to admit of any general average proportion being fixed between profits and assessments. He expresses distrust of the results of the valuations adopted by the Settlement Department now at work. The Sub-Collector considers the average profits of wet agriculture twice and of dry agriculture thrice the assessment. This estimate the Collector considers too high, and thinks that for the whole district it would be nearer the truth to say the assessments were twice or thrice the profits.

19. The average assessment [a] on dry and wet land in Cuddapah is respectively Rupees 0-11-5 and Rupees 6-15-2. The assessment on wet land is undoubtedly very high, and most of it is cultivated under rain-fed tanks, which are in a very unsatisfactory condition. The average assessment on dry land is more moderate as a whole, but is scarcely less unequally distributed.

	Acres.	Average acreable Assessment.
[a] Dry	1,121,096	Rs. A. P. 0 11 5
Wet	124,508	6 15 2
[b] Average price of five food grains per garce for 10 years from 1266—1275 ...		Rs. 180
Do. of do. for 3 years from 1276—1278 ...		261
[c] Single Puttahs for Rs. 1,000 and upwards		0
Do. do. do. 500 do.		4
Do. do. do. 250 do.		51
Do. do. do. 100 do.		812

20. Prices [b] are good, but holdings [c] are small. Great care will, therefore, be required in examining the real condition of agricultural profits. Indigo, cotton, and sugar-cane are industries of some importance in the district, and will require special treatment, as the rain-fall and irrigation are alike precarious.

21. KURNOOL.—The Collector of Kurnool considers that "for all practical purposes the assessment may be taken as a correct measure of the royts' profits."

22. Kurnool is a poor dry district, the average dry assessment [a] of which is 1 Rupee per acre, the wet land (a very small proportion of the agricultural area) bearing a heavy charge of Rupees 7 per acre, and the land-tax is very unequally apportioned. Prices [b] are good; but the holdings [c] are small, and consist chiefly of dry land, so that no large number can be charged with Income-tax. A considerable acreage is annually cultivated with cotton—2,16,179 acres on the average of the last five years. The agricultural condition of this district is decidedly low, and the condition of the Markapur and Cumbum Taluqs wretched. Little or no Income-tax on agricultural profits can or ought to be raised in this district.

	Acres.	Average acreable Assessment.
[a] Dry	1,131,243	Rs. A. P. 0 15 5
Wet	25,948	6 14 9
[b] Average price of five food grains per garce for 10 years from 1266—1275 ...		Rs. 211
Do. of do. for 3 years from 1276—1278		229
[c] Single Puttahs of Rs. 1,000 and upwards		0
Do. do. do. 500 do. ...		11
Do. do. do. 250 do. ...		128
Do. do. do. 100 do. ...		1,030

23. MADRAS.—The Collector of M... has shows that on the average the proportion between the profits from land and the land-tax is from twice to upwards of three times the assessment. This is probably a high average, especially of the tracts near the coast.

	Acres.	Average acreable Assessment.
[a] Dry	175,093	
Wet	213,093	3
[b] Average price of five food grains per garce for 10 years from 1266—1275 ...		
Do. of do. for 3 years from 1276—1278		
[c] Single Puttahs of Rs. 1,000 and upwards		
Do. do. do. 500 do. ...		
Do. do. do. 250 do. ...		
Do. do. do. 100 do. ...		

24. The average assessment [a] of both wet and dry land is moderate in this district. Prices [b] are good; and holdings [c] are of fair average size. B... there are no special crops of importance, and garden products are not so largely grown as in other districts.

25. NORTH ARCOT.—The Collector of North Arcot reminds the Board of the exceedingly precarious character of agricultural industry in his district, and the absence of the more valuable products, cotton and the like.

26. He estimates the profits on wet land in the more favoured parts of the district under river-channels at three times the assessment, but considers that in by far the larger section of the district the average does not exceed twice that standard. Dry land agriculture in general is of the poorest description and the grains raised are the inferior food-grains of the country. There is little cotton, (acres 5,000 a-year,) but indigo is raised on about 13,000 acres. Sugar-cane is grown on numerous small patches in the Palmanair and Chendragiri Taluqs.

	Acres.	Average acreable Assessment.
[a] Dry	330,835	Rs. A. P. 1 6 8
Wet	171,209	5 14 3
[b] Average price of five food grains per garce for 10 years from 1266—1275 ...		Rs. 171
... from 1276—1278		
... 1,000 and upwards		
... 500 do. ...		
... 250 do.		
... 100		

27. The average assessment [a] of land in North Arcot is Rupees 1-6-8 per acre for dry land, and Rupees 6 per acre for wet land. Prices [b] are good, but have been affected by serious droughts of late years. The ryots' holdings [c] are small and the people impoverished; and at the highest estimate very few landholders in this ... can be brought within the sco... the Income-t...

28. SOUTH ARCOT.—The Collector of South Arcot considers that on the whole the profits of agriculture do not on the average exceed one-and-a-half the assessment on wet land. He submits a Taluqwar tabular statement of the opinions of his native subordinates, but no European Divisional Officer's opinion seems to have been called for.

29. The Deputy-Collector estimates the proportion at 2½ Rupees of profits to 1 Rupee of assessment, (excluding the second crop from the calculation altogether,) and he draws attention to the large profits from indigo cultivation which prevails over an extensive area in the district. The opinions of the Tahsildars are submitted in a tabular form, but do not appear reliable, notably so that of the Tahsildar of Chellumbrum, where a great reduction in the revenue demand has been made in an exceptionally fertile and well-watered tract, and, on the whole, the equalized profits are doubtless as high as in Trichinopoly or Tanjore. On the other hand, the profits of agriculture in Trinomalay and the other western taluqs are scanty.

	Acres.	Average acreable assessment. Rs. A. P.
[a] Dry	826,304	1 12 0
Wet	244,532	5 [illegible] 1
[b] Average price of five food grains per garce for 10 years from 1266—1275.		Rs. [illegible]
Do. of do. for 3 years from 1276-78.		[illegible]
[c] Single Puttahs of Rs. 1,000 and upwards.		
Do. do. 500 do. ...		
Do. do. 250 do. ...		
Do. do. 100 do. ...		2
Indigo, average of last five years		43
Cotton, ,, ...		37,883

demand on land in Tanjore is generally of the gross yield; and he considers assessment on wet land is from one and-a-half to twice the latter.

	Acres.	Average acreable assessment. Rs. A. P.
[d] Dry...	234,275	1 4 4
Wet...	683,989	5 1 1
[e] Average price of five food grains per garce for 10 years from 1266—1275 ...		Rs. 150
Do. of do. for 3 years from 1276—1278.		206
[f] Single Puttahs of Rs. 1,000 and upwards.		187
Do. do. 500 do.		658
Do. do. 250 do.		1,170
Do. do. 100 do.		6,230

good; and individual holdings [f] very much above the average size.

34. TRICHINOPOLY.—The Collecto
proportion between assessment and prof
one to three under the recent settlem
estimate

30. The average assessment [a] in this fine district is, on the whole, moderate; prices [b] are good, and the holdings [c] of ryots above the average size.

31. South Arcot is the largest indigo-growing district in the country; a fair cotton crop is raised, and other special products (ground-nut, etc.) are cultivated on moderately assessed dry land.

32. TANJORE.—The Acting Collector of Tanjore affirms that the State believed to be equal to about 25 per cent. that the average proportion of profits to

33. The Board think this a low estimate. The average assessment [d] of the district is moderate, and profits, judged by the price of land in the district and the certainty of agricultural industry, large. Much inequality prevails, but, on the whole, the profits of agriculture in the richer taluqs of this district are exceptionally good. On the other hand, property in the dry taluqs is not valuable. Prices [e] are

Trichinopoly est
et and garden la
probab

35. The revised assessment [a] under the recent settlement is both very moderate and uniform, and present prices are [b] considerably in advance of the commutation price accepted under the settlement. Holding [c] are of reasonable size. Little or nothing in the shape of Income-tax from agricultural profits can be looked for from the dry taluqs. The land is poor, population sparse, and the country but moderately cleared in the Udyarpolliem and other dry tracts.

	Acres.	Average acreable assessment. Rs. A. P.
[a] Dry land	741,360	0 15 6
Wet	121,573	4 6 11
[b] Average price of five food grains for 10 years from 1266—1275		Rs. 161
Do. of do. for 3 years from 1276—1278.		222
[c] Single Puttahs of Rs. 1,000 and upwards.		25
Do. do. 500 do.		65
Do. do. 250 do.		216
Do. do. 100 do.		1,353

36. MADURA.—The Collector of Madura considers that the agriculturalists of that district must be dealt with individually, and that no certain proportion between profits and assessment can be laid down. But he believes that the profits of dry cultivation do not, on the whole, exceed twice, while, those of wet cultivation do not exceed thrice the assessment.

	Acres.	Average acreable assessment. Rs. A. P.
[d] Dry	645,118	5 1
Wet	131,911	[illegible]
[e] Average price of five food grains per garce for 10 years from 1266—1275.		Rs. 16
Do. of do. for 3 years from 1276—1278		21
[f] Single Puttahs of Rs. 1,000 and upwards		
Do. do. 500 do.		1
Do. do. 250 do.		6
Do. do. 100 do.		70
Cotton, average of five years...		Acres 100,515

37. The average assessment [a] of land in Madura is moderate, but it is unequally apportioned, and where cultivation is carried on under rain-fed tanks as in Melur, etc., is exceptionably precarious. Prices [e] are good, but holdings [f] are small. A considerable breadth of land is annually laid under cotton, for which a ready demand is found at Tuticorin.

38. TINNEVELLY.—The Collector appears to consider that the profits of wet land in Tinnevelly may be double the assessment, but he deprecates the adoption of any other standard of profit than the present one, viz., the assessment; first, because the assessment is very unequal; and second, because a higher standard would cause an undue enhancement of taxation.

	Acres.	Average acreable Assessment. Rs. A. P.
[g] Dry	861,128	0 13 5
Wet	160,042	10 6 4
[h] Average price of five food grains per garce for 10 years from 1266—1275		Rs. 203
Do. of do. for 3 years from 1276—1278.		215
Cotton, average cultivation of last five years		Acres 218,393

39. The assessment [g] on wet land in Tinnevelly is exceptionally high, being double the average wet assessment of the Presidency, (Rupees 5-2-8,) and it is most unequally distributed. The land is on the whole valuable, and prices [h] of produce good; but in consideration of the exceptional degree in which these land-holders already contribute to the public revenues the Board think the Collector's recommendation reasonable. Dry land is on the whole lightly assessed in those parts where a cotton crop is raised.

40. COIMBATORE.—The Collector of Coimbatore does not attempt any estimate of the proportion betwe ssessment and profits. He considers that profits must be assessed individually, deprecates any ch e of standard.

	Acres.	Average acreable Assessment.
[a] Dry	1,815,461	Rs. A. P. 0 15 1
Wet	70,031	7 13 3

41. Coimbatore is a "dry" district. The average assessment [a] on wet land is very high, and the profits must be proportionately small, except under the five channels of the Ambravatty and Cauvery rivers.

42. Dry land is, however, moderately assessed and yields good profits under cholum, cotton, (124,189 acres being the average of the last five years,) sugar-cane, etc. Prices [b] are good, the Ryots' holdings [c] small, so that few agriculturalists can be charged with Income-tax.

	Rs.
[b] Average price of five food grains per garce for 10 years from 1266—1275	197
Do. of do. for 3 years from 1276—1278.	280
[c] Single puttahs of Rs. 1,000 and upwards.	1
Do. do. 500 do.	18
Do. do. 250 do.	72
Do. do. 100 do.	200

43. SALEM.—Salem is likewise a "dry" district. The Collector estimates the proportion of assessment to profits at one to three and a-third on the average throughout the district.

	Acres.	Average acreable Assessment.
[d] Dry	1,055,724	Rs. A. P. 1 4 7
Wet	63,310	6 4 5

44. The assessment [d] on wet land in Salem is considerably above the average of the Presidency, and it is confined chiefly to the vallies of the Cauvery and its affluents and the southern taluqs. Dry land on the other hand is moderately assessed. Prices [e] are good, but holdings [f] are so small that few ryots will be charged with Income tax even according to the estimate of the Collector.

	Rs.
[e] Average price of five food grains per garce for 10 years from 1266—1275	172
Do. of do. for 3 years from 1276—1278.	240
[f] Single puttahs of Rs. 1,000 and upwards.	0
Do. do. 500 do.	4
Do. do. 250 do.	12
Do. do. 100 do.	250

45. MALABAR.—The Collector of Malabar points out that no proportion can be laid down as subsisting between the assessment and profits of agriculture in that district. Each case must, therefore, be assessed on its merits. Other estimates are not reliable.

	Acres.	Acreable Assessment.
[g] Dry	396,076	Rs. A. P. 1 8 8
Wet	382,187	3 0 8

46. The assessment [g] land, both wet and dry, is comparatively light. The demand on wet land consisted originally of a claim of from one-half to three-fifths of the net ancient rental (*jenmi patom*) paid by cultivators to the proprietors (*jenmies*). It is consequently much more moderate than the demand in the East Coast districts, where it was based on a share more or less near one-half of the gross yield. The ancient rental *(jenmi patom)* has been departed from, and the tenantry are now more or less rack-rented; the result being that their income has decreased, while that of the proprietors has greatly increased. Where the ancient *jenmi patom* is still observed heavy fines are exacted on renewal of leases, a system which a life-interest in property under the conditions of family descent encourages. It is, therefore, difficult to arrive at the real income from land enjoyed by proprietors, but it is now on the average largely in excess of the moderate average acreable revenue demand. The Collector very properly proposes to deal with each proprietor individually.

47. The average dry land assessment does not probably fully represent the profits of the high-land rice, oil-seed, etc. or jungle cultivation (*Ponom*). But under this head (as above shown) is entered the revenue demand on cocoanut, coffee, and spice plantation, industries to which individual settlement must likewise be extended. The assessment on the former is rated on the number of trees bearing fruit, the enumeration of which has long been in abeyance and the revenue demand for which has become more or less stationary. The prices of plantation produce have advanced two to three-fold since the tree tax was fixed. Great advances have been made in all these industries of late years, and the number of persons who enjoy a larger income from land than Rupees 500 is large. The assessment of these incomes will be a difficult and unpopular process. Prices [a] are very good, and the profits of large puttahdars and proprietors are considerable.

	Rs.
[a] Average price of five food grains per garce for 10 years from 1266—1275.....	192
Do. of do. for 3 years from 1276—1278.....	228

48. SOUTH CANARA.—The Collector of South Canara does not attempt to establish a proportion between the general revenue demand and the profits derived from land. In fact the circumstances of the district do not admit of such a course. A few general principles, however, may be adopted. The profits derived from holdings coming under the class (*Kambherti*) which do not pay the full permanent demand, (*Therao,*) and likewise those holdings which have been reduced (*Board-sequestration*) may be excluded from consideration, for their income does not exceed the revenue demand on them as a rule. But the proprietors of large holdings (*Wargy*) which pay the full permanent assessment (*Bherty*) may fairly be challenged to show cause why they should not pay Income Tax. Cocoanut and areca plantations, etc., should be separately examined. Prices [b] are good and the province on the whole flourishing.

	Rs.
[b] Average price of five food grains per garce for 10 years from 1266—1275.....	173
Do. of do. for 3 years from 1276—1278.....	220

49. NEILGHERRIES.—Owners of property on the hills must clearly be treated individually.

50. After carefully considering these reports, and comparing them with what is known of all parts of the Presidency, the Board are of opinion that it is impossible to say that profits bear a fixed ratio to assessment anywhere, and that no such rule for charging Income Tax could be laid down without doing injustice both to the State and to the tax-payers. It will, however, be possible to determine at once by an inspection of the rent roll that a large number of puttahdars are too poor to be charged. In making this calculation the following rules may be laid down for all districts, except Malabar and South Canara:—

In river irrigated lands profits will not be more than three times the assessment.

In all other lands, dry as well as irrigated, they will not be more than twice the assessment.

With regard to special products, 50 acres growing cotton, or 5 acres growing sugar-cane, or 10 acres (in Laikah land 5 acres) growing tobacco, but not less, may yield an income of Rupees 500. Land growing indigo need not be considered exceptionally valuable, as the profits accrues from the manufacture of the dye.

After excluding the cases of such puttahdars as cannot derive an income of Rupees 500 every case must be taken up and examined and disposed of on its merits just as if it were the case of a trader, except that the puttah will be a valuable guide to the assessing officer.

51. It must be remembered, of course, that agricultural incomes fluctuate with the climate, and due allowance must be made for vicissitudes of season. The Income Tax Act makes no provision for a remission of instalments even if the whole harvest fails, unless the tax-payer dies, or becomes incapable, or takes the benefit of the Insolvent Act.

No. 2. ORDER THEREON, 1st December 1870, No. 1,894.

Miscellaneous.

THE Government have given their best consideration to the subject of the above recorded papers, and while allowing due weight to the reasons which have led the Board to the conclusion at which they have arrived, the Government are decidedly of opinion that there are far more than counterbalancing arguments why the rule hitherto adopted of estimating the ryots' profits from land for purposes of assessing Income-tax at equal to the land-assessment, should be maintained.

2. They would observe, in the first instance, that there appears to be much room for doubt whether, in the estimates of profits which have been supplied to the Board from the provinces, due allowance has generally been made for the fact that, as a rule, the occupying ryot is himself with his family, the actual cultivator of the land, and that their maintenance must, in part at least, be viewed as "wages," and charged against the outturn before any estimate of profits, such as the Income-tax is intended to reach, can be formed.

3. But apart from this consideration, the Government are of opinion that the following reasons strongly recommend the maintenance of the rule hitherto in force, in order to avoid making an obnoxious tax still more repugnant to the people.

4. The principle adopted and declared by Government in their new settlements of the land-tax demand has everywhere been that the Government assessment is to be equal to the net profits of the landholder calculated on an average of prices during a series of years. It is true, that the Income-tax is assessed on the actual profits of a particular year, and not on the average profits of a series of years; but the distinction is one which would not be very apparent to the cultivator, while it would certainly be very distasteful to him. He would simply see that, with reference to land-tax, the Government estimate his profits as equal to his assessment, while for another tax his profits are differently estimated, and at an invariably higher rate; and he would, all probability, conceive an apprehension that the land-assessment would be assimilated to the new estimate of profits, which would mischievously shake his confidence in the stability of his position.

5. The introduction of specific assessments on profits derived from land would, moreover, be a marked deviation from previous practice, which is always repugnant to the people of this country, and most so to the conservative race of land-holders, so that the Income-tax which is unpopular already, would, by the new method of levying it, be rendered more distasteful still.

6. Again, any increase of Income-tax leviable on the profits of agriculture, depending on the particular method of assessment, would coincide with a projected increase of demand on account of local cesses. The alteration in the method of assessing the Income-tax would not only make that tax more obnoxious in itself, but would greatly aggravate the prevailing repugnance to additional local taxation altogether.

7. Moreover, up to the present time the land-assessment has been the basis on which both the Income-tax and the local cesses have been calculated. If the Income-tax be now levied on a new and increased estimate of agricultural profits, the apprehension will infallibly be created that local taxation will also be levied on the new basis; that is, on an immediate and stringent estimate of actual current profits, instead of on an indulgent estimate of average profits, and it will scarcely be maintained that the apprehension would be groundless.

8. The application of the principle of separate assessments to agricultural incomes would also necessitate a system of inquisition in remote places by an agency which could not be deemed absolutely trustworthy, or unbiassed by a common interest with the land-holders; and the facilities and temptation for oppression, or connivance, which exist in the exaction of the tax from other classes, would be multiplied and intensified manyfold in the particular class of cases.

9. The gain to the imperial revenue which would accrue from an increase in the number of incomes chargeable with the tax, and from an increased estimate of those incomes already charged under the system hitherto adopted, would undoubtedly be very small and out of all proportion to the amount of discontent engendered by the change of system. The estimate of agricultural profits given in the papers before Government is very hypothetical and inconsistent. Those from different districts, and even from different persons in the same district, are widely divergent, and a closer scrutiny would very probably result in a diminution of estimate almost everywhere, while the operation would be most unhappy and unsatisfactory at the present moment, when a considerable fall in prices for agricultural produce has set in throughout the country. Thus, the gain, which possibly the State might have secured by a specific assessment of individual incomes from agriculture last year, would, in a great measure, disappear in the present season, for *prices* are the only rule by which any estimate of actual profits could be made. The *amount* of produce raised would certainly evade investigation everywhere.

10. It is also to be borne in mind that the revision of the land-assessment, which is now in progress in this Presidency, may not improbably, for the first time in the revenue history of the country under British rule, result in an enhancement of the average charge on the land in many instances which circumstance will assuredly neither be unobserved, nor left without complaint; and it is eminently undesirable that the discontent which may be excited by this circumstance should have fuel added to it by the contemporaneous agitation of another impost.

11. The foregoing considerations appearing to this Government to afford the most cogent grounds against the adoption of the suggested change in the mode

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7(a)

Proceedings of the Madras Government, Revenue Department,
1st December 1870.

of assessing the Income-tax on ryots' profits from land, and the financial year having already so far advanced that three instalments of the tax out of four are now overdue, while the assessment of ryots' incomes has yet to be made, the Government resolve to accept the responsibility of anticipating the decision of the Government of India, which they trust will be in accordance with the views above expressed, and direct the Board of Revenue to instruct all Collectors to continue with the assessment of the Income-tax on the basis of the rule approved by the Government of India for this Presidency in their letter, No. 826 (Financial,) dated 31st May 1869, namely, that the profits of temporarily assessed lands in Madras Presidency shall, for the purposes of the Income-tax, be estimated in all cases at an amount equal to the assessment; the rule being open to modification when found necessary. These proceedings will be at once reported to the Government of India.

(True Extract.)

(Signed) W. HUDLESTON,
Secretary to Government.

To the Board of Revenue.
„ the Accountant-General.

Erd. F. R. Bantleman

REVENUE DEPARTMENT,
FORT SAINT GEORGE,
1st *December* 1870.

No. 3.

No. 1,895.

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Miscellaneous.

SIR,—Referring to the letters from your department, No. 3,177, dated 17th December 1869, and No. 2,468, dated 20th April 1870, regarding the method of assessing Income-tax on the profits of persons holding land paying revenue to Government, and directing that the assessment of the tax should be suspended, pending orders by the Government of India, I am directed by this Government to forward their Proceedings of this date on the subject for the information of His Excellency the Governor-General in Council, from which it will be perceived that, for the reasons therein stated, this Government have deemed it necessary to order the assessment of the tax for the current year to be continued on the principle hitherto approved and adopted, which Resolution, this Government do not doubt, will be approved by His Excellency in Council. I am directed to add that this Government would view with grave apprehension the adoption of a different course.

I have the honour to be,
Sir,
Your most obedient Servant.

(Signed) W. HUDLESTON,
Secretary to Government.

Exd. F. R. Bantleman.

Govt. of India Secretariat.

REVENUE.

To

THE BOARD OF REVENUE.

Dated December, 1st.

Read.

G. O., 1st December 1870, No. 1,894.

RECEIVED.
Nos. 1-2.

Income-tax on profits from lands paying revenue to Government.—Proceedings of the Board of Revenue on this subject reviewed, and ordered to be forwarded to the Government of India.

Financial 1870 Department.

[ ]

From Government of
Fort St. George.

Dated 31st December.
No. 1,491,
Enclosure.
5 square copies.
R.

D. No.
L. No.
Progs. { D.
No.

Postponed Proceedings of Government
the subject of assessing Income-tax on the profits
of persons holding land
ment.

No. 372.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 19th January 1870.

Read the following Proceedings of the Madras Government, dated 13th January 1870, No. 85, Revenue Department:—

No. 176. Read the following letter from the Officiating Secretary to the Government of India, Financial Department, (Separate Revenue—Assessed Taxes,) to the Secretary to Government of Bombay, dated Fort William, 17th December 1869, No. 3,177:—

I AM directed to acknowledge the receipt of the papers, forwarded with your communication, No. 1,491, dated the 13th ultimo, on the subject of the assessment for Income-tax of profits derived from land in the Kaira district.

2. The Governor-General in Council observes that in your letter, No. 741, dated the 9th June 1869, it was stated that the gross realizations of land held directly from Government "may be assumed to be equal to three times the assessment; deducting therefore one-third for rent and one-third for cost of realization, the net balance of profit will be found equal to the assessment." On this understanding, the Government of India, in Orders, No. 1,614, dated the 29th June, sanctioned the rule that the profits of such land should, for the purposes of the Income-tax Act, be assumed as equal to the land revenue payable therefor.

3. Subsequently, it was intimated to the Government of Bombay, in Orders, No. 3,080, of the 6th September, that it was competent to them to modify the rule in exceptional cases.

4. It now appears, from the report of the Collector of Kaira, that it would not be an excessive estimate to assume that in the Kaira district one rupee of land revenue indicate five rupees of profit. If this or anything approaching to this is the true state of the case, it is evident that the data on which the present rule is founded do not apply to the Kaira district, and that it was quite competent to the Government of Bombay to modify that rule in that district.

5. In the opinion of the Governor-General in Council this would have been the proper course to pursue.

6. But the Governor-General in Council would now ask the Government of Bombay to re-consider the Resolution which was recorded on the Proceedings, and in which are the following words:—"A recent and distinct guarantee having been given that the new rates of assessment cover all demands on the part of Government on account of land revenue, it is perhaps more than questionable whether the State, under the denomination of Income-tax, is justified in enhancing these rates." The Governor-General in Council is constrained to observe that the above argument virtually questions the propriety of levying any Income-tax whatever on any lands which have been assessed with land revenue, during the currency of the settlement. This argument, if it has any force, applies to all land paying revenue to Government, whether the settlement be temporary or permanent, whether it has been recently made, or is of long standing, so long as it is current. It is an argument which has frequently been put forward notably by the land-owners of

Financial 1870 Department.

[ ]

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Bengal under the permanent settlement, and, I am to add, its fallacy has frequently been exposed. On this subject I am directed to refer the Government of Bombay to the exhaustive remarks of the late Mr. James Wilson in his financial statement of the 18th February 1860, when introducing his Income-tax Act. The Governor-General in Council cannot admit that any guarantee, direct or implied, against a general measure of taxation is given by Government when it makes a settlement of its land revenue, or, in other words, of its share as supreme proprietor in the gross profits of land. Under a general Income-tax Act the share of the gross profits, which is left under the land revenue settlement to be enjoyed by the parties in possession, is clearly liable to assessment equally with income from any other source.

7. It was not with any desire to lessen the incidence of the Income-tax on profits from land that a rule for assuming the amount of these profits with reference to the land revenue was suggested, but in order to introduce an element of certainty into the assessment, and to save the necessity of inquisitorial proceedings.

8. If, as stated by the Collector of Kaira, the profits of ryots in that district equal five times the land revenue, the object of the rule would be completely obtained by modifying it, and declaring that, for the purposes of the Income-tax Act, the profits should be assumed at five times the amount of the land revenue.

9. The Governor-General in Council will not now ask for interference with the assessments for the present year; but he is not prepared to sanction hereafter the continuance of a rule by which the State loses four-fifths of the Income-tax revenue fairly due from agricultural profits in the Kaira district.

10. The Governor-General in Council therefore requests that the Government of Bombay may be pleased to direct that each Collector in the Bombay Presidency may be called on to report, after careful inquiry, what may on the average be assumed to be the actual proportion of profits from land to land revenue in his district. These reports, with those of the Revenue Commissioners, should be submitted as early as possible to the Government of India, with the view to the alteration next year, if necessary, of the present rule for Income-tax assessment on agricultural profits.

11. In conclusion, the Government of India has every confidence that the Government of Bombay will, on a review of the circumstances relating to the levy of the Income-tax on income from land, ensure that full regard is paid to this important point by the Revenue authorities.

Copy to Government of Madras, with a request that similar inquiries may be made in that Presidency and reported to the Government of India.

(Signed) G. H. M. BATTEN,
Under-Secretary to the Government of India.

No. 177.

Order thereon, 13th January 1870, No. 85.

Miscellaneous.

Communicated to the Board of Revenue, with a request that the reports required by the Government of India may be called for and submitted to the Government.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

To the Board of Revenue.

Communicated to all Collectors, with a request that the report called for by the Government of India in paragraph 10 of their order, may be submitted at latest by the end of March.

2. The Collectors should carefully note the data upon which their conclusions are based, so that the Board may have it in their power to see how conflicting opinions, if any, have been arrived at by different officers.

3. The Board would be glad to receive with each report the opinions, on the subject, of a few intelligent and respectable Ryotwary landholders, whom the Collector should select for the purpose, from different parts of the district.

(True Extracts.)

(Signed) A. MACGREGOR,
Acting Secretary.

(Signed) J. T. MAYNE
First Assistant.

To all Collectors.

Exd. T. Cartledge.

10(8)

1870.

Board of Revenue,

MADRAS.

PROCEEDINGS, 19TH JANUARY 1870, No. 372.

Encl.

Received

JANUARY.

No. 372.

Income-tax assessment—on agricultural profits.—All Collectors requested to report after careful inquiry what may, on average, be assumed to be actual proportion of profits from land to land revenue in their districts, in view to alteration of present rule for—, if necessary.

11

From G. ELLIS, Esq., Acting Collector of Ganjam, to the Acting Secretary to the Board of Revenue, dated Chetterpore, 9th May 1870, No. 554.

WITH reference to the Board's Proceedings, No. 372, of the 19th January last, I have the honour to report that, from the inquiries I have made, I am of opinion that the average actual proportion of profits from land to land assessment in this district may fairly be assumed to be about 125 per cent. At the same time I must confess that it is difficult to arrive at correct results in such cases. The information furnished by one Tahsildar greatly varies from that of another; the few respectable ryotwary land-holders whom I have consulted on the subject have, as was to be anticipated, under-stated their net profits. The variation in the results furnished by the talook officers is attributable to various causes, such as the nature of the crop selected and the difference in the productive powers of the soil, cost of labour, rate of assessment, and principally the prices of produce in the different parts of the district.

2. The results have been ascertained with reference to the quantity of produce that may be derived from an acre of dry and wet land, its value according to the ruling rate of price, cost of cultivation and rate of assessment.

3. As the amount of net profits derived by the land-holders entirely depends on the price of produce, which varies greatly in reference to the nature of harvest and the condition of trade, I consider it safe to assume the net profits from land to land-holders at 100 per cent. of the land assessment.

4. A copy of the Acting Principal Assistant Collector's letter containing his opinion on the subject is herewith sent.

ENCLOSURE No. 1.

From J. HOPE, Esq., Acting Principal Assistant Collector, to the Acting Collector of Ganjam, dated Chicacole, 25th March 1870, No. 107.

I HAVE the honour to inform you, with reference to Board's Proceedings, No. 372, of the 19th January, and to your dockets, Nos. 136 and 196, dated 17th and 25th ultimo, respectively, that in conducting the Jummahbundy of the Chicacole Talook I have had upon different occasions a few respectable ryots and inquired of them the amount of their agricultural profits. The result of my inquiries is, that so far as this talook is concerned the profit derived by a ryot from his land may, for the purposes of the Income Tax Act, be assumed to be fairly represented by the amount of the assessment he pays to Government on account of the land. A report received from the Tahsildar (a copy or duplicate of which will have gone to your office) confirms me in this opinion.

2. The chief difficulty in determining the proportion a ryot's profit bears to his assessment arises from the great variations in the price of grain in different years. The ryot's expenses in cultivation and his assessment are pretty nearly the same each year, so that his profits only being affected by the rise and fall of prices they vary year by year even more than the prices. Thus I find that of late years, and exclusive of the famine year (Fusly 1275), prices have ranged from Rupees 59 per garce for second class paddy to Rupees 25. The former was the price prevailing in March 1867, the latter in March 1868. By March 1869 the price had risen again to Rupees 48, and when it is borne in mind that a difference of 50 per cent. in the price is equivalent to at least a difference of 100 per cent. in the ryot's profits, in consequence of the uniformity of his disbursements, the difficulty of fixing a fair rate at which to assess his Income Tax is apparent. The incidence of an Income Tax based on ryot's assessment and not on his actual profits must thus be much heavier in one year than in another, whatever may be the proportion we fix as existing between his assessment and his profits.

3. If, however, the inconvenience of fixing the amount of Income Tax each year in accordance with the prevailing prices and the ryot's actual profits be so great as to out-weigh this objection, I can see no fairer principle to proceed upon than to regard the amount of the assessment as the measure of the agricultural profits, Rupee for Rupee. Probably if we were to take a strict average for several years we should find that the profits somewhat exceeded this, but I think, considering the great inequality in the annual incidence of the tax, it will be best to estimate the profits somewhat below the average. The data upon which my opinion is based are contained in the Tahsildar's statement forwarded to you, and it is, therefore, needless for me to recapitulate them here.

(True Copy.)

(Signed) G. ELLIS,
Acting Collector.

Exd. J. Tulloch.

From R. J. MELVILLE, Esq., Officiating Collector of Vizagapatam, to the Acting Secretary to the Board of Revenue, dated 4th April 1870, No. 226.

I HAVE the honour to reply to Board's Proceedings, No. 372, dated January 19th, 1870.

2. In this district, only two talooks of which are ryotwary, there has been no survey nor revision of assessment. It is, therefore, simply impossible to obtain accurate data for arriving at an estimate of the proportion the profit of agriculture bears to the assessment. As remarked by the Principal Assistant, in whose division the Ryotwary talooks are, "a ryot may have ten acres "entered in his puttah, while he is really cultivating twenty, or *vice versa*." As usual, nothing is to be learned on this subject, either from conversation with ryots, or reports from Tahsildars. My experience in the Settlement Department has shown me the extreme difficulty of getting any accurate data on the question of the profits of agriculture.

3. In that department, the attempt used to be made by assembling ryots in four or five different parts of the talook, the result always was, that according to their own accounts, they were cultivating at a loss. In that part of the country (Cuddapah and Kurnool) where there had been a rough, though useful survey, it was possible by cross examination to check the statements of the cultivators. Here nothing of the sort is possible.

4. I would, however, remark that there is no doubt that our assessments are far heavier than those of either the Bombay Presidency or of the North West Provinces.

5. When Acting Collector of Nellore, in answering a Proceedings of the Board, on the state of ryots in the Zemindaries, I had to inform them that the average dry assessment of Ryotwary lands in the district was equal to the highest rate of dry assessment in the neighbouring Venkatagherry Zemindary.

6. The soil in the ryotwary portions of this district, as far as I have seen, is by no means rich, and I think that the present plan of estimating the profits as equivalent to the assessment, is as nearly accurate as can be devised with our present means of information.

From J. FRASER, Esq., Collector of the Godavery District, to the Acting Secretary to the Board of Revenue, dated Ramachendrapoor, 14th April 1870, No. 100.

I HAVE the honour to forward the report called for in paragraph 10 of the Order of the Government of India, communicated to me in Board's Proceedings, No. 372, dated 19th January 1870.

2. The data on which my conclusions are based are those on which the assessment of the district was fixed by the Settlement Department, as shown in the accompanying Statement. Knowing these to have been most carefully fixed, I feel sure I cannot be wrong in taking them as the ground of my statements. There are alterations, as the accompanying statement will show, in the prices of produce and labour which have both risen. The calculations are made on the basis of one crop only in wet land. There is very little land in this district cultivated annually with two irrigated crops.

3. The delta land is divided into five groups, according as its land-rent is 4 Rupees, 3 Rupees, 2 Rupees, 1 Rupee or 8 Annas, and the staple crops assumed to be cultivated in these are white paddy, black paddy, and cholum. Other grains are cultivated by either sowing them with these or as subsidiary crops, but the profits from these, as rather precarious, have not been taken into calculation. Taking these groups in the order above specified, and the returns from the three grains into consideration (for nearly all ryots have both wet, dry, and garden cultivation in their holdings,) I find the proportion of their *net* profits, (deducting land-rent, water-rate, and all expenses of cultivation,) to the gross value of produce to be as nearly as possible 1 to 2, 1 to $2\frac{1}{4}$, 1 to $2\frac{1}{2}$, 1 to 3, 1 to 5. Taking the whole five groups together, the proportion may safely be-assumed to be not less than 1 to $2\frac{1}{2}$.

4. The profits from cultivation under the Yeluru river, and under tanks as in the upland talooks, will be seen to be still higher, certainly not less on the whole than 1 to 2.

5. The profits from cultivation of tobacco in the lunkas is still higher. I think myself that in fixing the rates of assessment at 20 Rupees, and 12 Rupees for the best and second qualities of tobacco land, the mistake has been made of fixing it much too low. I know that now in unassessed (permanently) lunkas, namely, those that are rented from year to year, the best land is greedily taken at 50 Rupees an acre, and at that rate it yields on an average a handsome profit.

6. The assessment of all Government land must be considered by the ryots very moderate from the following facts:—

Adjacent Zemindary and Proprietary lands of similar quality are competed for at rates of rent double those of Government.

Ryotwar and Inam lands which are under attachment sometimes let for much more than the settlement shist, as the under-mentioned three cases will show:—

I. A. 2, C. 76 of Service Inam according to survey under attachment in a Government village, assessed by the Settlement Department at Rupees 9-2-0, were rented out for an annual assessment of Rupees 49, or at Rupees 17-13-0 an acre per annum.

II. A. 8, C. 55 of a Shrotriem or Puttah Inam according to survey under attachment in a Government village, assessed by the Settlement Department at Rupees 25-15-0, were rented out for an annual assessment of Rupees 108, or Rupees 12-11-0 an acre per annum.

III. In a Government village A. 11, C. 99 of zirayati land according to survey, assessed at Rupees 35-15-0 by the Settlement Department, being under attachment, were rented out for an annual shist of Rupees 121, or Rupees 10 per acre.

7. I have taken, as the Board desire, the opinions of a few intelligent Ryotwary landholders on the subject, and send the results; but the Board will see they carry their own contradictions on their very face. How could any land be scrambled for as good land is in this district if its cultivation invariably entailed heavy loss?

8. Nothing apparently will drive the idea out of the ryots' heads that any inquiry into their condition or profits must of necessity be only a preclude to increased taxation of some kind.

ENCLOSURE No. 1.—Opinions of certain Ryotwary landholders.

ENCLOSURE No. 2.—Statement.

Exd. T. Cartledge.

Opinions of certain Ryotwary land-holders.

No.	Villages.	Crops.	Nature of expenses.	Amount. Rs.	A.	P.
1	Madiki	Cholum	For ploughing	4	8	0
			Value of seed	0	3	2
			For weeding...	0	4	9
			For reaping	0	8	0
			For watching	1	1	7
			For thrashing	0	4	9
				6	14	3
			Shist...	3	0	0
				9	14	3
			Estimated quantity of cholum, at Rupees 20 a Putti... ...	5	0	0
			Deduct expenses as above-stated...	9	14	3
			Profits...	...	...	...
2	Vallur	White-paddy	For ploughing	2	4	0
			Value of seed	0	10	3
			For transplanting...	2	13	0
			For weeding...	0	15	0
			For reaping	1	4	6
			For thrashing	0	10	3
				8	9	0
			Shist...	4	0	0
			Tirwahjasty...	4	0	0
				16	9	0
			Estimated quantity of paddy, at Rupees 16 a Putti ...	16	0	0
			Deduct expenses, as above-stated...	16	9	0
			Profits...	...	...	...
		Black-paddy	For ploughing	1	8	0
			Value of seed	0	5	7
			For weeding...	3	3	0
			For reaping	0	10	2
			For thrashing	0	4	1
				5	14	10
			Shist...	4	0	0
				9	14	10
			Estimated quantity of paddy, at Rupees 16 a Putti ...	8	4	6
			Deduct expenses as above ...	9	14	10
			Profits...	...	...	...

14th April 1870.

(Signed) J. FRASER,
Collector.

Exd. G. A. Turton.

Data on which the Settlement was made.

Rate of the land.	Crop.	Quantity of produce in Putties for an acre of land.	Value of the produce.	DEDUCT. Cost of Cultivation. Value of bullocks estimated.	Cooly-hire for ploughing.	Value of seeds.	Planting and weeding.
		P. T.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
4 Rupees	White paddy	1 15 0	21 0 0	1 8 0	0 9 9	0 4 10	1 8 0
	Black paddy	1 5 0	12 8 0	1 6 0	0 10 0	0 4 0	0 14 0
	Cholum	1 2 8	16 14 0	1 9 6	0 11 3	0 1 6	0 3 0
3 Do.	White paddy	1 7 8	16 8 0	1 8 0	0 10 0	0 5 0	1 8 0
	Black paddy	1 0 0	10 0 0	1 6 0	0 10 0	0 4 0	0 14 0
	Cholum	0 17 8	13 2 0	1 9 6	0 10 0	0 1 6	0 3 0
2 Do.	White paddy	1 7 8	16 8 0	1 8 0	0 9 0	0 5 0	1 8 0
	Black paddy	0 12 8	6 4 0	1 4 0	0 6 0	0 4 0	0 6 0
	Cumboo	0 15 0	7 8 0	0 10 0	0 5 0	0 1 6	0 2 0
1 Do.	White paddy	1 2 8	13 8 0	1 8 0	0 9 0	0 5 0	1 8 0
	Black paddy	0 10 0	5 0 0	1 0 0	0 8 0	0 4 0	0 10 0
	Cumboo	0 12 8	6 4 0	1 4 0	0 5 0	0 1 6	0 4 0
8 Annas	White paddy	0 17 8	10 8 0	1 8 0	0 9 0	0 5 0	1 8 0
	Black paddy	0 7 8	3 12 0	1 0 0	0 8 0	0 4 0	0 10 0
	Cumboo	0 7 8	3 12 0	1 4 0	0 5 0	0 1 6	0 4 0
20 Rupees	Tobacco	2 10 0	100 0 0	2 4 0	0 2 0	0 2 0	18 8 0
12 Do.	Do.	1 10 0	60 0 0	2 4 0	0 2 0	0 2 0	18 8 0
	Lands under the influence of Tanks and the Yeleru.						
6 Rupees	White paddy	2 0 0	24 0 0	1 8 0	0 8 4	0 7 0	0 14 5
4 Do.	Do.	1 12 8	19 8 0	1 2 0	0 4 9	0 7 3	0 9 0
2 Do.	Do.	0 17 8	10 8 0	1 2 0	0 4 9	0 7 3	0 9 0
1½ Do.	Do.	0 17 8	10 8 0	1 2 0	0 4 9	0 7 3	0 9 0
1¼ Do.	Do.	0 15 0	9 0 0	1 2 0	0 4 9	0 7 3	0 9 0

Data on which the Settlement was made.—(Concluded.)

Rate of the land.	Crop.	DEDUCT.						Remaining profits.
		Cost of Cultivation.			Shist.	Water Tax.	Total.	
		Cooly-hire for reaping.	Cooly-hire for thrashing.	Total.				
		RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
4 Rupees	White paddy	0 9 0	0 4 10	4 12 5	4 0 0	3 0 0	11 12 0	9 4 0
	Black paddy	0 5 0	0 4 0	3 11 0	4 0 0	... ...	7 11 0	4 13 0
	Cholum	0 12 0	0 6 0	3 11 0	4 0 0	... ...	7 11 0	9 3 0
3 Do.	White paddy	0 9 0	0 5 0	4 13 0	3 0 0	3 0 0	10 13 0	5 11 0
	Black paddy	0 5 0	0 4 0	3 11 0	3 0 0	... ...	6 11 0	3 5 0
	Cholum	0 12 0	0 6 0	3 11 0	3 0 0	... ...	6 11 0	6 7 0
2 Do.	White paddy	0 6 0	0 5 0	4 9 0	2 0 0	3 0 0	9 9 0	6 15 0
	Black paddy	0 5 0	0 4 0	2 13 0	2 0 0	... ...	4 13 0	1 7 0
	Cumboo	0 4 0	0 3 0	1 9 6	2 0 0	... ...	3 9 6	3 14 6
1 Do.	White paddy	0 6 0	0 5 0	4 9 0	1 0 0	3 0 0	8 9 0	4 15 0
	Black paddy	0 5 0	0 4 0	2 15 0	1 0 0	... ...	3 15 0	1 1 0
	Cumboo	0 4 0	0 3 0	2 5 6	1 0 0	... ...	3 5 6	2 14 6
8 Annas	White paddy	0 6 0	0 5 0	4 9 0	0 8 0	3 0 0	8 1 0	2 7 0
	Black paddy	0 5 0	0 4 0	2 15 0	0 8 0	... ...	3 7 0	0 5 0
	Cumboo	0 4 0	0 3 0	2 5 6	0 8 0	... ...	2 13 6	0 14 6
20 Rupees	Tobacco	6 15 0	2 4 0	30 3 0	20 0 0	... ...	50 3 0	49 13 0
12 Do.	Do.	6 15 0	2 4 0	30 3 0	12 0 0	... ...	42 3 0	17 3 0
	Lands under the influence of Tanks and the Yeleru,							
6 Rupees	White paddy	0 13 2	0 1 1	4 4 0	6 0 0	... ...	10 4 0	13 12 0
4 Do.	Do.	0 7 3	0 1 0	2 15 3	4 0 0	... ...	6 15 3	12 8 9
2 Do.	Do.	0 7 3	0 1 0	2 15 3	2 0 0	... ...	4 15 3	5 8 9
1½ Do.	Do.	0 7 3	0 1 0	2 15 3	1 8 0	... ...	4 7 3	6 0 9
1¼ Do.	Do.	0 7 3	0 1 0	2 15 3	1 4 0	... ...	4 3 3	4 12 9

Rate of the land.	Crop.	Quantity of produce in Putties for an acre of land.	Value of the produce.	DEDUCT.				
				Cost of Cultivation.				
				Value of bullocks estimated.	Cooly-hire for ploughing.	Value of seeds.	Planting and weeding.	Cooly-hire for reaping.
		P. T.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
4 Rupees	White paddy	1 15 0	28 0 0	2 0 0	0 13 6	0 6 6	2 0 0	0 12 0
	Black paddy	1 5 0	17 8 0	1 14 9	0 14 0	0 5 6	1 3 6	0 7 0
	Cholum	1 2 8	20 4 0	1 14 6	0 13 6	0 2 0	0 3 6	0 14 6
3 Do.	White paddy	1 7 8	22 0 0	2 0 0	0 13 6	0 6 6	2 0 0	0 12 0
	Black paddy	1 0 0	14 0 0	1 14 9	0 14 0	0 5 6	1 3 6	0 7 0
	Cholum	0 17 8	15 12 0	1 14 6	0 13 6	0 2 0	0 3 6	0 14 6
2 Do.	White paddy	1 7 8	22 0 0	2 0 0	0 13 6	0 6 6	2 0 0	0 12 0
	Black paddy	0 12 8	8 12 0	1 14 9	0 14 0	0 5 6	1 3 6	0 7 0
	Cumboo	0 15 0	9 0 0	0 12 0	0 6 0	0 2 0	0 3 6	0 5 0
1 Do.	White paddy	1 12 8	18 0 0	2 0 0	0 13 6	0 6 6	2 0 0	0 12 0
	Black paddy	0 10 0	7 0 0	1 14 9	0 14 0	0 5 6	1 3 6	0 7 0
	Cumboo	0 12 8	7 8 0	0 12 0	0 6 0	0 2 0	0 3 6	0 5 0
8 Annas	White paddy	0 17 8	14 0 0	2 0 0	0 13 6	0 6 6	2 0 0	0 12 0
	Black paddy	0 7 8	5 4 0	1 14 9	0 14 0	0 5 6	1 3 6	0 7 0
	Cumboo	0 7 8	4 8 0	0 12 0	0 6 0	0 2 0	0 3 6	0 5 0
20 Rupees	Tobacco	2 10 0	150 0 0	5 0 0	... ...	0 2 0	22 14 0	6 0 0
12 Do.	Do.	1 10 0	90 0 0	5 0 0	... ...	0 2 0	22 14 0	6 0 0
	Lands under the influence of Tanks and the Yeleru.							
6 Rupees	White paddy	2 0 0	32 0 0	2 0 0	0 12 0	0 9 6	1 3 0	1 1 6
4 Do.	Do.	1 12 8	26 0 0	2 0 0	0 12 0	0 9 6	1 3 0	1 1 6
2 Do.	Do.	0 17 8	14 0 0	2 0 0	0 12 0	0 9 6	1 3 0	1 1 6
1½ Do.	Do.	0 17 8	14 0 0	2 0 0	0 12 0	0 9 6	1 3 0	1 1 6
1¼ Do.	Do.	0 15 0	12 0 0	2 0 0	0 12 0	0 9 6	1 3 0	1 1 6

From J. A. C. BOSWELL, Esq., Officiating Collector of the Kistna District, to the Acting Secretary to the Board of Revenue, dated Masulipatam, 13th April 1870, No. 1,471:—

With reference to the Board's Proceedings, No. 372, dated 19th January 1870, calling for a report after full enquiry as to what may on the average be assumed to be the actual proportion of profits from land to land revenue, I have the honour to enclose a Statement, showing the gross out-turn of an acre of ordinary dry, wet or garden land, the particulars of the expenses of cultivation, the assessment payable to Government, and the ryots' profits. The term garden does not now appear in accounts. The lands in which garden crops are grown, being assessed like other lands, on the principle that no land should bear a higher assessment on account of ryots' labour. But ryots' profits from garden lands being very large, I merely show them separately from dry and wet.

2. It will be observed from the enclosed Statement, that agricultural profits from dry, wet, and garden lands, rise in geometrical progression as Rupees 4, 8, and 16, respectively, per acre, but the proportion of profits to land revenue is quite different, as shown in the sequel.

3. The quantity of yield, whether in the dry, wet or garden land, differs much with reference to the quality of the soil, the manuring of the land, and the favourableness of the season, but for all practical purposes of cultivation, I have taken a middle sort of land, cultivated without manure, (which is rarely used in this part of this country except for garden lands) and an ordinary good season.

4. Of all the dry crops in this country, Jonna is most extensively cultivated. Its average yield in an acre of land is one-fourth of a Bandar Candy of 960 seers, the average price of which is Rupees 10. The land assessment payable to Government, say Rupees 2, and the expenses of cultivation, 4 Rupees, total Rupees 6 being deducted, the remaining ryots' profit is Rupees 4 or *double* the amount of land revenue.

5. With regard to wet crops, the most extensively cultivated is the white paddy "Kusuma." Its average yield in an acre, is one candy, the price of which is Rupees 22, on average. The expenses of cultivation on an acre of land is Rupees 10, as shown in the enclosure, and the consolidated* assessment Rupees 6, total Rupees 16, being deducted, the remaining ryots' profit is Rupees 6, which is only equal to land revenue, though double the amount of profit from the dry crop.

* 2 Rupees Land Sist.
4 Water Cess.
6 Total.

6. The garden crops are of different kinds, some yielding much larger profits than others. For instance, Natchiny under wells is called a garden crop, the profits from which are very small, compared with those from Tobacco or Chillies. Again the income from a Betel garden is four or five times more than that from Tobacco, the expenses of cultivation likewise falling or rising with the income; we might, therefore, take tobacco as an ordinary garden crop for the present calculation. Its average yield in an acre of land is 1 candy by weight, the price of which is Rupees 60 (though it may fluctuate now and then a little above or below this mark). The amount of land assessment is say Rupees 4 an acre, (these lands being generally irrigated under private wells by picottahs) and the expenses of cultivation Rupees 40, total Rupees 44 being deducted, the remainder is Rupees 16, which is double the income derivable from wet land and quadruple the land revenue payable to Government, Garden cultivation, however, is carried on only in small patches of patiperadus, generally near the village. It cannot, therefore, be taken to fix the proportion of ryots' profits for purposes of taxation, and as stated above, we may fairly assume the actual proportion of profits from land to land revenue as being double in the case of dry land and single or equal in the case of wet land.

7. I beg to enclose translation of the Statements of a few intelligent and respectable Ryotwary landlords selected from different parts of the district.

ENCLOSURE No. 1.—Statement.

Exd. G. A. Turton.

Data on which the present Calculation is made.—(Concluded.)

Rate of the land.	Crop.	Cost of Cultivation. Cooly-hire for thrashing.	Cost of Cultivation. Total.	DEDUCT. Sist.	DEDUCT. Water Tax.	DEDUCT. Total.	Remaining profits.	Per centage of profits to the gross revenue.
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	
4 Rupees ...	White paddy ...	0 6 6	6 6 6	4 0 0	4 0 0	14 6 6	13 9 6	or say 13½ to 28
	Black paddy ...	0 5 6	5 2 3	4 0 0	... ...	9 2 3	8 5 9	8½ to 17½ } 1 to 2
	Cholum ...	0 7 0	4 7 0	4 0 0	... ...	8 7 0	11 13 0	11½ to 20½ }
3 Do. ...	White paddy ...	0 6 6	6 6 6	3 0 0	4 0 0	13 6 6	8 9 6	8½ to 22 } 1 to 2½
	Black paddy ...	0 5 6	5 2 3	3 0 0	... ...	8 2 3	5 13 9	5½ to 14 }
	Cholum ...	0 7 0	4 7 0	3 0 0	... ...	7 7 0	8 5 0	8½ to 15½ }
2 Do. ...	White paddy ...	0 6 6	6 6 6	2 0 0	4 0 0	12 6 6	9 9 6	9½ to 22 } 1 to 2½
	Black paddy ...	0 5 6	5 2 3	2 0 0	... ...	7 2 3	1 9 0	1½ to 8½ }
	Cumboo ...	0 3 6	2 6 6	2 0 0	... ...	4 6 6	5 0 0	5 to 9 }
1 Do. ...	White paddy ...	0 6 6	6 6 6	1 0 0	4 0 0	11 6 6	6 9 6	6½ to 18 } 1 to 3
	Black paddy ...	0 5 6	5 2 3	1 0 0	... ...	6 2 3	0 13 9	¾ to 7 }
	Cumboo ...	0 3 6	2 6 6	1 0 0	... ...	3 6 6	4 8 0	4½ to 7½ }
8 Annas ...	White paddy ...	0 6 6	6 6 6	0 8 0	4 0 0	11 14 6	2 1 6	2 to 14 }
	Black paddy ...	0 5 6	5 2 3	0 8 0	... ...	5 10 3	... ...	... } 1 to 5
	Cumboo ...	0 3 6	2 6 6	0 8 0	... ...	2 8 0	2 0 0	2 to 4½ }
20 Rupees...	Tobacco ...	0 0 0	20 0 0	0 0 0	60 0 0	80 0 0	90 0 0	9 to 15 } 1 to 2
12 Do. ...	Do. ...	0 0 0	12 0 0	0 0 0	52 0 0	64 0 0	38 0 0	4 to 9 }
	Lands under the influence of Tanks and the Yeleru.							
6 Rupees...	White Paddy ...	0 6 9	6 0 9	0 0 0	12 0 0	19 15 3	19 15 3	20 to 32
4 Do. ...	Do. ...	0 6 9	6 0 9	0 0 0	10 0 0	15 15 3	15 15 3	16 to 26
2 Do. ...	Do. ...	0 6 9	6 0 9	0 0 0	8 0 0	5 15 3	5 15 3	6 to 14
1¼ Do. ...	Do. ...	0 6 9	6 0 9	0 0 0	7 8 9	6 7 3	6 7 3	6½ to 14
1¼ Do. ...	Do. ...	0 6 9	6 0 9	0 0 0	7 4 9	4 11 3	4 11 3	5 to 12

(Signed) J. FRASER,
Collector.

RAMACHENDRAPUR,
14th April 1870.

ENCLOSURE A.

Statement showing the gross outturn of an acre of land, the expenses of cultivation, the assessment payable to Government, and the ryots' profits.

Description of land.	Description of crop.	Quantity of yield in 1 acre of land.	Price. Rs.	A.	P.
Dry	Cholum...	5 Tooms	10	0	0
Deduct shist payable to Government			2	0	0

Expenses of cultivation.

	Rs.	A.	P.			
Average price of bullocks	1	0	0			
Pay of ploughman	2	0	0			
Average cost of agricultural implements	0	3	0			
Value of seed (5 seers)	0	5	0			
Reaping and other expenses	0	8	0			
				4	0	0
Total.....				6	0	0
Remaining ryots' profits... ...				4	0	0

Being double the amount of Land Revenue.

Wet white paddy, 1 candy				24	0	0
Deduct shist payable to Government				6	0	0

Expenses of cultivation.

	Rs.	A.	P.			
Average price of buffaloes	1	8	0			
Pay of ploughman	2	0	0			
Value of seeds (15 seers)	0	8	0			
Hire for transplantation...	2	10	0			
Do. for reaping the paddy	1	14	0			
Do. for thrashing do.	0	9	0			
Value of agricultural implements	0	15	0			
				10	0	0
Total..				16	0	0
Remaining ryots' profits...				8	0	0

Which is nearly equal to Land Revenue.

Garden or Bhagayet tobacco, 1 candy				60	0	0
Deduct Expenses.						
Shist payable to Government				4	0	0

Expenses of cultivation.

	Rs.	A.	P.			
Average value of oxen...	5	0	0			
Pay for ploughman	2	0	0			
Value of agricultural implements	0	8	0			
Hire for watering, clearing the plants from worms, etc., for four months, at the rate of 3 annas per diem	22	8	0			
Hire for cutting, drying, etc., ...	10	0	0			
				40	0	0
Total				44	0	0
Remaining ryots' profits...				16	0	0

Which is equal to four times the amount of land assessment.

MASULIPATAM,
6th May 1870.

(Signed) B. HORSBRUGH,
Acting Sub-Collector in charge.

Statement showing the profits of cultivation submitted by the undersigned ryots of Gudiwadah Talook, Kistna District, on 12th April 1870.

Description of land.	Name of Crop.	Quantity of produce per acre.	Price.
Dry	Cholum...	5 Tooms ..	RS. A. P. 10 0 0 at 4 Rs. a Candy.
Deduct shist payable to Government			2 0 0

Agricultural expenses.

	RS.	A.	P.	
Proportionate value of bullocks	2	8	0	
Pay of ploughman	2	0	0	
Cost of agricultural implements	0	5	0	
Seeds (4 seers)	0	5	0	
For reaping, etc.	0	12	0	
				5 14 0
			Total...	7 14 0
			Net profits...	2 2 0

Being equal to Land Revenue.

Wet White paddy...	15 Tooms	RS. A. P. 16 8 0	at 22 Rs. a Candy.
Deduct Shist payable to Government		6 0 0	

Agricultural expenses.

Proportionate value of Buffaloes	1	8	0	
Pay of ploughman	1	0	0	
Cost of seeds (15 seers)	0	8	0	
Cost of transplantation	2	0	0	
Hire for reaping	1	10	0	
Hire for thrashing	0	9	0	
Cost of agricultural implements	0	15	0	
				8 2 0
			Total ..	14 2 0
			Net profits...	2 6 0

Being ½ of Land Revenue.

Bhagayet or garden Tobacco 1 Candy		RS. A. P. 60 0 0	
Deduct shist payable to Government		4 0 0	

Agricultural expenses.

Proportionate value of Bullocks	3	0	0	
Pay of ploughman	2	0	0	
Cost of agricultural implements	0	8	0	
Hire for a man for watering, etc., at 3 annas a day, for four months...	22	8	0	
Hire for cutting and removing leaves, etc., for drying them, etc.	20	0	0	
				48 0 0
			Total ...	52 0 0
			Net profits...	8 0 0

Equal to double the Land Revenue.

(Signed) BANDA RAMASAWMY, son of SURAPARAZ.
(Signed) WUPPULUR SUNDARRAMIAH, of Atapaka.
(Signed) BANDA LINGARAZ, of Bhojwelapatnam.

MASULIPATAM,
6th May 1870.

(Signed) B. HORSBRUGH,
Acting Sub-Collector, in charge.

Statement submitted by the undersigned ryots of Nundigama Talook, Kistna District.

Nature of land.	Description of crop.	Quantity of produce.		Price.
				RS. A. P.
Dry ...	Cholum ...	5 Tooms		8 0 0
Deduct...	Shist payable to Government			1 12 0
And cultivation expenses.	Cost of seed ...		0 2 0	
	Cost of cooly...		2 0 0	
				2 2 0
				3 14 0
			Net profits...	4 2 0

i. e. more than double the land revenue.

Bhagayet or Garden ...	Tobacco...	Candy ...		40 0 0
Deduct ...	Shist payable to Government ...			1 12 0
Cultivation expenses....	Cost of plants...		1 0 0	
	*2 Coolies for 5 months each		10 0 0	
	Sundry charges ...		1 8 0	
				12 8 0
			Total...	14 4 0
			Net profits...	25 12 0
Wet ...	Paddy ...	1¼ Candy ...		37 8 0

Deduct Expenses.

Shist payable to Government ...			5 0 0
Cultivation expenses ...	Hire for transplantation ...	6 0 0	
	Value of seed	2 0 0	
	Cooly hire ...	3 0 0	
	Cooly for reaping, etc. ...	2 0 0	
			13 0 0
		Total...	18 0 0
		Net profits...	19 8 0

Nearly four times the amount of Land Revenue.

(Signed) KOMARAZ KOTANDA RAMIAH.
(,,) MAMUKONDA CHELAMANNA.
(,,) BOLLEM VENKIAH.

(Signed) VEMURI RAMANNA,
Acting Tahsildar.

MASULIPATAM,
6th May 1870.

(Signed) P. HORSBRUGH,
Acting Sub-Collector in charge.

* This is impossible; no cooly will serve for one Rupee a month.

Statement submitted by the undersigned ryots of Venukonda Talook, Kistna District.

Nature of Land.	Description of crop.	Quantity of produce.	Price. RS. A. P.
Bhagayet or Garden...		7½ Tooms of a candy...	10 8 0
		Value of Straw...	2 0 0
		Total...	12 8 0
		Deduct Shist payable to Government...	3 0 0
Cultivation expenses ...	Hire for oxen, etc ...	6 0 0	
	Hire for ploughmen ...	1 8 0	
			7 8 0
			10 8 0
		Net profits...	2 0 0

Being ⅔ of the Land Revenue.

Wet.	White paddy.	1 Candy...	30 0 0
Deduct.	Shist payable to Government		6 8 0

Agricultural Expenses.

Value of 2 buffaloes ...	6 0 0	
Value of seed ...	2 8 0	
Cost of transplantation ...	6 0 0	
Hire for reaping ...	4 0 0	
Hire for watering ...	1 0 0	
		19 8 0
		26 0 0
	Net profits...	4 0 0

Being ⅓ of the Land Revenue.

Dry land.	Dry crops.	3 Tooms 36 seers	5 4 0
	Straw ...		0 6 0
			5 10 0
	Deduct Shist payable to Government..	1 4 0	
	Cultivation expenses ...	3 10 0	
			4 14 0
		Being Less than Land Revenue...	0 12 0

(Signed) CHODIPUDI VENKIAH.
(,,) PEDACHENKARLA VENKATANARASU.
(,,) VENUKONDA PAPIAH.
(,,) TUMMAYIPOLLEM GURAVAYYA.
(,,) DONDAPAUD BAKKIAH.

Despatched on 2nd March 1870.

(,,) SINGATAM KRISTNA ROW,
Tahsildar.

(Signed) B. HORSBRUGH,
Acting Sub-Collector in charge.

MASULIPATAM,
6th May 1870.

Statement submitted by the undersigned ryots of Sattanapally Talook, Kistna District, in pursuance of Collector's Order, dated 11th February 1870, No. 530.

Nature of land.	Crop.	Nature.	Amount. RS. A. P.
Dry.	Dry crops.	½ candy at Rs. 32 per candy.	16 0 0
Deduct expenses, viz—			
Shist payable to Government...			1 9 10
Price of Oxen...		RS. A. P. 1 4 0	
Value of agricultural implements...		1 12 8	
Value of seed		0 4 0	
Pay of ploughman		3 9 1	
Cost of gram for bullocks...		0 15 0	
Cost of reaping, etc...		1 4 0	
Cost of thrashing, etc.		0 2 6	
		9 3 3	
			10 13 1
		Net profit...	5 2 11

Being more than three times the amount of Land Revenue.

(Signed) MULKANA SARAPPA,
Nandigama Village Moonsiff.
(,,) GOGALAPATY VENKIAH,
(,,) MUNDEPUDI RAMIAH,
(,,) PATIBUNDLA PICHAYYA,
(,,) ZERAVU SANASI REDDI,
(,,) PERUMACHEHA VENKIAH.
(,,) INUMETLA NARAYANAPPA,
(,,) VADDHAPALLI PICHAYYA,
(,,) YERNENI KRISHNAMMA,
(,,) TALLURU SUBBAREDDI.

Despatched 26th February 1870, before me.

(Signed) PATRI VENKATA RAMANIAH,
Tahsildar.

MASULIPATAM,
6th May 1870.

(Signed) B. HORSBRUGH,
Acting Sub-Collector, in charge.

Statement submitted by undersigned ryots of Satanapally Talook, in Kistna District, in pursuance of Collector's order, dated 11th February 1870, No. 530.

Nature of land.	Description of crop.	Quantity of produce in 1 acre of land.	Value. RS. A. P.
Wet.	White paddy.	1½ candy at Rs. 32.	48 0 0
	Deduct Shist payable to Government		8 2 5
Cultivation expenses.	Proportionate value of he buffaloes	RS. A. P. 7 8 0	
	Cost of agricultural implements...	0 14 9	
	Cost of seed...	2 6 5	
	Hire for transplantation	4 0 0	
	Hire for reaping, etc...	4 0 0	
	Pay of plough man	3 0 0	
	Hire for watering, etc.	1 8 0	
	Hire for thrashing, etc.	0 12 9	
			24 1 11
			32 4 4
	Net profits ..		15 11 8

Which is nearly double the amount of Land Revenue.

(Signed) ANUMULLA MUTTA REDDI.
(,,) VELPUR VENKATA REDDI.
(,,) VELPUR VENKATAPPIAH,

Despatched on 26th February 1870, before me.

(Signed) PATTRI VENKATA RAMANIAH,
Tahsildar.

MASULIPATAM,
6th May 1870.

B. HORSBRUGH,
Acting Sub-Collector, in charge.

Exd. G. A. Turton.

From C. G. MASTER, Esq., Officiating Collector of Nellore, to the Acting Secretary to the Board of Revenue, dated 9th May 1870, Extra No. 2.

I HAVE the honour to acknowledge the receipt of the Board's Proceedings, dated 19th January 1870, No. 372, calling for a report as to what may be assumed to be the actual proportion of profits from land to land revenue in this district.

From Sub-Collector, dated 15th March 1870, No. 135.
" Do. " 22nd April " " 202.
" General Deputy-Collector, dated 17th March 1870, No. 59.
" Mr. Rundall, dated 2nd April 1870, No. 119-27.
" Tahsildar of Gudur, dated 30th April 1870, No. 273-1,231.
" Do. of Atmakur, dated 18th April 1870, No. 118-1,147.
" Treasury Deputy-Collector, dated 23rd March 1870, No. 259.

2. The above Proceedings was referred for report to the Divisional Officers, the Director of Revenue Settlement, the Treasury Deputy-Collector, and the Tahsildars of the Nellore, Gudur, and Atmakur Talooks, which are under my immediate charge. Their replies so far as they have been received are noted in the margin.

3. The Officiating Sub-Collector Mr. Hughesdon states that it would be very difficult to calculate with any degree of accuracy the average profits from land which, he remarks, vary with reference to the nature of the soil, and the season as well as the circumstances of the cultivator, and the facilities for the carriage of the produce for sale. He further observes that as a rule, profits from land exceed the assessment; and in support of this statement points out that lands are very frequently sublet, and that the tenants are able to pay not only the demand due to Government, but also something in addition by way of rent to the intermediate landlord. Judging from the results of private sales of land, Mr. Hughesdon states, that the profits from land cannot be considered as extravagantly in excess of the assessment, as dry lands fetch only three or four times the assessment, while the wet lands go at a somewhat higher rate. To make the incidence of taxation as nearly equal as possible, the Sub-Collector considers that the profits from dry land may be assumed at 1½ times, and the profits from wet land at twice the assessment fixed on the land; and he is of opinion that taxation on such a basis would not fall with exceptional severity on any lands in the Sub-division, although it would be very light on lands favourably situated.

4. Mr. Hughesdon has not consulted any of the land-holders, as he thinks that they wilfully and habitually mislead inquiries. The remarks made by him are the result of his personal observations of facts which have been brought to his notice.

5. With his letter dated 22nd April, the Sub-Collector forwards a report of the Ongole Tahsildar on the subject. The reports of the other Tahsildars in the Sub-division have not been received.

6. The Ongole Tahsildar's report is accompanied by the written statements given by three ryots. One of them holding dry land assessed at Rupees 1,100 gives his net profit at Rs. 372; another holding also dry land assessed at Rupees 800 gives his profit at Rupees 400; and the third holding dry land assessed at Rupees 18-5-0 and wet land assessed at Rupees 23-12-8, being in all Rupees 47-1-8, gives his net profit on the two at Rupees 81-1-4. The Tahsildar states that from his own experience and inquiry the profits from dry and wet lands may be assumed at double and treble the land assessment respectively. The Sub-Collector thinks that the Tahsildar has not made any deduction on account of unprofitable season, and that after all his own calculation is the safest. The data upon which the Tahsildar's proposal is based are not given.

7. The General Deputy-Collector considers that the profits from land may be assumed to be

	Acres.
Paddy	1
Jonna	2
Raggy and Suzza	¼
Arika	¼
Oil seed	¼
Total...	3½

equal to the assessment of the land. He states that Paddy and Jonna are the staple products of the Rapur Talook under his charge, and that Raggy, Suzza, Arika, and Oil-seeds are also cultivated to a certain extent. Taking the extent under these crops at 3½ acres in the proportions marginally noted with reference to the total extent cultivated with those crops, the following calculations are made:—

		Rs.	A.	P.
Value of the average out-turn, per acre...		8	4	5
Cultivation expense and fees,	do. ...	6	3	9
Net profit,	do. ...	2	0	8
Average assessment,	do. ...	2	0	3

8. It appears from the Deputy-Collector's letter that Tobacco is cultivated in the Rapur Talook to a very small extent, and that the net profit is 13 or 14 times the assessment. This crop is not taken into consideration by the Deputy-Collector in striking the average above referred to.

9. According to the figures given by the Deputy-Collector the net profit in the cases of Jonna and Arika is less than the assessment. It is nearly three times the assessment in the case of oil-seeds, while in the other cases it is nearly equal.

10. The Deputy-Collector sends written statements given by five ryots. But they do not appear to be worthy of any notice.

11. The Treasury Deputy-Collector remarks that the assessment fixed in former years is heavy and arbitrary, and that the new rates of the Settlement Department should be taken as the basis. Taking the assessment to be one Rupee, he states that the gross produce may be assumed to be Rupees 5; and deducting 2 Rupees as the charge of cultivation and one Rupee as the assessment, the remaining sum of Rupees 2 is entered as the net profit for dry as well as wet land. In good seasons, the Deputy-Collector states, the profit may be assumed as equal to four times the assessment for wet and one-and-a-half times the assessment for dry lands; and in bad seasons the profit is assumed as equal to the assessment for dry land and double the assessment for wet lands. The data on which the Deputy-Collector based his conclusions are not given.

12. Mr. Rundall considers that one Rupee of the assessment may be assumed to indicate 1¼ Rupee of profit, and suggests that this rate may be adopted for two or three years and modified hereafter.

13. Measurements of crops during a series of years having been made by the Settlement Department in all the talooks for the purposes of the new settlement, I requested Mr. Rundall to furnish me with a full report. In his reply, dated 2nd April, he states that the data referred to are not sufficiently advanced for any calculations to be based thereon. Copy of Mr. Rundall's letter is enclosed for the Board's information as to the data from which his conclusions are drawn.

14. The Gudoor Tahsildar states that both for dry and wet lands the profits may be assumed to be more or less equal to the assessment. His calculations are given below:—

	Out-turn per Acre.	Value.	Cultivation expense.	Assessment.	Net profit.
		Rs. A. P.			Rs. A. P.
Dry...	Twice				
Wet...	6	9 0 0	4	2	3 0 0
	15	18 12 0	6	6	6 12 0

15. According to the above figures the profit in case of dry lands is equivalent to 1½ times the assessment.

16. Tobacco, Chillies, Betel, and Turmeric are said to yield a profit of Rupees 50 per acre. But these crops are cultivated on a very small scale, and the Tahsildar does not take this crop into consideration in striking his average. He recommends that in such cases the ryots may be assessed on an income of Rupees 50 per acre, the profits from other crops being assumed as equal to the assessment.

17. The Atmakur Tahsildar states that the profits from land may be assumed as follows with reference to crops:—

Dry crops... ...	Profit equal to assessment.
Wet single crop... ...	do.
Wet double crop...	Profit equal to twice the assessment.
Suzza and Indigo, or Suzza and Raggy, or Garden crops...	Profit equal to three times the assessment.

18. When Tobacco crop is raised, the Atmakur Tahsildar says the profit is fifteen times the assessment. But as this crop is raised only in a very few cases, the Tahsildar recommends that it may not be taken into consideration in striking an average.

19. The ryots who have been consulted give their profits as less than the assessment. I do not consider that any of the statements received from them need be forwarded to the Board, as it would be simply unreasonable to suppose that the estimates are trustworthy.

20. All the local officers agree in considering that the profit is not less than the asssesment; one of them states that the average profit may be assumed as equal to three times the assessment. This is the maximum, and the minimum limit proposed is that the profit is equal to the assessment.

21. It is difficult to form any conclusive opinion from the local Reports above noticed. I submit the matter to the Board without being able to give any definite opinion of my own. I have no confidence in elaborate calculations for determining the cultivation expenses, etc. These vary so much under different circumstances that a deduction from them simply misleads. It is better to proceed on general grounds, and I would observe that in the opinion of the officers in this district, on the whole, one Rupee of land revenue may be assumed to indicate one Rupee and ten Annas of profit.

ENCLOSURE No. 1.

From C. RUNDALL, Esq., Deputy-Director of Revenue Settlement, Nellore, to the Officiating Collector of Nellore, dated 2nd April 1870, No. 119-27.

I HAVE the honour to acknowledge the receipt of your docket of the 22nd ultimo, No. 595, forwarding a copy of the Board's Proceedings, No. 372, dated 19th January, on the subject of the relative proportion of the land revenue the average profits may be assumed to indicate.

2. The Settlement data you refer to for my report as regards grain produce, are not sufficiently advanced for me to base any conclusions on; and, as they cannot be available for some time yet, I will not defer replying to your communication on that account. The question can, however, be best determined with the aid of the price list for the dry and wet grains.

3. Provided that the average to be considered may be taken as an average of the more recent years, and this for Income-tax purposes may justly be done, it is clear that the profits from land are more than equal to the land revenue. Prices have now ranged in excess of commutation

	Per Madras Gauge.	
	Jonna	Paddy.
	Rs.	Rs.
Average selling price for the 10 years for 1859-60 to 1868-69	193	166
Deduct 10 per cent. to equalize the price to that of the ryots transactions	19	16
Remainder	174	150
Commutation rates	129	107
Excess	45	43
Per-centage of increase	34	40

rates for a period of thirteen years. The average for the past ten years is given in the marginal statement for the chief dry and wet grains, calculating the same both for the Principal and Sub-division Talooks. To reduce the price from the retail sales they mostly represent, a deduction of 10 per cent. has been effected. From the result thus obtained, the commutation rates have been deducted, and these I have taken at the proposed rates for the new Settlement, as regards Jonna; the proposed rate is identical with the higher of the old rates, which latter for Paddy is Rupees 86, or much lower. The average of more recent years is thus shown to be 34 per cent. for Jonna and 40 per cent. for Paddy, above the commutation prices rendered.

4. Assuming, as is usual, that the present assessment based on existing commutation prices, forms an equal proportion of the value of gross produce, with the cost of cultivation and profits derived therefrom, it may certainly be concluded that the profits from land at the prevailing prices of more recent years are in excess by at least twenty-five per cent. of the land revenue.

5. This is supposing that the cultivation is only for the ordinary standard grain crops. It may, however, be taken for granted that all ryots liable to Income-tax cultivate more or less exceptional crops of a greater value than those in which the grain value of the land for Settlement purposes is determined. Profits from garden cultivation under wells paying dry assessment, as is mostly the case now, and from better farming than the Settlement calculation allow for, are of this nature as well. These indirect profits certainly affect the income of the comparatively few ryots who are liable to be taxed.

6. Under the foregoing considerations the profits from land might in my opinion as regards this district be assumed, as above stated, for Income-tax purposes, at twenty-five per cent. in excess of the land revenue, or one Rupee of assessment to indicate one Rupee and a quarter of profit.

7. It is not essential that any such rate should be altogether permanent. It might be so fixed for two or three years, and modified then as experience may dictate.

(True Copy.)

(Signed) C. G. MASTER,
Officiating Collector.

Trd. T. Cartledge.

Enclosure No. 2.—Statement.

Statement showing the average outturn, expenditure and the net profits from lands as compared with the assessment in the Talook of Rapur in the District of Nellore.

Description of land.	Extent.	Kind of crops.	Total average out-turn.			Average Assessment.	Collection expenses.					
			Grain Tooms.	Average rate per puttah.	Value.		Ploughing here.	Seed.		Weeding charges.	Charges for lifted irrigation.	Hire of labourers.
								Quantity Mootahs.	Value.			
1	2	3	4	5	6	7	8	9	10	11	12	13
					Rs. A. P.	Rs. A. P.	Rs. A. P.	M.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Wet	1	Paddy	17½	24	21 0 0	5 7 7	1 12 6	16	1 3 4	2 0 0	0 0 0	1 0 0
Dry	2	Jonna	8	30	12 0 0	3 8 0	1 4 0	2½	0 3 10	0 0 0	0 0 0	1 4 0
Do.	½	Raggy and Sajja.	5	25	6 4 0	0 7 0	0 2 6	⅝	0 11 0	0 1 6	2 0 0	2 0 0
Do.	½	Arika	1½	16	1 3 3	0 7 0	0 2 0	...	0 0 6	0 0 0	0 0 0	0 2 0
Do.	⅛	Oil seeds	⅜	50	0 15 0	0 3 6	0 0 9	...	0 0 2	0 0 0	0 0 0	0 0 6
		Average	...	...	8 4 5	2 0 3	0 10 9	...	0 5 0	0 6 8	0 6 5	0 14 1
Do.	1	Tobacco	80	20	80 0 0	1 12 0	2 0 0	...	0 0 0	2 0 0	20 0 0	11 0 0

Statement showing the average outturn, etc.—(Concluded.)

Description of land.	Extent.	Kind of crops.	Cultivation expenses. Charge for manuring.	Other charges. Thrashing and harvesting.	Other charges. Repair of capiai, etc.	Other charges. Feeding the live stock.	Other charges. Total of columns 8 to 17.	Meerahs.	Total of columns 7, 18 and 19.	Net profits.
			14	15	16	17	18	19	20	21
			Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs. A. P.
Wet	1	Paddy	1 4 0	1 0 0	0 0 0	0 0 0	8 3 10	1 4 3	14 15 8	6 0 4
Dry	2	Jonna	3 0 0	0 4 0	0 0 0	0 0 0	5 15 10	0 3 0	9 2 10	2 13 2
Do.	½	Raggy and Sajja.	0 8 0	0 2 0	0 6 0	0 0 0	5 4 11	0 0 5	11 4 0	0 8 8
Do.	½	Arika	0 4 0	0 0 5	0 0 0	0 0 0	0 8 11	0 0 5	0 15 4	0 3 11
Do.	½	Oil seeds ...	0 0 6	0 0 2	0 0 2	0 0 0	0 2 1	0 0 2	0 5 9	0 0 3
		Average...	1 0 1	0 4 6	0 1 2	0 0 0	4 0 11	0 4 10	6 3 9	2 0 8
Do.	1	Tobacco...	4 0 0	2 0 0	4 0 0	10 0 0	55 0 0	0 1 6	56 13 6	23 2 6

(Signed) C. CUNDASAWMY MOODELLY,
Deputy-Collector.

(Signed) C. G. MASTER,
Officiating Collector.

(True Copy.)

DEVADAPALLY,
17th March 1870.

Exd. G. A. Turton.

From J. H. MASTER, Esq., Acting Collector of Bellary, to the Acting Secretary to the Board of Revenue, dated Hospett, 11th April 1870, No. 98.

I HAVE the honour to acknowledge the Proceedings of the Board, No. 372, dated 19th January last. It is exceedingly difficult to assume any figure as representing the proportion of profits from land to land revenue, as they must of necessity vary with the crop, the mode of cultivation, the description of labour employed, the distance of the markets, and the prices ruling at the time of sale.

2. The general answer to the question when put to landholders, is, that there is no profit at all upon dry land crops, and only a very small one upon wet land produce. These answers must be received with caution. The people are, as usual, suspicious as to the motives of Government in putting the questions.

3. The Acting Sub-Collector, Mr. Stuart, believes that in coming to the conclusion he did, the Collector of Kaira did not take into consideration the value of the labour employed upon the land. It is true that the husbandman does not actually expend much money, if any, upon the wages of labour, his whole family most likely working in the fields, and the few extra hands required at harvest time being paid in grain; but that is no reason why the value of all this labour should not be balanced against the value of the out-turn.

4. The Deputy-Collector in charge of the Hurpunhully Division comes to the conclusion that the proportion of net profits on dry lands on which cotton is grown, and on wet lands cultivated with sugar-cane, is four times the amount of the assessment, while that on dry lands on which other grains are grown and wet lands cultivated with paddy, is only equal to the assessment.

5. I am inclined to think that the ruling of the Government of India hitherto in force, that the profits of land should, for the purposes of the Income-tax Act, be assumed as equal to the land revenue payable therefor, was just.

6. I beg to enclose copies of the reports of the Acting Sub-Collector and General Deputy-Collector on the subject, as also translations of the opinions of a few ryotwary landholders.

ENCLOSURE No. 1.

From A. J. STUART, Esq., Acting Sub-Collector, to the Acting Collector of Bellary, No. 111.

I BEG to reply to your endorsement on Board's Proceedings, No. 372, dated 19th January 1870.

2. In working out the answer to such a question as is here propounded it seems to me most necessary to distinguish carefully between "profits" and "wages," and I think that the Collector of Kaira must have arrived at the result recorded in these papers by including wages with profits; otherwise things must be very different in Kaira to what they are in those parts of Madras that I have yet been in.

3. The word profit itself was evidently first applied exclusively to the returns obtained from commerce by trading, where wages or labour was not a factor at all, and it meant the return over and above the value of the original investment obtained by the sale in one market of goods bought in another. But by degrees, the word has got a more extended signification, and is used of manufactures and produce of the soil which are the direct effect of labour, and it sometimes happens that people forget to make allowances for the restrictions under which a word originally used to express one thing is applied to another also; in other words, they omit to deduct the wages of the labour expended from the value of the out-turn in calculating the profits.

4. Take the case of a cultivator in this country, the usual calculation is made something in this way—

Cost of ploughing so much
Manure
Seeds do.
Weeding
Reaping do.
Threshing do., and so on,

and these are balanced against the value of out-turn. But the fact is, that the labour of the husbandman and his family and his farm servants are daily expended upon the land to bring about this result. The hire of a man to plough so many days, or to reap or to weed, is not what actually takes place at all; the whole family of the owner of the land and a certain number of permanent farm servants have to be paid their wages every day, whether there is work for them or not, in order that the produce may be obtained at all, and their wages represent the food and clothing and necessaries of all these people and their families for the whole year *plus* a trifle to put by or purchase the petty ornaments they wear. The corn grows of itself most of the season, and requires little labour; but the men must be fed and clothed all the year round, who are required to plough or to reap, etc., perhaps only for a few weeks. Such is the actual practice; at all events it might be possible to suppose these men turned adrift to find employment when they can, when the sowing was over, but the *fact* is *not* so.

It is true that very many ryots employ no permanent servants; but the reason for this is that they hold so little land that their own family are able to work it. It is also true that in *all* cases, whether permanent servants are kept or not, ploughing and sowing and weeding and reaping require extra hands hired for a short time; but the mistake, if I am right in thinking there is one at all, is in calculating the amount of this latter labour and its cost only, and leaving out the wages of the permanent labourers attached to the soil, that is, of the landholder himself, his family, and his permanent servants, if he have any.

5. As an illustration of the results, which a due consideration of the above will bring out, I subjoin the following table which is the total of the holdings, wet and dry together, of twenty-one ryots, fifteen examined by myself and five by one of my Tahsildars. Cotton land, wet land and ordinary dry land, are all represented, but cotton more largely than the other two; the number of persons includes women and children who are counted as half a grown person:—

Acres of dry land cultivated.	Value of out-turn	Acres of wet land cultivated.	Value of out-turn.	Assessment of dry.	Assessment of wet.	No. of ryots own family.	No of permanent servants.	Cooly paid to occasional servants.	No. of Cattle.	Value of clothing for one year.	Value of food for one year.
1,357	10,847	64	3,221	1,378	498	209	56	1,303	307	RS. 927	RS. 7,720

Now 265 persons paid at 3 annas a day, the ordinary rate of cooly-hire, will cost in the year 17,885 Rupees; or allowing for women and children who would receive on the average 2 annas and one anna or nothing, two-thirds of this sum, or Rupees 11,990, would represent the wages of the permanent labour employed on the land, and this + 1,303 or 13,293 would give the total cost, leaving out the expenses of feeding cattle, of manure bought, of wear of implements, etc., this being greater than the calculated value of the out-turn.

Again, allowing 1½ seers of cholum for each grown person per day and 20 seers for Rupee 1, the cost of feeding the above persons alone will be 7,720 per annum, and allowing only 3½ Rupees for necessary clothing for one year, the least I can imagine possible, 927 Rupees will be required on this head; and this with 1,303 Rupees expended in ploughing and harvesting time for extra coolies, will leave Rupees 4,118, out of which has to be paid Rupees 1,876 as the assessment, leaving Rupees 2,242 to be divided among twenty-one families, so that each will get 110 Rupees beyond the actual food and clothing absolutely necessary to support life. Out of this has to come all extra clothing, extra food required for bullocks, renewal of farm implements, and the occasional necessary expenses at marriages.

I don't think there is much to choose between the average ryot and the cooly.

6. One other observation—

The returns of the Gooty and Tadputry Talooks show as nearly alike as possible, a population, deducting 10 per cent. for non-agriculturalists, of ten persons to each puttah or ryot, and an average of 15 acres of dry and 1½ acres of wet to each ryot, so that upon the returns from this area ten persons must be supported besides paying the assessment; and supposing that only three of those are men, paid as coolies at 3 annas per day, Rupees 205 in the year, and three more are women, paid at annas 2 per day, or 102 Rupees per annum, and the rest children, the above area must produce 307 Rupees a year, besides about 25 Rupees assessment, before there will be any income above that of an ordinary cooly enjoyed by any of the ten persons. But the produce of one acre of wet land varies in value about here from 50 to 100 Rupees, and that of one acre of dry land from Rupees 5 to Rupees 10, or rarely Rupees 15 per acre, so that allowing Rupees 125 for the wet land and 20 Rupees a high valuation for a cotton crop for the dry land per acre, the out-turn *in a good year* will only amount to 425 Rupees, or in any ordinary year to little, if at all, more than the wages of an ordinary cooly.

7. I conclude, therefore, that by not giving a sufficient value to the cost of producing the out-turn, the profits have been calculated at three to five times the assessment; and it further appears to me that in estimating the amount of profits made, the nature of the crops grown must be taken into consideration rather than the assessment, for some cotton lands and rice lands will produce a more valuable out-turn at a not very much greater cost in labour, etc., than ordinary dry lands, upon which, I think, it must always be very difficut to make any profit, so that it would be better not to fix any rule with reference to the assessment.

If I have not been mistaken in the arguments brought forward in my letter, No. $\frac{94}{1870}$ dated 17th March, on the Municipal Bill, it follows that most of the land-tax is not a payment of rent to Government, but is a direct tax upon income, and if so, the ryot pays two taxes on income as long as he is also assessed to the Imperial Income-tax at all.

(True Copy.)

(Signed) R. RICE,
Assistant-Collector.

ENCLOSURE No. 2.—Report from General Deputy-Collector.

ENCLOSURE No. 3.—Translations of opinions of a few Ryotwary landholders.

Exd. T. Cartledge.

From S. VENKATAPPAYA, Deputy Collector, to the Acting Collector of Bellary, dated Camp Coodloghy, 19th March 1870, No. 41.

With reference to your footnote to the Board's Proceedings, No. 372, dated 19th January last, I have the honour to submit the results of my inquiry on the subject of the land-owner's profits, referred to therein, as follows.

2. A ryot holding an area of 20 acres dry land, generally cultivates half of it with cotton, and the rest with Cholum, Sazza, and other grains. The out-turn is estimated at Rupees 375, for which he has to lay out Rupees 255, leaving a profit of Rupees 120, the average assessment on the 20 Acres of land may be assumed as 30 Rupees. Thus the profits of the ryot from a land assessed at 30 Rupees, will be 120 Rupees or four times that of the assessment. A detailed estimate, No. 1, of the out-turn and expenses, is attached, from which you would observe that every item in which the ryot has to incur any expense at all, is included in it, and a fair allowance is made for losses by adverse seasons, etc., and I am confident that the proportion mentioned above, will prove correct in all cotton-growing localities, until such a fall in the price of cotton as would materially affect the average entered in the estimate shall occur.

3. Another detailed Estimate No. 2 is attached, showing the out-turn and expenses of wet lands cultivated with Sugar-cane; from which it would appear that the net profits of a land paying an assessment of 20 Rupees, will be 80 Rupees, or four times the amount of the assessment.

4. The net profits of dry lands where cotton is not grown and of wet lands cultivated with Paddy, do not generally exceed the assessment of the lands.

5. And on the whole, I am inclined to think that the following proportions of net profits may be fairly fixed, viz., all dry lands in localities where Cotton is grown and all wet lands cultivated with Sugar-cane. } Four times the amount of assessment.

Dry lands where Cotton does not grow, and wet lands cultivated with paddy. } As much as the assessment.

6. I have obtained the opinion of many intelligent land-holders of Hospett, Hadagaly and Coodlaghy Talooks, in which I have been employed since the receipt of the Proceedings under reference. Their individual opinions as they were given, did not appear to me to be of much value. In the first place they suspect that the object of this inquiry is to inhance land revenue and try to under-value their lands as much as they could; secondly, they are not sufficiently intelligent as to give a correct account of what they lay out on the various works connected with their cultivation, nor of the advantages derived from the lands they cultivate. The above estimates are, therefore, based on the information received from many different persons, and they are not to be taken as the opinion of any one particular ryot.

(True Copy.)

(Signed) R. RICE,
Assistant Collector.

No. 1. Estimate of out-turn from and expenses of cultivation for 20 Acres of dry land, half of it being cultivated with Cotton and the rest with grain (Cholum, Cumboo, etc.)

Out-turn.	Rs.	A.	P.	Rs.	A.	P.
One-hundred and twenty-five maunds of Cotton with seed at 2½ Rupees per maund				312	8	0
Twelve-and-a-half Haris of grain of all kinds, each Hari being 192 Seers at Rupees 5 per Hari				62	8	0
				375	0	0

Expenses for a year.

	Rs.	A.	P.	Rs.	A.	P.
One-tenth part of the value of bullocks as they generally last ten years	12	0	0			
Pay of a lad employed for keeping the cattle and for assisting in other works of cultivation	25	0	0			
Do. of one grown-up husbandman	50	0	0			
Grain or cotton seeds for bullocks	11	0	0			
Price of seed for sowing	5	0	0			
Hire of coolies for weeding fields	35	0	0			
Do. picking Cotton	15	0	0			
Do. cutting and thrashing Cholum	6	0	0			
Village Servants' fees...	6	0	0			
Agricultural implements and other sundry expenses	9	0	0			
Average assessment at 1¾ Rupees per acre	30	0	0			
	204	0	0			
Add one-fourth of the sum account of adverse seasons, fall in price of produce, etc.	51	0	0			
				255	0	0
Net profit ...				120	0	0

No. 2. Estimate of out-turn from and expenses of cultivation of one "Vakkalum" (which is equal to 1½ Acre of wet land) cultivated with Sugar-cane.

Out-turn.

	Rs.	A.	P.	Rs.	A.	P.
Fifteen Haris of Jaggery each Hari being equal to 12 maunds at Rupees 20 per Hari				300	0	0

Expense.

Cooly hire for enclosing the land with thorns...	5	0	0			
Hire of ploughing, one plough for twenty days, at 6 annas per day.	7	8	0			
Manure...	25	0	0			
Cooly hire for making channels and raising ridges...	5	0	0			
Price of seed, 6,000 pieces of Sugar-cane at Rupees 4 per 1,000...	24	0	0			
Cooly hire for weeding out the land	10	0	0			
Hire of Coolies and bullocks employed in cutting, carrying and milling the Sugar-cane and boiling the juice into Jaggery, including rent for mill and the vessel for boiling, fifteen days at Rupees 3 per day						
Price of fuel	45	0	0			
Village Servants' fees	7	8	0			
Average assessment including Fusuljasty or rate for second crop...	9	0	0			
Half of an Agricultural Servant's pay for watering the fields and doing such other sundry works throughout the year, the other half of his time being available for other works of his master ...	20	0	0			
	25	0	0			
	.....	...	...	183	0	0
Add one-fifth of this amount on account of adverse seasons, fall in price of Jaggery, etc.	37	0	0			
				220	0	0
Net profit ...				80	0	0

Note.—Price and fodder of bullocks and cost of Agricultural implements are not included in this estimate, as the work is generally performed by hired bullocks and ploughs.

(Signed) S. VENKATAPPAYA,
Deputy-Collector.

(True Copy.)

(Signed) R. RICE,
Assistant Collector.

Exd. G. A. Turton.

Curnum Seinappah and Potail Caribasavanah Gowd of Caroor, in the Talook of Bellary.

We hold puttah lands bearing an assessment of Rupees 386, the Curnum's portion being Rupees 56 and that of the Reddy Rupees 330. With respect to the profits derivable from the cultivation of dry land we declare that—

1. If an acre of black soil paying an assessment of one Rupee be cultivated, and a good harvest be reaped, the produce will be worth Rupees 7; from which, if the charges of cultivation amounting to Rupees 5 be deducted, there will be left a profit of Rupees 2 for the cultivator.

2. If an acre of red soil paying the same revenue be cultivated, it will yield Rupees 6 worth of produce, and if therefrom Rupees 5 on account of charges of cultivation be deducted, a profit of one Rupee will be the result.

3. The net profit that can be derived by the cultivation of an acre of wet land, dependant upon a well for its irrigation, is Rupees 10, whereas the gross profit is twice as much, that is, Rupees 20.

Camp Thekalukota, (Signed) SEINAPPAH,
19th March 1870. CARIBASAVANAH GOWD.

An acre of ordinary wet land paying a revenue of one Rupee, yields a net profit of a Rupee.

Siruppa, (Signed) MUDUVALLUPPAH.
22nd March 1870. Curnum HUNUMAPPAH.
Cuttu SIDDANA GOWD.

An acre of land paying a revenue of Rupees 12, cultivated with Sugar-cane, yields an income of Rupees 360, and if the charges which would amount to Rupees 250 be deducted from it, the profit will be Rupees 110, and therefore for every Rupee paid as Government revenue the profit of the ryot is about Rupees 9. But similar land cultivated with rice, yields a gross income of Rupees 40, and if Rupees 30 be deducted therefrom on account of charges, the profit will be Rupees 10, and, therefore, for a Rupee of Government revenue, the profit is something less than a Rupee.

Camp Cumply, (Signed) SREENEVASSA GOWD, of Cumply.
25th March 1870. VENKOBA ROW, of do.

No profit is derived from the cultivation of dry land. An acre of wet land yields an income of Rupees 7½ (including charges); but if the charges be deducted, the net profit will range between Rupee 1 and Rupees 2.

(Signed) PONGU DASA REDDY, and ten others.

No profit is derived from the cultivation of dry land. But an acre of wet land cultivated with Sugar-cane yields a net income of Rupees 7½, whereas an acre of wet land cultivated with rice yields a net profit of only a Rupee.

(Signed) CUBUDUDU NARAINAPPA,
Ryot of Booduly.
ANDI MURTI,
Curnum of Vavoli.

(True Translation,)
(Signed) R. RICE,
Assistant Collector.

From G. VANSAGNEW, Esq., Collector of Cuddapah, to the Acting Secretary to the Board of Revenue, dated Goovalchervoo, 25th March 1870, No. 49.

ADVERTING to the Proceedings of the Board, dated 19th January last, No. 372, I have the honour to state, that I have found it impossible to arrive at any definite conclusion as to what the actual propo rtion of profits from land to land revenue is either on the average of the whole district, or on that of any smaller given area within it.

2. The revenue system of Cuddapah is the very queerest I have ever had any experience of or read of. It is supposed to be that with Colonel (Sir Thomas) Munro's descriptions of which the Board are familiar, with certain subsequent general modifications.

3. I cannot however help thinking that Sir Thomas Munro's elaborate instructions were paid but slight attention to by his numerous poorly paid agents, and that in truth, in the end, no more accurate results were arrived at than if the assessments had been, as it were, scattered broadcast over the land by some one up in the clouds.

4. Certainly it is as likely as not that of the owners of two adjacent fields of precisely similar quality; one may be paying an assessment of Rupees 25 per acre and the other of Rupees 5. The fortunate possessor of the Rupees 5 field might well afford to pay income-tax on profits calculated at several times the amount of such assessment, while it might be very hard on the less fortunate hol der of the Rupees 25 field to have to pay income-tax on profits equal to a single assessment.

5. There are 250 Dry rates ranging from Rupees 11-10-8 to 7 Pies; 677 Wet rates ranging from Rupees 35 to Annas 3, Pies 6; 570 Garden rates from Rupees 37-3-0 to Annas 2, Pies 4; and 338 Toerwajasty (for the use of Government water on dry land) ranging from Rupees 22-15-6 to Annas 2, Pies 4; and the average rates throughout the district, as a whole, for Dry, Wet, and Garden, are, respectively, Rupees 2-14-8, 9-13-4, and 8-15-9.

6. From Mr. Storr's letter which I enclose it will be observed that the average rates for the four Sub-division talooks range considerably lower than those for the whole district. Consequently the average rates for the seven talooks in the Principal Division are considerably higher than those given for the entire district.

7. Under these circumstances, and bearing in mind that these multifarious rates were, in effect, imposed in a most anomalous and arbitrary fashion, it is a simple impossibility to arrive at any conclusion, that can be accepted as even approximately accurate or just, as to the actual profits from land in proportion to the revenue paid by the aggregate multitude of individual holders.

8. Undoubtedly a large proportion of the ryots are very poor, and can scarcely afford under present circumstances to pay any income-tax on profits calculated at the amount only of a single assessment, while others, more fortunate, could doubtless afford to pay on profits calculated at several times the assessment imposed on their lands.

9. If it were possible, which I have no confidence that it is by any machinery, to strike an accurate average of the profits derived by the aggregate cultivators of the district, seeing that the object of the inquiry is intended to affect the ryots as individuals and not in the aggregate, I fail to see that, for any practical purpose, we should arrive any nearer the work than we were before, for it must be obvious that no such average could with equity be indiscriminately applied to every ryot.

10. To avoid the gravest injustice to the large class of poor over-assessed landholders, if one hard and fast line of calculation is to be adopted for the whole district, we should have to keep it down at least to its present basis of a single assessment, leaving the moderately or under-assessed class to enjoy their disproportionate profits from land free from the liability to enhanced Income-tax which they, perhaps, might well bear without hardship.

11. Under the present conditions of this district, it is therefore obvious that any such hard and fast line must bear most unequally on individuals, and must result in the aggregate in a considerably poorer out-turn of Income-tax, than if each individual were rated thereto on the actual profits derived by him from land.

12. I requested the Deputy-Director of Revenue Settlement to give me any information his Department had collected on the subject, and in return he furnished me with certain calculations, which his predecessor had completed for the three talooks of Jammalmadugu, Poodatoor, and Cuddapah, of the average out-turn per acre, respectively, of paddy and cholum, the value of the same, the expenses of cultivation, and the balance of profit to the ryot, and also the assessment proposed to be fixed and deducted from such gross profit.

13. For paddy the late Deputy-Director proposed to accept the out-turn per acre in all three talooks as being 565 Madras measures, and the value thereof, commuted at Rupees 120 per garce of 3,200 Madras measures, as being Rupees 21-3-0. He calculated the cultivation expenses at Rupees 10-14-8, and fixed three rates of assessment varying from Rupees 7 to 1, giving an average of Rupees 5-10-8, to be deducted from the remaining gross profits of Rupees 10-4-4.

14. According to these calculations and proposals, the net profits on the lands in these three talooks would thus barely equal a single assessment.

15. If, instead of his proposed commutation rate of Rupees 120 per garce of 3,200 Madras measures, we take the value of the garce at Rupees 200, the average selling price of the whole district in Fusly 1278, the value of his assumed out-turn of 565 Madras measures per acre would be Rupees 36-11-7, and, after deducting the same cultivation expenses, the gross profits would be Rupees 25-12-11 instead of Rupees 10-4-4, or five times the proposed average assessment.

16. Of cholum he took the average out-turn at 161 Madras measures, and commuted it, at Rupees 140 per garce, to a value of Rupees 7-0-8, and calculated the cultivation expenses at Rupees 3-9-9, leaving Rupees 3-6-11 as the gross produce, out of which an average assessment of Rupees 1-7-0, based on four rates varying from Rupees 2-12-0 to 8 Annas, was proposed to be deducted.

17. Thus calculated, the net profits would come to a little over a single assessment.

18. Taking the garce at Rupees 218, the selling price of Fusly 1278, the value of the assumed out-turn would be Rupees 10-15-6 and the gross profits Rupees 7-5-9 instead of Rupees 3-6-11, or four times the proposed average assessment.

19. It may seem presumptuous in me in a general way to affect to dispute the accuracy of the results of the late Deputy-Director's special work, but I confess I am utterly sceptical as to even the approximate accuracy of his figures, his calculations, and his conclusions.

20. Take the average out-turn of paddy per acre, which for the purposes of his calculations he assumes to be 565 Madras measures for all three talooks. In Jammalmadugu the villagers admitted it to be 800, the Tahsildar thought it was 960, and according to the Settlement Department Kyles it came out only 532.

21. In Prodatoor the villagers put it at 1,040, the Tahsildar at 800, and the Kyles of the Department at 895 measures.

22. In Cuddapah the villagers said 750, the Tahsildar 660, and the Kyles 773. Then why 565 for all three talooks?

23. Then again, I cannot accept Rupees 10-14-8, the assumed amount, as representing the expense of cultivation. As far as my information and experience goes, this expense is never less than about double the amount assumed, and is often thrice as much, or even more.

24. The elements out of which the Deputy-Director evolved 161 measures as the average out-turn of cholum in all three talooks, are almost equally discordant, and his assumed estimate, Rupees 3-9-9, of cultivation expenses is, in my opinion, equally too low.

25. I beg to enclose a copy of a demi-official letter on the subject from Mr. Storr. He ventures a guess opinion that as regards his talooks, the profits from wet may in the lump be twice and those from dry thrice the assessment. If I were to venture a similar opinion, I should incline to the belief that Mr. Storr's estimate of the lump profits is too high, and that the proportions from wet and dry should be exactly reversed for the district as a whole.

ENCLOSURE No. 1.—Letter from Assistant Collector.

Exd. T. Cartledge.

MADANAPALLY, February 12th, 1870.

Mr. DEAR MR. VANSAGNEW.

WITH regard to your letter of the 8th, regarding the proportion of profits to the assessment of the land, the first thing that strikes me is, that in the Sub-division, at all events where the rates of assessment are so anomalous, it is very difficult to compare them. Only the other day I was looking at some wet land near the Carolina Paddy and two numbers side by side, and which I believe to be identically the same as regards soil and productive powers, were assessed one, at Rupees 25, and the other, at Rupees 5 an acre.

2. Generally speaking, I believe twice the assessment on wet land, and three times the assessment on dry, would be about the average profit from the land, but even in this calculation, the tax would fall very unevenly.

3. The highest rates for the four talooks for wet lands are:—

	RS.	A.	P.
Madanapally	21	14	0
Voilpaud	35	0	0
Royachoti	29	5	4
Kadiri	30	0	0

4. The lowest wet rates are:—

	RS.	A.	P.
Madanapally	0	7	0
Voilpaud	0	11	8
Royachoti	0	4	8
Kadiri	0	11	8

5. I am quite sure that double the assessment of the highest rated lands would be very much beyond the actual profits of the ryots, while double the assessment of the lowest rates would be as much or more below the work.

6. Taking the *average* assessment of the wet and dry lands which are as follows:—

	Wet. RS.	A.	P.	Dry. RS.	A.	P.
Madanapally	5	11	5	0	7	9
Voilpaud	7	12	5	0	11	11
Royachoti	5	13	9	0	8	1
Kadiri	7	4	0	0	6	0

7. I don't think twice the wet assessment and three times the dry would be too high. If any thing, the balance would be in favour of the ryot.

8. The actual cultivation expenses of an acre of wet land including seed, are about Rupees 23, and of an acre of dry land about Rupees 9.

9. I don't enter into particulars, as the Board have it all before them in Puckle's Settlement Reports.

10. When I got the three acres of land for the Carolina Paddy, I had to pay as rent for the three acres, respectively Rupees 20, Rupees 16 and Rupees 12.

11. These lands were, however, favourably situated under a channel, and the rent was for one crop only.

12. Had I taken the land for a second crop, I should have had to pay at least half as much again. I believe this was the fair rental of the land, and would represent the profit that would be gained by the landlord if he had let it on the usual tenure of receiving half the crop.

13. A really good crop on wet land is about six candies. This at the selling price of Rupees 16, per candy, makes Rupees 96. Then you have to deduct the cost of cultivation and the assessment, and the *average* crop cannot be put down at more than from three to four candies. On the acre of Carolina Paddy that we sowed in July, we only got one candy.

14. The assessment of the 3 Acres of wet land that I got for the Carolina Paddy farm, was Rupees 11-7-9 for one acre, Rupees 6-1-6 for another, and Rupees 3 for the third.

15. The general estimate, as far as I can make out from enquiries is, that an acre of good wet land here will produce about Rupees 20 or Rupees 25 clear profit. The Tahsildar says that the crops are not nearly so heavy as in Prodatoor.

16. Having said this much, I think I have said all I have got to say on the matter, but an Income-tax levied according to the average assessment must fall very unevenly until the lands have all been re-assessed and classified with rather more regard to their actual productive powers.

17. I have got the details of the cultivating expenses for an acre of wet land and can send them if you like, but Puckle entered so very minutely into all this in his reports, that I don't think it is worth while.

Your's sincerely.
(Signed) E. STORR.

You don't say return the Board's Proceedings, so I have not done so.
(True Copy.)

(Signed) J. A. BOYLE,
Assistant Collector, for Collector.

Exd. G. A. Turton.

From T. A. N. CHASE, Esq., Collector of Kurnool, to the Acting Secretary to the Board of Revenue, dated Panem, 18th March 1870, No. 95:—

I HAVE the honour, in reply to the Proceedings of the Board of Revenue, dated 19th January 1870, No. 372, to submit the following information.

2. A great part of this district has been recently settled by the Settlement Department, and efforts are being made to introduce the new settlement into the rest of the district. According to this settlement, the ryots' profits are assumed to be equal or nearly equal to the assessment.

3. After a careful examination of the prices of grain of the past years, with the commutation prices fixed by the Settlement Department, I am of opinion, that for all practical purposes, the assessment may be taken as the correct measure of the ryots' profits. There is no doubt that these profits must necessarily vary with the season, and that prices rise above or fall below the commutation price, according as the harvest is a bad or a good one. But the fluctuations are seldom so very great as to make any very material difference for purposes of Income-tax, the more especially as landholders are taxed under the graduated A. Schedule of the Act, in which the gradations are so great that changes of season would not in all probability affect them as regards the amount recoverable under the Income-tax Act.

4. In the talooks not yet settled, I also think that the land assessment must be considered as the probable amount of profit. There is often a large profit to growers of cotton, but the rates are very various, and it is impossible to tell previous to the assessment, taking all the talooks collectively, whether the profits are really higher, than the amount paid as assessment. The wet lands are assessed in these talooks too highly and the profits are not above, as a rule, the assessment.

5. There are very few ryots who pay above 500 Rupees and who would be liable to Income-tax on their profits.

6. I have only just received replies from two Division Officers on this subject, or should have furnished my reply earlier. From two other Division Officers no replies have been sent me, and from ryots I have not been able to obtain any information.

Exd. G. A. Turton.

From W. T. BLAIR, Esq., Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 7th May 1870, No. 151.

With reference to the Board's Proceedings of the 19th January last, No. 372, I have the honour to forward a statement of experiments made in the different talooks of this district, with a view to ascertaining the productive powers of the soil and the profits of the cultivator. I also enclose a Memorandum of the cost of cultivation and profit as furnished by a few influential Merassidars.

2. It will be seen from the Memorandum that the data supplied by the Merassidars regarding the expense of cultivation, etc., are obviously untrustworthy, as in four out of six cases no profit whatever has been shown by them, and in the two cases in which any profit at all has been admitted it does not amount to anything like what it may fairly be assumed to be.

3. The experiments given in the statement herewith sent were made with great care, and may, therefore, be safely relied upon. The cultivation expenses as given in the statement appear to me to be within the mark.

4. The proportion of profit from land to land revenue is by no means uniform in this district. It differs very materially in different parts of the district according to the price of labour and the rate of rent payable to Government.

5. The Board will observe from the statement now forwarded that in some cases the proportion of profit from land to land revenue is about the same, or even more than it has been stated to be by the Collector of Kaira, but it must be borne in mind that the experiments in question were made chiefly in the better descriptions of land. In one solitary instance the profit amounts to eleven times the land tax, but this happens in one of the villages of the Sattivedu Division, where the assessment is very light compared with the rest of the district. According to the results tabulated in the statement the average proportion of profit from land to land revenue amounts in the Principal Division to two and three-quarter times, and in the Sub-division two and a half times the land revenue.

6. Generally speaking, therefore, the proportion of profit from land in this district may be said to be twice the land tax.

Enclosures Nos. 1 to 2.—Statements.

Exd. J. Tulloch.

From W. T. BLAIR, Esq., Acting Collector of Madras, to the Acting Secretary to the Board of Revenue, dated Sydapet, 7th May 1870, No. 151.

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Enclosures Nos. 1 to 2.—Statements.

Exd. J. Tulloch.

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah lands in Madras District.

Name of the Officer who examined.	Talook.	Village.	Number of the land examined.	Extent.	Portion cultivated.	Portion uncultivated.	Total.	Extent of land examined.	Nature of the land and quality of the soil.	Description of cultivation, whether Nunjah, Punjah or Thotakal.	Description of corn produced.	Amount of corn produced or reaped on the extent examined.
1	2	3	4	5	6	7	8	9	10	11	12	13
												K. M. M.
Talook Sheristadar.	Trivellore.	No. 10, Pereacoopum.	Nunjah 735	0 5 14	0 5 14	... ...	0 5 14	0 3 8	Black cláy soil.	Nunjah... ...	White Samba.	2 8 6
Do. ...	Do... ...	Do... ...	,, 839	0 5 8	0 5 8	... ...	0 5 8	0 5 8	White clay soil.	Do.	Do. ..	2 2 2½
Deputy Tahsildar.	...	Sathivadu.	,, 291	0 8 8	0 8 8	... ...	0 8 8	0 4 0	Clay	Do.	Sirumani ...	5 0 1
			,, 329	0 8 0	0 8 0	... ...	0 8 0	0 4 0	Mixture of sand and clay ...	Do.	Do. ...	4 5 2
			,, 315	0 11 4	0 11 4	... ...	0 11 4	0 4 0	Land mixed with clay.	Do.	Poombala ...	4 6 4
Tahsildar... ...	Ponnary.	Vullur ...	No. 3,626	0 8 4	0 8 4	... ...	0 8 4	0 4 0	Do.	Do.	Samba... ...	2 4 0
Sheristadar ...		Seganniam.	,, 109	0 13 6	0 13 6	... ...	0 13 6	0 4 0	Do.	Do.	Do. ...	1 0 0
First Inspector.		Perumbedu.	,, 1,402	0 6 0	0 6 0	... ...	0 6 0	0 4 0	Brackish clay...	Do.	Vada Samba.	2 4 2

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah lands in Madras District.

Name of the Officer who examined.	Talook.	Village.	The rate at which the value was calculated and the current price.	Estimated produce of the whole number.	Deduct expenses incurred on account of cultivation.		Net profits.	Half of the net profits.	The assessment on the whole number examined including Mera.	Balance after deducting the rent payable to Government.	Proportion of profit from Land to Land Revenue.
			14	15	16		17	18	19	20	21
				K. M. M.							
Talook Sheristadar.	Trivellore.	No. 10, Pereacoopum.	Rs. 19-7-5 at 10 Marcals per Pagoda.	4 7 5 Value. 19 7 5	At the rate of Rupees 17-10-0 per Cawny.	6 7 7	12 15 10	6 7 11	2 3 0	10 12 10	4¼
Do... ...	Do... ...	Do. ...	Rs. 9-3-5 do. per do.	2 2 2½ Value. 9 3 5	Do. Rs. 28-13-0 per do.	9 14 6	... ...	... ...	1 7 4	... ...	...
Deputy Tahsildar.	...	Sathivadu.	Rs. 44-10-0 do. per do.	10 7 4 Value. 44 10 0	Do. Rs. 29-3-1 per do.	15 8 2	29 1 10	14 8 11	4 4 0	24 13 10	5¾
			Rs. 28-14-0 do. per do.	6 10 4 Value. 28 14 0	Do. Rs. 30-8-0 per do.	15 4 0	13 10 0	6 13 0	1 2 0	12 8 0	11
			Rs 43-12-8 do. per do.	10 5 1 Value. 43 12 8	Do. Rs. 30-7-3 per do.	21 5 7	22 7 1	11 3 6	2 10 2	19 12 11	7½
Tahsildar... ...	Ponnary.	Vullur ...	Rs. 20-3-4 do. per do.	4 9 6 Value. 20 3 4	Do. Rs. 15 per do.	7 11 9	12 7 7	6 3 9	4 6 2	8 1 5	2
Sheristadar ...		Seganniam.	Rs. 14-0-8 do. per do.	3 4 1 Value. 14 0 8	Do. Rs. 13-8-0 per do.	11 4 6	2 12 2	1 6 1	3 8 10	... ...	...
First Inspector..		Perumbedu.	Rs. 14-13-4 do. per do.	3 6 3 Value. 14 13 4	Do. Rs. 26-2-0 per do.	9 12 9	5 0 7	2 8 3	3 3 0	1 13 7	½

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah, etc.—(Continued.)

Name of the Officer who examined.	Talook.	Village.	Number of the land examined.	Extent.	Portion cultivated.	Portion uncultivated.	Total.	Extent of land examined.	Nature of the land and quality of the soil.	Description of cultivation whether Nunjah, Punjah or Thotakal.	Description of corn produced.	Amount of corn produced or reaped on the extent examined.
1	2	3	4	5	6	7	8	9	10	11	12	13
												K. M. M.
Second Inspector. Third Inspector.	Ponnary.	Nayer ...	No. 714	0 10 12	0 10 12	... ...	0 10 12	0 4 0	Land mixed with clay.	Nunjah ...	Vada Samba.	0 7 0
		Devadanam.	,, 322	0 15 10	0 15 10	... ...	0 15 10	0 4 0	Black clay ...	Do.	Do. ...	2 9 0
				... ...	... ...	... ...	5 13 2	... ...	...	.....	.....	... ...
	Chingleput.	No. 9, Molamaiyur.	Nunjah 705	0 4 6	0 4 6	... ...	0 4 6	0 4 6	Black clay soil.	Nunjah, broad cast, Pulithi.	Sadan Samba.	1 10 0
			,, 126	0 4 4	0 3 14	0 0 6	0 4 4	0 3 14	Ash coloured saltish clay soil.	Do. ...	Vadan Samba.	1 5 0
	Madurantakum Talook.	Madurantakum.	,, 151	0 10 12	0 10 12	... ...	0 10 12	0 4 0	Black saltish clay soil.	Nunjah, broad cast, Sedai.	Kaluvan Samba.	3 3 0
			,, 187	0 4 0	0 4 0	... ...	0 4 0	0 4 0	Do.	Do. ...	Do. ...	3 9 0
			,, 16	0 6 14	0 6 14	.....	0 6 14	0 6 14	Black clay soil.	Do. ...	Do. ...	13 4 0
			No. 17	0 7 10	0 7 10	... ...	0 7 10	0 7 10				
				0 14 8	0 14 8	... ...	0 14 8	0 14 8	...	.....	.....	... ...

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah, etc.—(Continued.)

Name of the Officer who examined.	Talook.	Village.	The rate at which the value was calculated and the current price.	Estimated produce of the whole number.	Deduct expenses incurred on account of cultivation.		Net profits.	Half of the net profits.	The assessment on the whole number examined including Mera.	Balance after deducting the rent payable to Government.	Proportion of profit from Land to Land Revenue.
			14	15	16		17	18	19	20	21
				K. M. M.							
Second Inspector } Third Inspector.	Ponnary.	Nayer ...	Rs. 6-9-0 do. per do.	1 6 6½ Value. 6 9 0	At the rate of Rupees 12 per Cawny.	8 1 0	... ...	... ...	5 3 4	... ...	...
		Devadanam	Rs. 38-1-8 do. per do.	10 8 7 Value. 45 1 8	Do. Rs. 24-10-0 per do.	24 0 9	21 0 11	10 8 5	3 14 6	17 2 5	4¼
			.....	246 11 6	.....	129 6 7	117 4 11	58 10 5	31 14 4	85 6 7	2¾
	Chingleput.	No. 9, Molamaiyur.	Rs. 7-5-4 at 10½ Marcals per Pagoda.	1 10 0 Value. 8 10 8	At the rate of Rupees 20 per Cawny.	5 7 6	3 3 2	0 14 11	3 1 9	0 1 5	...
			Rs. 5-10-8 at 10½ do. per do.	1 6 5 Value. 6 3 4	Do.	5 5 0	0 14 4	0 7 2	2 8 11	... ...	...
	Madurantakum Talook.	Madurantakum.	Rs. 13-10-4 at 10 do. per do.	8 8 6 Value. 36 10 7	Do. Rupees 30 per do.	20 2 6	16 8 1	3 1 2	2 7 4	14 0 9	5¾
			Rs. 15-12-0 at 10 do. per do.	3 9 0 Value. 15 12 0	Do.	7 8 0	8 4 0	4 2 0	1 14 4	6 5 0	3½
			Rs. 56 at 10 do. per do.	13 4 0 Value. 56 0 0	Do.	27 3 0	28 13 0	14 6 6	10 7 1	18 5 11	1¾

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah, etc.—(Concluded.)

Name of the Officer who examined.	Talook.	Village.	Number of the land examined.	Extent.	Portion cultivated.	Portion uncultivated.	Total.	Extent of land examined.	Nature of the land and quality of the soil.	Description of cultivation whether Nunjah, Punjah or Thotakal.	Description of corn produced.	Amount of corn produced or reaped on the extent examined.
1	2	3	4	5	6	7	8	9	10	11	12	13
												K. M. M.
	Utramarur Division.	Malayangulam.	No. 68	0 7 0	0 7 0	... ...	0 7 0	0 4 0	White clay soil with an admixture of sand.	Nunjah, transplanted.	Sirumani Samba.	3 7 0
		Kidangarai.	,, 346	0 8 0	0 8 0	... ...	0 8 0	0 6 0	Black clay soil.	Nunjah, broad cast, Sedai.	Do... ...	5 10 0
		Sirumailur.	,, 6	0 3 6	0 3 6	... ...	0 3 6	0 3 6	Soil made up of sand and clay.	Nunjah, broad cast.	Chinna Samba	3 8 4
		Karikili ...	,, 8	0 4 4	0 4 4	... ...	0 4 4	0 4 4	Whitish clay mixed with sand.	Nunjah, broad cast.	Red Samba.	4 0 0
		Ravathanullur.	,, 771	0 11 0	0 11 0	... ...	0 11 0	0 4 0	White clay soil.	Do.	Chinna Samba	2 11 0
				... ...	... ...	... ...	4 7 8	... ...	...	.....	.....	... ...

Statement showing the particulars of experiments made on different classes of Nunjah and Punjah, etc.—(Concluded.)

Name of the Officer who examined.	Talook.	Village.	The rate at which the value was calculated and the current price.	Estimated produce of the whole number.	Deduct expenses incurred on account of cultivation.	Net profits.	Half of the net profits.	The assessment on the whole number examined including Mera.	Balance after deducting the rent payable to Government.	Proportion of profit from Land to Land Revenue.
			14	15	16.	17.	18	19	20	21
				K. M. M.						
Utramalur Division.		Malayangulam.	Rs. 15-0-9 at 10 Marcals per Pagoda.	26 5 5	At Rupees 26-3-6 per Cawny.	11 7 6	4 3 11	3 15 0	10 14 11	2¾
		Kidangarai.	Rs. 24-8-0 at 10 do. per do.	32 10 3	Do. Rs. 26-3-6 per do.	13 1 9	7 5 4	2 6 0	17 2 6	7
		Sirumailur.	Rs. 15-9-3 at 10 do. per do.	15 9 2	Do.	5 8 6	5 0 4	1 11 10	8 4 10	5
		Karikili ...	Rs. 16-12-10 at 10 do. per do.	16 12 10	Do.	6 15 2	4 14 4	2 0 11	7 12 9	3¾
		Rayathanullur.	Rs. 13-8-9 at 10 do. per do.	33 11 0	Do. Rs. 43-3-6 per do.	29 11 4	1 6 0	1 12 11	2 2 9	1¼
			.....	248 5 3	.....	132 6 3	115 15 0	57 15 6	32 6 1	83 8 11	2¾

(Signed) W. T. BLAIR,
Acting Collector.

STUDIES,
7th May 1870.

ENCLOSURE No. 2.

MEMORANDUM of expenses attending the cultivation of a cawny of Nunjah land, in the villages of Kuttumbakum and Narasingapuram, in the Sydapet Talook, as furnished by Sesha Gurukul, Mirassidar in both villages.

	RS. A. P.	RS. A. P.
First class Nunjah land one cawny, assessment Rs. 10.		
Estimated outturn	13 0 0	
Cullums per cawny being at the rate of 10 Mercals, per Pagoda...	55 0 0	
Value of straw at 16 bundles per cawny, at 7 Annas per bundle	7 0 0	
		62 0 0
Expenses.		
Ploughing for 12 days with four pairs of ploughs or "sals" a day, at the rate of 6 Annas per plough ...	18 0 0	
Twelve bandy loads of manure, at the rate of 1¼ Rupees per bandy	15 0 0	
Seeds 5 mercals	3 8 0	
Transplanting the seedlings, 12 woman coolies, at the rate of 2 Annas per head	1 8 0	
Cost of weeding twice at the rate of 12 men coolies at a time, at 3 Annas per head	4 8 0	
Cost of cutting the crop and threshing, etc., at the rate of 3 Annas per head for 18 coolies	3 6 0	
Total cost of cultivation ...	45 14 0	
Add assessment payable to Government ...	10 0 0	
Total ...	... ...	55 14 0
Balance after deducting all expenses including Government kist from the value of the total outturn of the land		6 2 0
Polal village.		
Mirassidars Vengoo Moodelly and Iyasawmy Moodelly.		
Nunjah land one cawny, assessment Rupees 8-12-0.		
Estimated outturn at 8 Cullums, at 10 Mercals per Pagoda...	33 4 0	
Value of straw, 24 bundles at 8 Annas per bundle ...	12 0 0	
		45 4 0
Cost of cultivation, etc.		
Ploughing for 12 days with 4 pairs of ploughs or "sals" a day, at the rate of 4 Annas per plough ...	12 0 0	
Ten bandy loads of manure at Rs. 1-4-0 per bandy ...	12 8 0	
Seeds, 4 Mercals, at 7 Mercals per Pagoda...	2 0 0	
Cost of weeding three times, at the rate of 18 women coolies at each time, at 2-6 per head...	8 7 0	
Cost of cutting the crop and threshing, etc., at the rate of Annas 2-6 per head, 20 men coolies	3 2 0	
Total cost of cultivation...	38 1 0	
Add Teerwah...	8 12 0	
Total ...	... ...	46 13 0
Balance after deducting all expenses.		
Madaveram.		
Raghava Charry.		
Nunjah land, one cawny assessment Rupees 5-4-0.		
Estimated outturn at 8 Cullums at the rate of 10 Mercals per Pagoda	RS. A. P. 33 4 3	RS. A. P.
Thirty bundles of straw, at 6 Annas per bundle... ...	12 0 0	
Total ...	... ...	45 4 0
Cost of cultivation.		
Ploughing for 8 days with four pairs of ploughs a day, at the rate of 8 Annas per plough	16 0 0	
Ten bandy loads of manure at Rupees 1-2-0 per bandy	11 4 0	
Seeds, 4 Mercals at 5 Mercals per Pagoda...	3 0 0	
Weeding twice at the rate of 12 coolies at a time, at the rate of 2 Annas	3 0 0	
Cutting and threshing, 24 coolies at 2 Annas per head.	3 0 0	
Total ...	36 4 0	
Add Teerwah ...	5 4 0	
Total ...	... ...	41 8 0
Balance ...	... ...	3 12 0

Parithipatlu.

Mirassidars Anuntha Charry and Ragava Charry.

No. 15. Assessment Rupees 8 per cawny.

Estimated outturn 6 Cullums per cawny, being at the rate of 10 Cullums per Pagoda	25	6	0	
Twelve bundles of straw, at 6 Annas per bundle... ...	4	8	0	
				29 14 0
Expenses of cultivation.				
Ploughing for ten days with four pairs of ploughs a day, at the rate of 4 Annas per plough	10	0	0	
Ten bandy loads of manure at 4 Annas per bandy ...	2	8	0	
Seeds, 5 Mercals	3	8	0	
Weeding two times at the rate of 16 coolies at a time at the rate of 2 Annas per head	4	0	0	
Cutting and threshing, 16 coolies at 2 Annas per cooly.	2	0	0	
Total ...	22	0	0	
Add Teerwah...	8	0	0	
Total ...				30 0 0
No profit left for the ryot.				

Cunnathur.

Mirassidars Chellaperuma Moodelly and Patcheappa Moodelly.

First class nunjah land, assessment Rupees 8-8-0 per cawny.

Estimated outturn 8 Cullums per cawny, being at the rate of 10 Mercals per Pagoda	33	4	0	
Twenty-four bundles of straw at the rate of 4 Annas per bundle...	6	0	0	
				39 4 0
Expenses of cultivation.				
Ploughing for ten days with four pairs of ploughs a day, at the rate of 4 Annas per plough	10	0	0	
Twenty bandy loads of manure, at the rate of 8 Annas per bandy	10	0	0	
Seeds, 5 Mercals...	3	8	0	
Weeding two times at the rate of 15 coolies at a time, at the rate of 2 Annas per head...	3	12	0	
Reaping and threshing, 30 coolies, at 2 Annas per head.	3	12	0	
Total ...	31	0	0	
Add Teerwah...	8	8	0	
Total...				39 8 0
No profit left to the ryot.				

Velangadu Vakkum.

Mirassidars Ramasawmy Moodelly and Arunachella Moodelly and Puvada Vencata Row, Mirassidar of Cosappur.

First class Nunjah land, assessed at Rupees 8-12-0.

Estimated outturn 8 Cullums, at 10 Mercals per Pagoda...	33	4	0	
Twenty bundles of straw, at the rate of 8 Annas per bundle...	10	0	0	
				43 4 0
Expenses of cultivation.				
Cost of ploughing for twelve days, with four pairs of ploughs, at the rate of 6 Annas per day	18	0	0	
Ten bandy loads of manure at the rate of Rupees 1-4-0 per bandy	12	8	0	
Seeds, 5 Mercals	3	8	0	
Weeding two times at the rate of 20 coolies at a time, at 2 Annas per head	5	0	0	
Reaping and threshing, 20 coolies at Annas 2-6, per head	3	2	0	
Total ...	42	2	0	
Add Teerwah...	8	12	0	
				50 14 0
No profit left to the ryot.				

SYDAPET,
7th May 1870.

(Signed) W. T. BLAIR,
Acting Collector.

From C. N. POCHIN, Esq., Collector of Salem, to the Acting Secretary to the Board of Revenue, dated 14th March 1870, No. 47.

I HAVE the honour to reply to the Board's Proceedings of the 19th January last, No. 372.

2. From inquiries I have made, I am of opinion that the net profits from land assessment bears quite on an average, three and one-third, or in other words, one Rupee of Land revenue indicates 3 Rupees, 5 Annas and 4 Pice. My opinion is based not only upon inquiries made of several land holders, but upon actual results. During the past year, I have had several experiments of cultivation made under my own eye. The *bonâ fide* expenses of cultivation I have noted down. An instance is given below:—

	RS.	A.	P.
Cultivation expenses per acre	42	3	4
Assessment...	8	0	0
Total...	50	3	4
Value of grass produce including straw	76	5	4
Net profit...	26	2	0

In *this case* the land was of an inferior description, and the assessment high, the land being situated in a mootah.

3. From what I have seen and tested, I think that three times the assessment may safely be considered as profit from land. The Mootahdars of Kamminalloor and Royacotta told me, that there are several lands which yield a profit of eight and ten times the assessment. I, however, prefer giving my opinion from experiments tried by myself, and for which I can vouch as being correct. No doubt, had the land in the instance I have given above, been *good* land, the result would have shown that four times and *more* than the amount of the assessment, would have been profit.

Exd. G. A. Turton.

From J. D. ROBINSON, Esq., Collector of North Arcot, to the Acting Secretary to the Board of Revenue, dated Chittoor, 4th May 1870, No. 161.

I HAVE the honour to state that on receipt of the Proceedings of the Board of the 19th January 1870, No. 372, calling for a report as to what may on the average be assumed to be the actual proportion of profits from land to land revenue, I requested the several Divisional Officers to ascertain by careful inquiry, and in communication with the more intelligent landholders what would be that proportion in their respective divisions, I have made similar inquiries, and now beg to enclose, for the Board's consideration, Mr. Comyn's report summarising the results of his inquiries, and memoranda submitted by two of the most intelligent Tahsildars in this district. The opinions thus recorded are, as the Board will observe, most conflicting; and my efforts to reconcile these compilations only led to even greater divergence in the estimate of agricultural profits. The fact is the people distrust, and probably with some reason, such enquiries, and will not show their hands. I feel assured that it is not by such a canvass of opinion that Government will arrive at any safe date.

2. As it is, the result of these inquiries seems to be that in the more fertile tracts irrigated by river and anicut channels the proportion of profits may be assumed at three times the assessment, all agricultural expenses and land tax deducted. This is the conclusion arrived at by the intelligent young officer in charge of the Wallajah Talook, the richest and most highly developed tract of country in this district. Looking at the market value of land in that quarter, this average valuation of profits is not, I believe, an extravagant one, and might probably be accepted as reasonable for the talooks of Arcot and Vellore. But in the other less favoured parts of the district this would be a high standard, and if due regard be had to the extreme uncertainty of season for many years past, the inability to cultivate at all some of the better soils owing to scarcity of water and the loss of agricultural capital and produce from disease and drought, I should fear to set down the profits of husbandry in this the far larger proportion of the arable area of the district at a higher estimate than twice the assessment. It must always be borne in mind in dealing with such questions in their bearing on this district, that although there is abundant proof in the state of prices, the marketable value of land and other circumstances that there is a gradual, but steady improvement in its material prosperity, still there are none of those large staple products grown in it, such as cotton and indigo, which create rapid accumulations of capital, and that the profits of agricultural industry are thus perhaps slower and more precarious than in any other district in the Presidency. The enclosed Statement classifying the ryotwari puttahdars of the district into eight sections, with reference to the value of the holdings, will prove at a glance the general truth of my remarks. The Board will have in the replies of the Collectors of other districts some valuable matter upon which to form their estimate of agricultural profits generally, but judging from such inquiries as I have been able to make, I think it would be harsh to bring holdings paying less than Rupees 200 per annum, within Income-tax assessment.

ENCLOSURE No. 1.

From W. H. COMYN, Esq., Acting Sub-Collector to the Collector of North Arcot, dated Vellore, 31st March 1870, No. 105.

WITH reference to your foot-note on Board's Proceedings, No. 372, dated 19th January 1870, I have the honour to forward the reports received from the several Tahsildars in my division; regarding the actual proportion of profits from land to land revenue in the different talooks. There seems to be considerable diversity of opinion on the subject, as will be seen from the enclosed Statement, but I think that, on an average for every rupee of assessment, the gross profit may be taken to be six Rupees, the cost of realization three Rupees, which would leave the ryot two Rupees, or a net profit equivalent to twice the amount of assessment.

(A true Copy.)

(Signed) J. D. ROBINSON,
Collector.

ENCLOSURE No. 2.

Memorandum.

THE Acting Tahsildar of Chendragherry has, in obedience to the orders of the Collector of North Arcot, conveyed in Takeed No. 57, dated 12th February 1870, assembled certain intelligent and respectable ryots, whose opinion regarding the gross realizations of land held directly from Government was obtained, which is herewith submitted.

2. As for my individual opinion, I beg to submit that the conclusion arrived at by the ryots appears to be reasonable, added to which the existing but continued famine seasons during a period of fourteen years or thereabouts. I may in short be allowed to state that "patkat-waste"

of entire fields of both dry and wet, as well as other items such as "Chickadpuludy", "Vithupul," "Stalacummy" and "Nathungal" are, in ordinary years, usually charged, which is an additional ingredient. There is another reason which requires notice, is the daily petty works of clearing spring and river channels; as for the tank irrigation, the same difficulty presents itself in respect of petty channels cut from the tank as well as coody maramut.

3. In consideration of the means of irrigation of this particular talook, of which three-quarters by spring and river channels and one-fourth by tanks, I may safely remark that the gross realizations of both wet and dry lands are nearly six rates of the assessment, *i. e.*, one rate is rent, four rates are cost of realization, and the sixth or last rate is clearly profit, which is equal to the assessment.

4. When a complete change in the present state of bad season should occur, I think an enhancement of half of the assessment will be the data, maintaining however for the present the decision of Government, now in force, for the purposes of the Income-tax.

CHENDRAGHERI,
3rd March 1870.

(Signed) C. RAMANJULOO NAIDOO,
Acting Tahsildar.

(True Copy.)
(Signed) J. D. ROBINSON, Collector.

Abstract translation of the recorded opinion of the ryots of the Talook of Chendragherry Nunjah (second crop) land paying an assessment of Rupees 15, particulars of profit is below described.

Per. Cawny 1st crop or Paddy 10 Khandies, equal to 20 Calums.
2nd crop or Ragghy 5 Khandies, equal to 10 Calums.

Total... 30 Calums; at

	Rs.	A.	P.
2½ Rupees per calum valued at...	75	0	0
Straw bundles 70...	10	0	0
Total...	85	0	0

	Rs.	P.	A.
Assessment...	15	0	0
Charge for Ploughing...	7	0	0
Manure and Leaves...	20	0	0
Cooly for weeding...	6	0	0
Cost for Seed...	7	0	0
,, for clearing channels, etc... ...	15	0	0
	70	0	0
Net profit (in the absence of shady, etc...	15	0	0
Punjah paying an assessment of...	2	12	0
Per Cawny Comboo Khandies 3 equal to 6 Calums at 2½ Rupees. Per Calum valued at...	15	0	0
30 Bundles of Cumboo Straw...	2	0	0
Total...	17	0	0
Assessment...	2	12	0
Charge for Ploughing...	6	8	0
Seed.....	2	0	0
Manure of sheep or goats...	3	0	0
	14	4	0
Net profit...	2	12	0

(Signed) C. RAMANJULU NAIDU,
Acting Tahsildar.

(True Copy.)
(Signed) J. D. ROBINSON,
Collector.

ENCLOSURE No. 3.

From V. STRINIVASA CHARI, Acting Tahsildar of Wallajah Talook, to the Collector of North Arcot, dated Chittur, 10th March 1870, No. 11:—

WITH reference to Takid No. 58, calling upon me to report what may be assumed to be the actual proportion of profits from land to land revenue, I proceed to submit the following explanation as being the result of my extensive and careful inquiries, and also of my own humble experience.

2. I had a long discussion about the subject in question, with a large number of ryots well experienced in Agricultural Statistics, and particularly with some of the best qualified inhabitants of Kaveripak.

3. They all unanimously declare that the assumption that one Rupee of Land Revenue indicates five Rupees of profits, is altogether without foundation, and that, if such assumption be made, the data for future Income-tax, it will only have the effect of crippling the resources of the ryots and of subjecting them to various hardships. They seem to think that the actual profits should not be assumed even at double the amount of assessment. But the following lines will show that triple the amount of assessment may fairly be taken to represent the net profits of agriculturalists.

4. In estimating the agricultural profits, it does not seem necessary to discuss much about the profits derivable from dry cultivation, since it is sufficient to observe once for all that the produce raised on dry lands such as Varagoo, Cumbu, Cholum will only be sufficient to meet the payment of wages due to labourers employed in carrying on cultivation, and to cover the assessment and the charges pertaining thereto.

5. As regards wet lands, it is to be observed that, in this part of the country, one cawny of the best wet soil is capable of yielding on an average 30 local colums (a colum is equal to twelve Mercals of 2½ Madras measures each) of paddy for one crop, and 45 colums for double crop. The value of a colum of paddy being in these days Rupees 1½, the entire value of the whole produce of one cawny is Rupees 45 for one crop, and Rupee 67½ for double crop. The value of produce derivable from 2½ cawnies which can be managed with one Indian plough, as pointed out in paragraph 8, will, therefore, amount for both crops to Rupees 168¾.

6. From this are to be met the cost of production the assessment of the land and contingencies of various kinds.

7. The cost of production includes the value of seed required for sowing, the wages of labourers and all the charges incidental to cultivation. The cost under each of these heads will be detailed hereinunder.

8. It may not be possible to estimate the cost for each cawny of land separately. We may, therefore, estimate it on each Indian plough, with which 2½ cawnies of wet land and about 2 cawnies of dry land can be conveniently managed. I may again repeat here that we need not enter into any details regarding the products of dry land and costs pertaining thereto. All my remarks will be confined to the costs and other things relating to wet cultivation which forms the chief source of income to ryots.

9. Each cawny of wet land would require not less than three colums of seed for both the crops. The quantity required for 2½ cawnies being 7½ colums, the value of it comes up to a little above Rupees 11 at the lowest.

10. As regards wages to labourers, it is certain that a single plough would permanently require the services of one grown up labourer and also of one boy servant who used to be called in Tamil "Mattakara Paiyen" or tender of cattle. Besides these, it would be necessary, for a successful carrying on of cultivation, occasionally to engage the services of some extra labourers to assist the above men in weeding, harvesting, and in performing various other miscellaneous works.

11. I have already pointed out that the wages of these labourers may, chiefly, be met from the produce raised on the dry lands. But occasionally it would be found necessary to remunerate them by wet produce. To meet this contingency, therefore, we may set apart from the products of wet land nearly 10 colums of paddy, the value of which amounts to Rupees 15.

12. The other miscellaneous charges, such as purchase of farm stock, and other things may require an annual sum of Rupees 10 at the lowest.

13. From the forgoing lines, it will be seen that the cost of production for double crop would then amount to Rupees 11+15+10=36 Rupees.

14. To this is to be added the assessment of the land, which, inclusive of the road and other petty cesses, may, on an average, be assumed to amount to Rupees 12 for a double crop wet land. For 2½ cawnies of land manageable with one plough, the assessment would, therefore, amount to Rupees 30 for both crops. Here I may again remark that we need not take the assessment for dry lands into cultivation since the same, limited as would be, can very well be met from the products thereof.

15. Some allowance will also have to made for the purpose of meeting contingent charges not included in any of the above items. Such expenses may consist in procuring manure, jungle leaves, and different other things to fertilize the land and protect the cultivation, and in paying meras to different village artisans and others. For this purpose, we may not be amiss if we allow a sum of nearly 12 Rupees to be set apart.

16. I have thus detailed all the important items of expenditure, and the foregoing lines will show that the total charge amounts to 36+30+12=Rupees 78.

17. Now, substracting this 78 from Rupees 168¾, which is the gross income derivable from 2½ cawnies of wet land, as pointed out in paragraph 5, the remainder amounts to Rupees 90¾. This sum of Rupees 90¾, therefore, constitutes the net income of the ryot resulting from a cultivation of 2½ cawnies of wet land manageable with one Indian plough.

18. I have already observed in paragraph 14 that the wet double crop assessment for the above extent amounts to Rupees 30. The net profit being Rupees 90¾ is, therefore, almost triple the amount of assessment.

19. For these reasons, I suggested in paragraph 3, that three times the amount of assessment may fairly be taken to represent the net profits of agricultural population. To enhance it above this limit will only be a matter of exaggeration, and will only represent false figures. I shall, therefore, recommend that triple the amount of assessment may be made the data for future Income-tax.

20. I cannot, however, close the subject without remarking that the money value of the above rate of profits is only a result of the high prices of grain which rule in these days. But the same may fluctuate as changes take place in the prices of grain.

CHITTOOR,
6th May 1870.

(True Copy.)

(Signed) J. D. ROBINSON,
Collector.

ENCLOSURE No. 4.—Statement.

Exd. G. A. Turton.

Statement classifying the Ryotwary Puttahdars of the District of North Arcot into eigh sections with reference to the value of holdings.

Classification of Puttahdars.	Separate Puttahs.		Joint Puttahs.	
	Total.	Assessment.	Total.	Assessment.
1	2	3	4	5
	RS.	RS.	RS.	RS.
Ryots paying assessment under Rupees 10 ...	89,205	3,11,236	23,251	92,711
Do. of do. from Rupees 10 to 30 ...	24,878	4,17,249	10,945	1,90,969
Do. of do. from ,, 30 to 50 ...	4,932	1,80,578	3,060	1,15,787
Do. of do. from ,, 50 to 100 ...	2,191	1,41,486	1,868	1,24,013
Do. of do. from ,, 100 to 250 ...	506	59,852	470	66,218
Do. of do. from ,, 250 to 500 ...	24	7,879	41	12,574
Do. of do. from ,, 500 to 1,000 ...	2	1,211	10	6,076
Do. of do. from ,, 1,000 and upwards..	1	1,176	...	...
	1,21,739	11,20,667	39,645	6,08,348

CHITTOOR,
4th May 1870.

(Signed) J. D. ROBINSON,
Collector.

Exd. G. A. Turton.

From C. W. READE, Esq., Collector of South Arcot, to the Acting Secretary to the Board of Revenue, dated Villapooram, 6th April 1870, No. 85.

I HAVE the honour to reply to the Board's Proceedings of the 19th January last, No. 372.

2. I submit the only opinion I have received from the Divisional Officers, and as being from a Native Gentleman of education and one who has risen rapidly to his present high position in the Public Service, it is desiring of weight.

3. I also submit the opinions of some few of the more wealthy and respectable ryots and of the puttahdars of each talook, on whom I had called for the expression of their views, and these I have tabulated for greater clearness.

4. I consider that the average profits of land to land revenue assumed by Sree Baliah, is somewhat too high, if to be accepted as the basis for fixing the Income-tax assessment on agricultural profits. Lands so vary in quality, and the outturn depends on so great a variety of circumstances, to say nothing of the uncertainty of the seasons, that it is very difficult to lay down any really satisfactory average of profits; and if the average taken is to be the data for assessment on an entire district, the more care is needed that that average be not excessive. In this district, there are eight talooks, and I suppose each talook would exhibit a different average estimated by itself, owing to the infinity of causes operating on agricultural interests, and thus it seems necessary to compute the talook averages in order to arrive at tolerable accurate data on which to assess the average for the whole of the district, and I have endeavoured to do this approximately in the Paper A. separately attached, and from this it will be seen that the result is considerably below that suggested by the Deputy Collector.

5. Of course, on a question of the kind, and with a knowledge of the motive for which information is sought, the opinions of the cultivating classes must be received *cum grano*, and it could not be expected otherwise than that they would under-state the profits of land; still, on the whole, I am inclined to think that the table submitted is a tolerably fair exposition of the truth, perhaps rather as affecting the entire district than the particular lands of which these ryots are the owners; but when it may be truly asserted that the profits on land in some localities may be upwards of 200 per cent. of the Land Revenue, and in others below 50, with intermediate gradations, it will, I think, be acknowledged that the incidence of the tax may tell lightly on the one and heavily on the other; thus the burthen of the tax may press very unequally, while the object aimed at is to avoid this and to ensure an equable uniformity.

6. I, therefore, think that by estimating the average profits of land in each talook and then striking an average for the district as a whole, the safest data is secured on which to assess the Income-tax, and it will be seen that the result under this calculation is in round numbers about 1½ Rupees net profits to 1 Rupee assessment, or about 100 per cent. below the estimate of net profits given by the Deputy Collector.

7. I have, in the foregoing, been speaking mainly of nunjah, or wet lands. As regards punjah or dry lands, it is to be remembered, that while these latter may be pretty much the same throughout the country, and the land assessment is fixed in reference to the soil, yet there are many influences which affect the profits on dry lands equally as on wet; so that in striking an average for the one as well as the other, like causes are for consideration, and thus I have adopted the same system of calculation in regard to dry lands by estimating for each talook and then making an average for the whole district based on the talook averages, and the result is also about 100 per cent below the high standard of net profit assumed by Sree Baliah.

8. There is no doubt a great deal of truth in what Sree Baliah writes as regards the unreliability of statements or opinions of the agricultural classes, and in view of the fact that the great majority of our Public Servants are more or less land-holders, it is no unreasonable supposition that the difficulty of getting at the truth is much enhanced, and unquestionably there is an array of influence and authority, whose tendency is to deprecate the profits of land and to keep back the actual facts, and consequently, I quite admit that while on the one side it is very necessary to guard against over estimates, on the other, caution is called for, that we are not deceived or imposed upon. But I have had a good deal of experience in various parts of India, and although, I have

witnessed a perceptible improvement, and that no slight one, in the status and social condition of the agricultural classes, I find that this has been brought about by the general reduction in the land assessment, and by the great impetus of late years given to the export trade rather than by any increased production of the land, but of course as one acts on the other, so where the land is good and valuable and surrounded with outlets for produce by roads and towns, a striking contrast must arise in the profits of such lands, as compared with those of inferior quality, and possessed at the same time of none of those natural advantages common to the former.

9. The original estimate on which the Income-tax was assessed was only about 33 per cent. net profit on land, and subsequently it was raised to 100 per cent, so that in accepting the present calculations which give 150 per cent. net profit on land, I think the Government will secure their due share of the profits by the Income-tax, while the agricultural classes will not have just cause to complain that the tax is excessive, but, from my experience, I certainly deprecate the adoption of any higher standard, for though in many parts of the country the capability of the lands might readily bear it, I am satisfied on the whole, that it would tell oppressively.

ENCLOSURE No. 1.

Opinions of Tahsildars of talooks and independent Ryots on the subject of the proportion of the net profits to Revenue derived from lands both nunjah and punjah in the District of South Arcot.

Officers etc.	Punjah.	Nunjah.	Average profit of each talook. Punjah.	Nunjah.
Tahsildar of Cuddalore	2¼	¾		
Sabapathy Pillay of Thottaputt...	2¼	1¾		
Lutchmana Reddy of Keelaputtambakum... ...	2	2⅝		
			2¼	1¾
Tahsildar of Villapooram	5	3		
Coopoosamy Iyer of Vencatadry Agraram... ...	1⅜	1½		
Konary Row of Ottiathoor...	1	1		
			2½	1½
Tahsildar of Tindevanam	¾	1		
Agastiappa Moodelly of Allamboothoor	15/16	31/32		
			1	1
Tahsildar of Trinomalay	1⅝	1½		
Ramasamy Naik of Kottakolam...	...	¾		
			1⅛	1½
Tahsildar of Chellambram...	15/16	2		
Sadasiva Pillay of Pinnaloor	2	1½		
Visvanatha Reddy of Reddiyoor...	...	2½		
			1 31/32	1 31/32
Tahsildar of Verdachellam...	3	2⅜		
Moothookomara Pillay of Sathakodal...	¾	15/16		
Appavoo Pillay of Tittagoody	14/16	¾		
Chendrasakara Padiachy of Namum...	1½	¾		
			1½	1⅛
Tahsildar of Kullacoorchy...	1 5/16	1¼		
Kristnasamy Odiar of Moodianoor	2¼	1 14/16		
Iyakannu Pillay of Tiagadurgam...	1⅛	1¼		
			1 9/16	1 7/16
Tahsildar of Trikkalore...	½	⅞		
Ramanooja Iyengar of Pathoor	2⅛	1½		
Appavier of Savaly	⅛	⅛		
			1	1 7/16
Average of 8 talooks	...	...	1 31/32	1 31/32

(Signed) C. W. READE,
Collector.

ENCLOSURE No. 2.

From C. SREE BALIAH, Deputy Collector, General duties, to the Collector of South Arcot, dated Tiruvarangum, 15th March 1870, No. 82.

WITH reference to your requisition at the foot of the Board's Proceedings, No. 372, dated 19th January 1870, I have the honour to submit a Statement showing separately for wet and dry the average produce of land for one cawny, the assessment thereon, and the proportion of the profits to the assessment.

2. The assessment entered in column 2, is the average of the Ooloos rates now obtaining.

WET.—The produce of 30 Kolams in column 3 is fixed after due consideration. The second crop is omitted advisedly to meet inequalities, and if there are lands yielding a far less outturn than that named, it is because the expenses of cultivation are not as much as they should have been, and this fact, coupled with the low rate of assessment generally paid for such lands, will not perceptibly affect the proportion entered in column 8.

A third of the gross produce has been put down for expenses of cultivation, and this is rather high, as the price of straw which is very valuable in particular localities (and in no place is it, I believe, less valuable than the labour required for ploughing up fields) is omitted in the cultivation.

The price of paddy at present is 27 measures a Rupee. I have taken 30 measures—*Vide* column 7.

3. DRY.—I have fixed on "Cumboo" for purposes of calculation, as this is the crop most generally raised on dry lands of every quality. There are other crops grown which are more remunerative, but as they are not as general, I have not taken them as my guide.

In almost all the villages of my division, Indigo is cultivated, and in some cases, I have come in contact with, I know the profits to the ryot are incredibly high. A ryot who cultivated 8 cawnies of his dry land with indigo, sold the crop while standing, for 720 Rupees, the expenses of cutting the same to be borne by the vendor. The cost of cultivation may be taken at 25 per cent., and the remainder viz., Rupees 67-8-0, is a clear profit upon each cawny, which hardly pays us 3 Rupees a year.

Such cases are not limited, but I have not let them influence me in my present calculations, on the ground that they are not quite as general as "Cumboo."

4. The Statement shows that the proportion of the profits to the assessment is 2¼ times in the case of wet lands, and 2½ times in that of dry. I can safely assure you as to the correctness of the proportion. It is in nowise unfavourable to the ryot.

For purposes of calculating the amount assessable with the Income-tax, I would submit that a Rupee Land-tax whether wet or dry, be taken to represent 2½ Rupees profit.

5. I regret the delay in submitting this report; but the subject is one of great importance, and the conflicting opinions of the two Tahsildars in this division, in which again I did not concur, rendered it necessary that I should take some time to consider before venturing to submit an opinion.

There is a natural disinclination on the part of the ryots to speak the truth in matters of the kind, as I had already occasion to submit,—*Vide* Government Order, No. 140, dated 26th January 1870, and the prejudice is so strong, and also general, that even Government servants of long standing, blindly subscribe themselves to statements, which on their face, ought to have shown themselves as false.

The truth of my remark will be evident from the return of positive loss of 2 Rupees per cawny of dry land of the first class, made by the Tahsildar of Trikalore Talook. This class of lands in this district, it must be remembered, was Bagayat lands, assessed formerly at very high rates, on the ground of the Garden crops raised thereon being highly remunerative, and if any land of the dry class is more profitable, it is those transferred to that head from that of Bagayat or Garden.

(True Copy.)

(Signed) C. W. READE,
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Ramasamy Naik of Kottakolam...	...	¾		
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The truth of my remark will be evident from the return of positive loss of 2 Rupees per cawny of dry land of the first class, made by the Tahsildar of Trikalore Talook. This class of lands in this district, it must be remembered, was Bagayat lands, assessed formerly at very high rates, on the ground of the Garden crops raised thereon being highly remunerative, and if any land of the dry class is more profitable, it is those transferred to that head from that of Bagayat or Garden.

(True Copy.)

(Signed) C. W. READE,
Collector.

ENCLOSURE No. 3.

Statement showing on average the actual proportion of profits from land to land revenue, in the general charge Deputy Collector's division of South Arcot, 1870.

Description of land.	Average assessment per cawny.	Gross produce in Kullams of 36 Madras measures.	Expenses of cultivation estimated in grain.	NET PROFITS.		Difference between columns 2 and 6.	How many times is the amount in column 7 of that in column 2.
				In grain.	Money.		
1	2	3	4	5	6	7	8
	RS. A. P.				RS. A. P.	RS. A. P.	
Wet or irrigated.	6 14 4 or 7 Rupees.	Paddy, 30 Kullams.	10 Kullams.	20 Kullams.	26 10 8	19 10 8	2, 75 or 2¾ times.
Dry or unirrigated.	2 13 4 or 3 Rupees.	Kumboo, 10 Kullams.	3 Kullams.	7 Kullams.	10 8 0	7 8 0	2, 5 or 2½ times.

TIRUVARANGUM,
15th March 1870.

(Signed) SREE BALIAH,
Deputy Collector.

(True Copy.)

(Signed) C. W. READE,
Collector.

Exd. G. A. Turton.

From W. F. HATHAWAY, Esq., Acting Collector of Tanjore, to the Acting Secretary to the Board of Revenue, dated Trivadi, 26th March 1870, No. 108.

WITH reference to the Proceedings of the Board of Revenue, No. 372, of the 19th January last, I have the honour to state that there is not much difficulty in estimating fairly the proportion of Government assessment on wet land, as there is a great deal of unanimity in putting it down at a little less than 25 per cent. of the gross out-turn according to the present price of grain. This figure again receives a corroboration from the old commutation accounts, by which it was then 47 per cent., and as the price has almost exactly doubled since then, we get from this also a rate of 23½ per cent. With dry land there are greater variations, but excluding extreme cases, the computations range between 17 and 25 per cent.

2. But it is a very different matter when we attempt to divide the remaining 75 or 76 per cent. into "necessary charges" and "net profit," from there being no exact principle for deciding what charges are allowable. The usual idea in this district is to find out the rate at which land is sublet by a wealthy puttahdar to a cultivating under-tenant, and to consider the whole amount of the crop that is not taken by the puttahdar, but allowed by him to the under-tenant as "cost of realization," this being somewhere between 30 and 40 per cent. (including 9 or 10 per cent. paid separately to village servants). But this is clearly wrong, for, as the under-tenant supports himself and his family on this per-centage, it is plain that the whole amount ought not to be considered the necessary cost of realization. It is quite true that the ryotwary land-holders in this district being usually Brahmins or others, too lazy or too respectable to work with their own hands, may in practice have to pay this amount to under-tenants, but this does not show that it ought to be taken therefore as the real cost. And again it is the rule always to add this Swatantram (or fees of 9 or 10 per cent. that are paid to the village servants) to costs of cultivation, merely because it is the invariable rule to make such allowances. But this again is clearly incorrect, for how pay to a barber, or a dhobi, or a pagoda, can be called part of the *necessary* cost of raising a cereal crop, it is difficult to say.

3. Without some principles therefore laid down for deciding what is to be included in the two categories, I do not see how this 75 per cent. is to be divided between "costs of realization" and "net profit". Some divide it as 28 and 48, others as 40 and 36; but any other figures can be obtained according to what is and what is not allowed as necessary cost. One Rupee of assessment gives therefore from 2 Rupees to 1½ Rupees net profit, according to what are allowed as necessary charges.

4. But without attempting to say what charges should be put on the one side or the other, the two can be left together, so as merely to settle the proportion of the Government demand on the whole gross value of the crop; and, as said above, this may be taken at about 24 or 25 per cent. for Nunjah, and between 17 and 25 per cent. for Punjah land. The figures which give it are:—

Description of land.	Average value of crop per acre.	Government demand.	Remainder, including (1) cost of cultivation, and (2) net profits.
	RS. A. P.	RS. A. P.	RS. A. P.
Nunjah	22 12 0	4 8 9 or 25 per cent. on the last.	18 3 3 or 75 per cent.
Punjah	8 5 0	1 11 10 or 21 per cent.	6 9 2 or 79 per cent.

Exd. T. Cartledge.

From W. M. CADELL, Esq., Acting Collector of Trichinopoly, to the Acting Secretary to the Board of Revenue, dated 8th March 1870, No. 52.

ADVERTING to the Board's Proceedings, No. 372, under date the 19th January last, I have the honour to report as follows.

2. At the time of the settlement in Fusly 1274 the condition of all the villages of this district was carefully examined into as regards the productive powers of their various soils, means of irrigation, proximity to markets and other circumstances, and the rate of assessment on each class of lands was fixed at 50 per cent. of the commutation price of the net profits derived from them after making due allowances for cultivation expenses, etc. But as the high prices which prevailed for some years past have far exceeded the commutation rates adopted at the settlement the assessment then fixed now bears a much smaller proportion to the actual profits of the land-holders.

Vide Mr. Puckle's Notification of the 18th April 1864, Supplement to *Trichinopoly Gazette*.

3. All the nunjah and punjah lands were, during the settlement, divided into nine and ten tarams respectively according to their productive powers, and they were again divided, the nunjah into five and the punjah into three groups, with reference to the facilities of irrigation, distance from market town, etc. The land, capable of producing 45 cullums* of paddy per acre, was classed as the first or highest taram of nunjah, and that which could produce 12 cullums as the ninth or the lowest.

*Harris Cullum equivalent to 24 Madras measures.

†Taram.	Paddy per Harris Cullum of 24 Madras measures.
1	45
2	40
3	40
4	35
5	30
6	25
7	20
8	15
9	12
Total...	262
Average...	29

4. The average gross produce then comes up to 29 cullums of paddy per acre, as shown in the margin.†

5. The cultivation expenses were calculated at 30 per cent. of the gross produce on an average, although in the cases of particular tarams Mr. Puckle has estimated them at a little more or less than the above percentage. Deducting then from the above average produce of 29 cullums 30 per cent. or 9 cullums on account of cultivation expenses there remains a balance of 20 cullums, valued at 10 rupees, calculating the price at the commutation rates adopted at the settlement. Ten per cent. of this commuted value of the net produce was allowed on account of minor channels, paths, rocks, etc., included in the areas of cultivated fields. There was thus left a balance of profits of 9 rupees per acre.

6. The average assessment is estimated by Mr. Puckle in his final report‡ at Rupees 4-4-0 per acre. This is nearly 50 per cent. of the net average profits, viz., Rupees 9, as shown in the preceding paragraph.

‡ Dated 30th May 1865, paragraph 41.

7. That this result holds good in the case of any particular taram of land may be shown thus—Taking for instance the fourth taram, the gross produce per acre of this taram is estimated at 35 cullums of paddy, valued at Rupees 17-8-0, and the cultivation expenses at Rupees 7-8-0, there is thus a balance of Rupees 10. Deducting from this balance 10 per cent. of it, viz., Rupee 1, on account of minor channels, paths, etc., included in the areas of cultivated fields, there is a balance of Rupees 9, of which 50 per cent. or Rupees 4-8-0 is the assessment fixed for this taram of land in the third or standard group.

8. By a similar calculation a like result is arrived at in the case of dry lands.

9. Latterly prices have risen much above thrice the commutation rates, and then even making allowances for bad seasons the profits derived by the land-holders from lands must have been three or even four times the amount of the assessment paid by them. This year, however, prices have again fallen. Paddy is now selling at Rupee 1 per cullum. Calculating at this rate the price of the 20 cullums of paddy, being the average net produce per acre, referred to in paragraph 5, comes up to 20 rupees, from which 10 per cent. or Rupees 2 being deducted on account of minor channels, paths, etc., the balance is Rupees 18. Again, deducting from this sum of Rs. 18 the amount, viz., Rupees 4-4-0, of the average assessment per acre there remains a balance of Rupees 13-12-0, or about 3¼ times the assessment. Making, however, allowances for bad seasons, deficiency of produce, variation in prices, etc., I am of opinion that the net profits of the land-holders in this district may, in the case of nunjah and garden lands at least, be estimated at not less than three times the amount of the assessment.

Exd. J. Tulloch.

From J. R. ARBUTHNOTT, Esq., Officiating Collector of Madura, to the Acting Secretary to the Board of Revenue, dated 7th April 1870, No. 100.

I HAVE the honour, with reference to the Proceedings of the Board of Revenue, dated 19th January 1870, No. 372, to furnish my opinion with regard to the rates at which the profits on incomes arising from agricultural sources should be estimated. I do not think it possible to fix any general rates for particular descriptions of land, with reference to their assessment; for in this district the amount of tax paid by land-holders is a very imperfect criterion of the value of their holdings, and I would rather assess the comparatively few cultivators who are liable to Income-tax in Madura, according to the general information that can be gained with regard to their incomes, than trust to a rule which must necessarily be unequal, and unjust in its operation; I am convinced that the rent paid is, as a rule, far less than the profits that accrue to the holders of land, and would suggest the expediency of taxing the profits derivable from punjah cultivation on an estimate not to exceed double the assessment and nunjah at a rate not exceeding three fold the land tax payable thereon.

2. I have the honour to forward reports on this subject from the Divisional Officers I have consulted on the subject.

ENCLOSURE No. 1.

From G. McWATTERS, Esq., Head-Assistant Collector, to the Officiating Collector of Madura, dated Ramnad, 28th March 1870, No. 78.

I HAVE the honour to report on the Board's Proceedings of the 19th January, No. 372, with reference to the proportion which the land revenue bears to the actual profits from land in these Zemindaries.

2. For the purpose of calculation, the land may be conveniently divided as follows:—

1. Nunjah. Sheykal Nunjah to Punjah.
2. Nunjah Vaupyre.
3. Nunjah Taram Punjah. Punjah Vaupyre.
4. Rekay Punjah.

The assessment on Class 1 is one-half the gross produce, the expenses of cultivation one-quarter of the gross produce, and the remaining one-quarter is clear profit to the cultivator. In Class 2, the assessment is about one-third, the expenses of cultivation one-third, and the profits one-third. In Class 3, the assessment is one-third, the expenses two-fifths, and the profits two-fifth, and in Class 4, the assessment is one-tenth, the expenses three-tenths and the profits six-tenths or three-fifth. Adding these together, we have, as regards assessment and profits, the following ratios:—

Nunjah	½ to ½ or ·5 to	·25
Nunjah to Punjah	⅓ to ⅓ or ·33 to	·33
Nunjah Taram Punjah	⅕ to ⅖ or ·20 to	·40
Punjah	1/10 to ⅗ or ·1 . to	·60
	Total—1·13 to	1·58

To this must, however, be added the profits from trees which bear the relation of 4 to 1 to the assessment, there being next to no expenses incurred. This would make a grand total of 1.33 to 2 38 or 1 to 1·70 which is nearly 1 to 1¾.

I should consider 1 to 1¾ a fair estimate on the whole. I certainly believe that the profits from land in these Zemindaries on a wide average are 1¾ times the assessment paid to the Zemindar.

ENCLOSURE No. 2.

From H. W. BLISS, Esq., Acting Sub-Collector, to the Acting Collector of Madura, dated Dindigul, 5th April 1870, No. 134:—

IN reply to your letter, No. 514, dated the 23rd ultimo, I have the honour to report my opinion as to the actual proportion which Income-tax assessments should bear to the tax on the land held by the persons assessed.

2. In the first place, I venture to think that it is impossible to lay down a rule which shall meet even a fair proportion of all possible cases, since, in the present state of the Settlement of the chief part of the country, there is nothing more uncertain and variable than the ratio between the profits of agriculture and the assessment on the land. This arises not so much from the want of skill or care with which the Settlements of the different districts were made, and the assessment of particular lands fixed, but from the fact that in many cases the quality of the soil only (and perhaps the facility of meeting with a market) was taken into consideration, and not the more important points of a favourable climate, or the reverse, and a certain or uncertain supply of water, whether from rain or from irrigation. For instance, the whole of the Dindigul Talook was assessed at the same time and by the same officer, but while in the greater proportion of it the profits of Nunjah cultivation could not assume (for Income-tax purposes) at more than one and half times the assessment on the land, in the villages of Ahtur and Batlagundu, and perhaps a few more, the ratio might safely be taken at three times. The difference is of course calculated on an average of years, and is due to the certainty in those particular cases of the water supply. Again, if in the villages of this talook generally, the profits of dry cultivation be taken as equal to the assessment (and it would press hardly on the people to estimate them more highly), the profits of the same kind of cultivation in the neighbouring villages of the Coimbatore and Trichinopoly Districts (which are much more lightly assessed) should be put at (say) one and half times the land tax, to ensure the payment by the cultivators there of a proportionate share of Income-tax. It is not necessary to multiply instances of the same kind. I only wish to show, that if it is desired to make cultivators pay Income-tax really in proportion to their gains, the object cannot be attained by the adoption of a uniform rule of estimating the ratio of profits to land assessment. If, however, it is thought that the advantages of uniformity are so great as to justify what must, I feel sure, be a large sacrifice of revenue, I would decidedly deprecate the adoption of the same assumption as to the ratio of profits with regard to all classes of lands. Without introducing any confusion into the relations between the payers of Income-tax and the Government, and without leaving any opening for intrigue in the Cutcherry, or for temptation to the Assessing Officer in the settlement of the ratio of profits to be assumed in each particular village, or talook, or with regard to any particular individual, nothing could be easier or more just than to assume a different ratio of profit for each of the three descriptions of cultivated land. At present, the profits are assumed to be equal to the assessment. I would suggest that for the future, the assumption should be, that the profits are in the following ratios to the assessment :—

Of dry cultivation	1
,, garden cultivation	1½
,, wet cultivation, with uncertain and precarious water-supply .	1½
,, wet cultivation, with certain water-supply	2

3. From inquiries I have made, I have every reason to believe that if such a rule of estimating agricultural profits for the purpose of Income-tax assessment were adopted, the tax would press with unfair weight on no one, and people would have to pay very nearly in proportion to their actual gains. It cannot be doubted that there would be a considerable gain of revenue to Government, though of course not so much as if each Collector were empowered to declare from time to time the particular ratio of profits to land tax which should be in force, with regard to each description of land, in each village, talook or tract of country in his district. Under such a scheme, no one would have, I think, to pay less, and a good many would have to pay much more, than under the system before suggested; and the revenue would be correspondingly enhanced. My only doubt is, whether the gain in revenue would be sufficient to counterbalance the great additional trouble to Revenue officers of all grades who have already enough to do, the certainty of the multiplication of appeals, and the risk of intrigue and corruption, which could not fail to accompany any attempt to estimate agricultural profits, village by village, or even talook by talook. I hardly think it would; and would rather, therefore, recommend the adoption of the simple classification given above, which would be fair to the people generally, though undoubtedly unduly favourable in many cases of exceptionally good land, good situation, or good supply of water. To meet such exceptional cases, however, power might be reserved to Collectors to make special representation of all cases in which a general enhancement (or diminution) of the commonly assumed ratio of agricultural profits to the land assessment might appear necessary or expedient in any considerable tract of country. Individual cases of hardship can never occur if appeals are patiently inquired into, and individual cases of unduly lenient taxation can never be numerous enough to be worth notice, if such special representations from Collectors are supported by sufficiently good reasoning to ensure their meeting with the approval of the Board.

Exd. G. A. Turton.

From C. T. LONGLEY, Esq., Acting Collector of Tinnevelly, to the Acting Secretary to the Board of Revenue, dated Trichendore, 30th March 1870, No. 131.

I HAVE the honour to acknowledge the receipt of Proceedings of the Board, dated 19th January 1870, No. 372, embodying Proceedings of Government of the 13th idem, No. 85, calling for information as to the actual profits derived from lands for the purpose of assessing Income-tax thereon, and to submit the following report.

2. On the receipt of the Proceedings I called upon the different Tahsildars to submit their views, and they have, with three exceptions, stated that the actual proportion of profits from Land to Land Revenue does not exceed the assessment.

3. As most of the Tahsildars furnished inadequate data, and as the profit they mentioned was certainly lower than the profit generally supposed to be derived from land, I had a statement prepared of the whole extent of land under occupation as it stood at the Jummahbundy of Fusly 1278, with the assessment, distinguishing lands irrigated by river and channel fed tanks from lands irrigated by rain-fed, as well as dry lands.

4. I then called upon the Tahsildars to give the current prices at which different kinds of land were selling, and the prices given by them are entered in columns 7, 10, and 13 of the statement.

5. As six per cent. is, under ordinary circumstances, supposed to be realized by persons investing in land, interest at that rate was calculated upon the average *total* value of the different kinds of land, and then deducting the actual assessment from this sum, the result noted in column 18 is obtained, but this result is not uniform, ranging from ⅝ to 4¼. But the average of the profits of the nine talooks comes to double the assessment, based on the supposition that six per cent. is the actual profit on money invested in land.

6. However, for the purpose of arriving, if possible, at a satisfactory conclusion on this point, I consulted, as the Board suggested, some of the principal ryots from different parts of the district, and the matter was fully discussed. They all agreed in asserting that general investments in land yield only three per cent. profit, the exceptional cases being rich lands in the Tambrapurny valley, and the Cotton-growing soils of Sattur and Ottapedaram, which they allowed would yield them six per cent. profit. Notwithstanding the ryots' assertions that six per cent. was an exceptional rate of profit, I feel sure that six per cent. is a low rate of profit for land in Tinnevelly. Indeed, they admitted that they charged twelve per cent. interest on the best landed security.

7. Supposing, therefore, that my calculations are correct, and that the proportion of profits from Land to Land Revenue is on an average *double*, I do not think the result can fairly be acted on for the following reasons:—

(1.) In the present unsettled state of the district, the assessment is very *unequal* and contains many anomalies, and to adopt a higher rate of profit than the present for the purposes of the Income-tax would be exacting; for though, in some cases, as I have shown, the profit is four times the assessment, yet in others the profit is only equal to the assessment, the incidence of the tax would therefore be very unequal.

(2.) That if double the assessment were adopted as the income from profits on land, taxation would be strained to its utmost limit and no margin left for adverse seasons, etc.

8. I recommend therefore that the profits on land for this district, for the purposes of the Income-tax, be calculated at no more than the assessment.

ENCLOSURE No. 1.—Statement.

Exd. T. Cartledge.

Statement of the whole extent of land under occupation as it stood at the Jummahbundy of Fusly 1278, *etc.*—(Continued.)

Talooks.	Average value of Nunjah lands under rain-fed tanks.			Average value of dry lands.		
	Extent.	Rate per Cottah.	Total value.	Extent.	Rate per Cottah.	Total value.
	9	10	11	12	13	14
	S. COTTA. ML. MR.	RS. A. P.	RS. A. P.	CHAINS. 64ths.	RS. A. P.	RS. A. P.
Ambasamudrum	4,330 10 5½	200 0 0	8,66,101 12 7	26,514 ⅓	15 0 0	3,97,716 5 0
Tinnevelly	2,347 3 0	260 0 0	6,10,237 8 3	27,540 ⅘	51 0 0	14,04,545 9 3
Tenkarei	6,026 20 4	175 0 0	10,54,720 13 4	35,206 ⅓	107 8 0	37,84,661 13 9
Ottapedarum	1,542 16 4½	200 0 0	3,08,556 4 0	40,795 0	68 0 0	27,74,060 0 0
Sattur	2,521 10 6½	200 0 0	5,04,303 2 0	35,600 0	450 0 0	160,20,000 0 0
Strivilliputtur	13,031 17 2½	252 0 0	32,84,019 6 0	40,125 0	210 0 0	84,26,250 0 0
Sankarnainarkovil	2,991 5 6	225 0 0	6,73,036 9 8	31,174 ⅓	76 0 0	23,69,246 9 0
Tenkasi	350 12 6½	65 0 0	22,789 11 6	12,692 ⅓	65 0 0	8,24,997 4 0
Nanguneri	1,328 19 1½	260 0 0	3,45,317 8 11	54,895 ⅓	52 8 0	28,72,030 15 7
Total...	34,471 11 5½	... ...	76,69,302 12 3	3,04,543 ⅘	....	388,73,508 8 7

Statement of the whole extent of land under occupation as it stood at the Jummahbundy of Fusly 1278, *etc.*—(Concluded.)

Talooks.	Total value of Columns 8, 11, and 14.	Interest at 6 per cent. per annum on the total value of all lands.	Deduct total assessment of Columns 3 and 5.	Balance.	Proportion of profits to assessment.
	15	16	17	18	19
	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	
Ambasamudrum	260,39,887 8 2	15,62,393 4 0	4,03,179 0 1	11,59,214 3 11	2½
Tinnevelly	178,86,165 7 6	10,73,169 14 0	3,86,760 4 4	6,86,409 9 8	1⅘
Tenkarei	181,51,207 13 8	10,89,072 7 6	3,82,734 13 10	7,06,337 9 8	1⅘
Ottapedarum	32,97,713 2 0	1,97,862 12 7	1,51,129 8 3	46,733 4 4	3
Sattur	165,24,303 2 0	9,91,458 3 0	1,81,879 1 5	8,09,579 1 7	4½
Strivilliputtur	117,10,269 6 0	7,02,616 2 0	3,42,384 10 8	3,60,231 7 4	1⅛
Sankarnainarkovil	42,15,360 13 6	2,52,921 10 0	1,82,650 9 7	70,271 0 5	0⅝
Tenkasi	79,92,489 10 6	4,79,549 6 0	1,71,108 1 3	3,08,441 4 9	1⅘
Nanguneri	147,54,939 4 9	8,85,296 5 6	3,85,590 14 9	4,99,705 6 9	1⅝
Total...	1,205,72,336 4 1	72,34,340 0 7	25,87,417 0 2	46,46,923 0 5	$\frac{1\,8\,\frac{1}{2}}{9} = 2\frac{1}{16}$

TRICHENDUR,
30th March 1870.
Exd. J. Tulloch.

(Signed) C. T. LONGLEY,
Acting Collector.

From H. E. SULLIVAN, Esq., Acting Collector of Coimbatore, to the Acting Secretary to the Board of Revenue, dated Errode, 22nd March 1870, No. 59.

I HAVE the honour to reply to the Board's Proceedings, dated 19th January 1870, No. 372.

2. The subject has had the careful consideration of myself, the Sub-Collector, and the Head Assistant, and the conclusion arrived at is that it is a fallacy to suppose that the profits derived from land bear a fixed proportion to the assessment thereon. A reference to the enclosed statements* will show that not only the assessment on, but the produce of, the same descriptions of soil varies considerably in different talooks, and had the investigation been further pursued, I have little doubt that similar variations would have been discovered in different villages of the same talook. An imperfect classification of the soil and an unequal adjustment of the public demand in former days, defects which are now in course of being remedied, will account for the first, whilst diversity of climate and of the means at the disposal of the cultivators is sufficient to preclude an uniformity of yield on the same description of soil. It is therefore impossible to frame a return which, with any pretension to accuracy, would indicate the proportion of profits to assessment for a large province like this. To solve the problem by merely striking an average would bear very hardly on some individuals, whilst others would escape their fair share of the burden.

* Mr. Roupell.
Mr. Best.

3. In paragraph 6 of the letter from the Government of India, embodied in the Proceedings of the Board under reply, it is laid down as an axiom that "under a general Income-tax Act the "share of the gross profits which is left under the Land Revenue Settlement to be enjoyed by "the parties in possession, is clearly liable to assessment equally with income from any other "source." On this principle, a ryot owning land yielding a gross profit of Rupees 100 on which the assessment was Rupees 5, would be liable to be assessed for the Income-tax on Rupees 95. But this is inconsistent with the orders of the Government of India, under date the 29th June 1869, No. 1,614, in which the propriety of making some provision for the cost of realization, *i. e.*, expenses of cultivation, was recognized. The profits of a ryot as of a merchant are represented by the amount he clears, and this only, I am of opinion, can be held liable to Income-tax. The statements to which this letter gives cover were, however, prepared under my instructions in accordance with the view expressed by the Government of India in paragraph 6 of the letter from the Financial Secretary to the Bombay Government, dated 17th December 1869, No. 3,177, and column 6 represents the value of the produce to the ryot after deducting the land assessment only, without any provision for the expenses of cultivation. What these actually amount to can only be roughly estimated. It has been generally assumed that one-third of the gross produce is a reliable approximation, but this I think has never been satisfactorily proved, and yet on this point the whole calculation hinges. Take an example:—

The estimated produce per acre of unirrigated land in the Coimbatore Talook			
is one and a half Shelagays of grain valued at	Rupees	4	8 0
Deduct cost of cultivation at ⅓		1	8 0
Balance...		3	0 0
Deduct assessment	,,	1	0 0
Net profits...		2	0 0

Now if this estimate was correct, the ryot would, even supposing that he had to pay only on his net profits, be liable to Income-tax on double the amount on which he is at present assessed, but the question is whether the cost of cultivation is not estimated at a far lower figure than it ought to be. Does Rupees 1½ cover the interest of the capital expended on agricultural implements and cattle, the cost of feeding the latter, the value of labour employed in cultivating that extent, and the price of the seed grain? I do not think that it does, and so far as I am aware, there is nothing to show on what data the assumption above referred to is based.

4. I fully believe that in many cases the Government demand does not represent the net profits of the ryot; I should be very sorry to think that it did, but when it is considered how much the Malrasryot already contributes to the Imperial Revenue and what a very small per-centage is returned to him, how he is called on to patch up at his own cost Imperial Irrigation works, because, as he is told, the State has no funds available, I would most earnestly deprecate his being saddled with an enhancement of the Income-tax, and would represent that although in some cases the assessment may not be the measure of his profits, the amount of the latter could not be arrived at without inquisitorial proceedings, which would be opposed at every turn, and which would necessitate the employment of a large staff, the cost of which would counterbalance any quasi-advantage to the revenues gained by putting the screw on. Nor must it be forgotten that the new Local Funds Bill will impose additional burdens. The Road Cess is to be doubled, and houses of every description are to be taxed; and if the Income-tax is to be enhanced as well, the ryot will be in a worse position than he was a quarter of a century ago, previous to the reduction of the Land-tax and the abolition of the Moturpha. If, however, it is determined that the Land Cess is no longer to form the basis on which the Income-tax is to be calculated, it will be necessary to assess profits individually as in the case of merchants and others.

5. Translations of the views of some respectable ryots who were consulted are enclosed.

Enclosures Nos. 1 to 5.—Statements.

Ed. T. Carlledge.

ENCLOSURE No. 1.

Statement showing the proportion borne by the Land Revenue to the gross profits of the ryots in the three Talooks of the Head-Assistant Collector's Division.

Description of crop.	Description of soil.	Estimated produce per acre.	Value at Market price.	Assessment.	Difference between 4th and 5th Columns.	Proportion of assessment to gross profits (after deducting the assessment.)	Remarks by the Tahsildars.
1	2	3	4	5	6	7	8
		Coimbatore Talook.			RS. A. P.		
Paddy	Wet	7 Salagays.....	Rupees 26-4-0 at Rupees 3-12-0 a Salagay.	Average per acre 6-14-0.	19 6 0	35½ per cent. nearly.	The net profit per Cawny after deducting expenses of cultivation and assessment is *8 Rupees or Rupees 6-4-0, per acre. The produce of good and bad land is taken into calculation when striking the average.
Cholum ... Gram ..... Cumboo ... Tanay	Dry	1½ Do. ...	Rupees 4-8-0 at Rupees 3 a Salagay.	1 0 0	3 8 0	28½ nearly. ...	The net profit per acre, after deducting expenses of cultivation and assessment is †14 Annas.
Cholum ... Raggy ..... Wheat	Garden land, irrigated by wells.	4 Do. ...	12 Rupees at Rupees per Salagay.	1 0 0	11 0 0	9 per cent. nearly	The net profit per acre after deducting expenses of cultivation is Rupees 2-12-0‡.
The proportion of assessment to gross profit as shown in Column 7 is, therefore, 24½ per cent. on an average of all the crops.							
		Pulladom Talook.					
Paddy.....	Wet	4 Podies or 768 Madras measures.	48 Rupees at 12 Rupees a Podie.	8 0 0	40 0 0	20 per cent. ...	The expenses of cultivation are not deducted.

* Not one-half of the amount in Column 6. † Just one quarter of the amount in Column 6. ‡ Nearly one-third of the amount in Column 6.

Statement showing the proportion borne by the Land Revenue, etc.—(Continued.)

Description of crop.	Description of soil.	Estimated produce per acre.	Value at Market price.	Assessment.	Difference between 4th and 5th Columns.	Proportion of assessment to gross profits (after deducting the assessment.)	Remarks by the Tahsildar.
1	2	3	4	5	6	7	8
		Pulladom Talook—(Concluded.)		Rs. A. P.	Rs. A. P.		
Cholum	Wet	3 Podies or Madras measures 576.	Rupees 36 at 12 Rupees a Podie.	8 0 0	28 0 0	29 per cent. nearly.	Although greater profit is derived by the cultivation of Betel and Plantain and by raising two crops, yet the average of profit only is taken into calculation. Although double the profit mentioned in this Statement is derived by raising two crops in superior garden lands, the average profit only is taken into calculation.
Do.	Garden	Do.	Rupees 36 do. at Rupees 12 a Podie.	2 0 0	34 0 0	6 do. nearly.	
Cholum	Dry black soil	1½ Podies or 288 Madras measures.	18 Rupees at 12 Rupees a Podie.	2 0 0	16 0 0	12½ per cent. nearly.	
Do.	Red soil	¼ do. or 144 do.	9 Rupees at 12 Rupees a Podie.	1 0 0	8 0 0	Do. ...	
Gram	Do. do.	Do.	6 Rupees	1 0 0	5 0 0	20 per cent.	
Raggy	Garden	2 Podies or 384 Madras measures.	16 Rupees	2 0 0	14 0 0	Rather more than 14 per cent.	In dry land (black soil) three crops are raised in every two years; the average profit only is taken into calculation.
Tobacco	Do.	2 Candies	50 Rupees at 25 Rupees a Candy.	2 0 0	48 0 0	Rather more than 4 per cent.	
Betel Vine ...	Wet	.....	100 Rupees at 25 Rupees a Candy.	8 0 0	92 0 0	9 do. do. ..	
Plantain	Do.	.....	70 do. do. ...	8 0 0	62 0 0	13 do. do. ...	
Sugar-cane...	Wet	.....	100 Rupees at 50 Rupees a Candy.	8 0 0	92 0 0	9 do. do. ...	Profit is derived with reference to the productive power of the soil, and the exertion on the part of the ryots employed in cultivating it. It would be advisable that each ryot should be taxed with reference to the profit derived by him, as is the case with the merchants, but the fixing of a particular rate on a particular merchant, such as a dealer in grain, a dealer in tamarind, would, I think, be unfair. (Sd.) M. Vencatachellum, Tahsildar. We the undersigned concur with the Tahsildar in the opinion expressed above. (Sd.) Soobia. (,,) Chendrien. (,,) Anuntanarrayanien. (,,) Vencatasiengar. (,,) Keistnien, Curnum of Tiroopoor. (,,) Avenasy Gownden, Monigar of Nullur. (,,) Vencataraya Gownden, Moonsiff, Monigar of Nullur,
Cotton	Dry black soil	.....	20 do. do. ...	2 0 0	18 0 0	Rather more than 11.	
	Do. Red do.	.....	10 do. do. ...	1 0 0	9 0 0	Do. do. ...	

The proportion of assessment to gross profit as shown in Column 7 is, therefore, 13 per cent. about on an average of all the crops.

In the Pulladom Talook, the expenses of cultivation are on the average not quite one-quarter of the gross profit *minus* the Government demand.

Pollachy Talook.

Paddy	Wet	7 Salagays and 20 Bullahs.	23-14-8 at 3-2 per salagay.	6 7 8	17 7 0	37⅛ nearly.	The average produce of each description of land is entered. If the expense of cultivation is deducted, the net profit will be equal to half of the profit mentioned in column 6. In striking the average, the produce of the inferior and superior descriptions of land is taken into calculation.
Cholum	Dry	1 Salagay and 20 Bullahs.	8-5-4 at Rupees 5 per salagay.	0 14 2	7 7 2	12 per cent. nearly	
Gram	Do.	2 Salagays and 6 Bullahs.	5-8-0 at 2-8-0 per salagay.	0 14 2	4 9 0	19½ do.	

Statement showing the proportion borne by the Land Revenue, etc.—(Concluded.)

Description of crop.	Description of soil.	Estimated produce per acre.	Value at Market price.	Assessment.	Difference between 4th and 5th Columns.	Population of assessment to gross profits (after deducting the assessment.)	Remarks by the Tahsildars.
1	2	3	4	5	6	7	7
		Pollachy Talook.		RS. A. P.	RS. A. P.		
Garden produce.	Dry land irrigated by well. Cholum ...	S. 5 B. 18	28 at Rupees 5 per Salagay.	1 12 0	26 4 0	6¾ per cent, nearly.	
	Raggy ...	7 0	21 at 3 do.	1 12 0	19 4 0	9 do.	
	Chillies — Candies.	1 0	20 do. do.	1 12 0	16 4 0	9¾ do.	
	Tobacco — Candies.	1 0	20 do. do.	1 12 0	18 4 0	do.	
	The proportion of assessment to gross profit, as shown in Column 7, is, therefore, 14¾ per cent. about on an average of all the crops.						

(Signed) N. A. ROUPELL,
Acting Head-Assistant Collector.

(True Copy.)

(Signed) H. E. SULLIVAN,
Acting Collector.

Comparison of the estimated produce and assessment in the several Talooks of the Coimbatore Sub-Collectorate.

Description of crop.	Description of soil.	Estimated produce per acre.			Value at market price.			Assessment.		
1	2	3			4			5		
		Caroor.	Dharapuram.	Oodoomalapettah.	Caroor.	Dharapuram.	Oodoomalapettah.	Caroor.	Dharapuram.	Oodoomalapettah.
		RS.	RS.	RS.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Nunjah Paddy.	Karasal	720	760	720	30 0 0	47 8 0	40 0 0	9 1 8	11 3 0	5 14 4
	Padugai	510	600	798	22 8 0	37 8 0	44 5 4	6 14 10	8 15 3	7 15 11
	Cevel	396	413½	798	16 8 0	25 13 6	44 5 4	7 8 4	5 9 4	9 1 1
	Vellai	396	...	720	16 8 0	... ...	40 0 0	6 7 11	... ...	8 6 7
	Manal	396	480	798	16 8 0	30 0 0	44 5 4	6 4 2	6 11 5	8 10 3
	Saralai	396	432½	399	16 8 0	27 1 6	22 2 8	5 0 9	5 9 6	4 3 2
	Soocan	396	...	...	16 8 0	... ...	... ...	5 0 4	... ...	... ...
	Calar	252	373½	399	10 8 0	23 5 6	22 2 8	4 13 2	4 7 7	5 1 8
	Senkarusal	...	640	798	... ...	40 0 0	44 5 4	... ...	7 13 4	7 6 1
	Sambel	...	560	...	... ...	35 0 0	... ...	... ...	7 13 4	... ...
Punjah Sholum.	Karusal	144	400	192	12 0 0	40 0 0	16 0 0	1 7 0	1 7 0	1 6 10
	Senkarusal	...	320	192	... ...	32 0 0	16 0 0	... ...	1 4 1	1 4 1
	Cevel	120	80	168	10 0 0	8 0 0	14 0 0	0 13 4	0 14 0	0 15 4
	Padugai	144	112	168	12 0 0	11 3 2	14 0 0	1 1 4	1 1 3	1 3 9
	Sambel	...	112	...	... ...	11 3 2	... ...	... ...	1 1 3	... ...
	Manal	105	...	144	8 12 0	... ...	12 0 0	0 11 6	... ...	0 11 6
	Saralai	105	...	144	8 12 0	... ...	12 0 0	0 8 8	... ...	0 8 8
	Calar	54	...	144	4 8 0	... ...	12 0 0	0 7 0	... ...	0 9 0
	Vellai	...	...	168	... ...	... ...	14 0 0	... ...	... ...	1 2 8
Punjah Gram.	Manal	72	80	72	4 0 0	4 7 1	3 8 0	0 11 6	0 11 6	0 11 6
	Saralai	54	56	72	3 0 0	3 1 9	3 8 0	0 8 8	0 8 8	0 8 8
	Cevel	72	...	96	4 0 0	... ...	4 12 0	0 13 4	... ...	1 6 10
	Soocan	...	80	...	... ...	4 7 1	... ...	... ...	0 8 8	... ...
	Calar	...	32	72	... ...	1 12 5	3 8 0	... ...	0 7 0	0 9 0

Comparison of the estimated produce and assessment in the several Talooks, etc.—(Continued.)

Description of crop.	Description of soil.	Difference between 4th and 5th Columns.			Proportion of assessment to gross profit.			Remarks.
		6			7			8
		Caroor.	Dharapuram.	Oodoomala-pettah.	Caroor.	Dharapuram.	Oodoomala-pettah.	
		RS. A. P.	RS. A. P.	RS. A. P.	RS.	RS.	RS.	
Nunjah Paddy.	Karasal	20 14 4	36 5 0	31 1 8	½	1½	1½	
	Padugai	15 9 2	28 8 9	36 5 5	½	1½	1½	
	Cevel	8 15 8	20 4 2	25 4 3	½	½	1½	
	Vellai	10 0 1	... ...	31 9 5	½	...	½	
	Manal	10 3 10	23 4 7	35 11 4	½	½	1½	
	Saralai	11 7 3	21 8 0	17 15 6	½	1½	1½	
	Soocan	11 7 8	... ...	... ...	½	...	...	
	Calar	5 10 10	18 13 11	17 1 0	½	½	½	
	Senkarusal	... ...	32 2 8	33 15 3	...	½	1½	
	Sambel	... ...	27 2 8	... ...	...	½	...	
Punjah Sholum.	Karusal	10 9 0	33 9 0	14 9 2	½	1½	1½	
	Senkarusal	... ...	30 11 11	14 11 11	...	1½	1½	
	Cevel	9 2 8	7 2 0	13 0 0	1½	½	1½	
	Padugai	10 14 8	10 1 11	12 12 3	1½	1½	1½	
	Sambel	... ...	10 1 11	... ...	...	1½	...	
	Manal	8 0 6	... ...	11 4 6	1½	...	1½	
	Saralai	8 3 4	... ...	11 7 4	1½	...	1½	
	Calar	4 1 0	... ...	11 7 0	1½	...	1½	
	Vellai	... ...	... .	12 13 4	...	...	1½	
Punjah Grain.	Manal	3 4 6	3 11 7	2 12 6	½	½	½	
	Saralai	2 7 4	2 9 1	2 15 4	½	½	½	
	Cevel	3 2 8	... ...	3 5 2	½	...	½	
	Soocan	... ...	3 11 5	... ...	...	½	...	
	Calar	... ...	1 5 5	2 15 0	...	½	½	

Comparison of the estimated produce and assessment in the several Talooks, etc.—(Continued.)

Description of crop.	Description of soil.	Estimated produce per acre.			Value at market price.			Assessment.		
1	2	3			4			5		
		Caroor.	Dharapuram.	Oodoomala-pettah.	Caroor.	Dharapuram.	Oodoomala-pettah.	Caroor.	Dharapuram.	Oodoomala-pettah.
		RS.	RS.	RS.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.
Garden Cumboo.	Karusal	168	...	...	8 0 0	... ...	... ...	1 7 0	... ...	... ...
	Padugai	168	...	...	8 0 0	... ...	... ...	1 1 4	... ...	... ...
	Cevel	120	...	...	5 12 0	... ...	... ...	0 13 4	... ...	... ...
	Manal	120	...	...	5 12 0	... ...	... ...	0 11 6	... ...	... ...
	Saralai	105	...	...	5 0 0	... ...	... ...	0 8 8	... ...	... ...
	Calar	54	...	...	2 9 0	... ...	... ...	0 7 0	... ...	... ...
Garden Sholum.	Karusal	216	384	240	18 0 0	38 6 5	20 0 0	1 7 0	1 8 8	1 6 10
	Padugai	216	240	192	18 0 0	24 0 0	16 0 0	1 1 4	1 3 8	1 3 9
	Cevel	168	192	192	14 0 0	19 3 5	16 0 0	0 13 4	1 1 3	0 15 4
	Manal	168	160	144	14 0 0	16 0 0	12 0 0	0 11 6	0 14 10	0 11 6
	Saralai	144	160	...	12 0 0	16 0 0	... ...	0 8 8	0 11 1	... ...
	Calar	72	72	144	6 0 0	7 3 5	12 0 0	0 7 0	0 8 7	0 9 0
	Senkarusal	...	400	216	... ...	40 0 0	18 0 0	... ...	1 7 4	1 4 1
	Soocan	...	160	144	... ...	16 0 0	12 0 0	... ...	0 11 1	0 8 0
	Vellai	...	...	192	... ...	... .	16 0 0	... ...	... ...	1 2 8
	Sambel	...	192	...	... ...	19 3 5	... ...	... ...	1 3 8	... ...
Garden Raggy.	Karusal	270	...	..	16 6 0	... ...	... ...	1 7 0	... ...	... ...
	Padugai	270	...	...	16 6 0	... ...	... ...	1 1 4	... ...	... ...
	Manal	204	...	...	12 6 0	... ...	... ...	0 11 6	... ...	... ...
	Cevel	204	...	...	12 6 0	... ...	... ...	0 13 4	... ...	... ...
	Saralai	135	...	...	8 3 0	... ...	... ...	0 8 8	... ...	... ...
	Calar	90	...	...	5 8 0	... ...	... ...	0 7 0	... ...	... ...

Comparison of the estimated produce and assessment in the several Talooks, etc.—(Concluded)

Description of crop.	Description of soil.	Difference between 4th and 5th Columns.			Proportion of assessment to gross profit.			Remarks.
		6			7			8
		Caroor.	Dharapuram.	Oodoomalapettah.	Caroor.	Dharapuram.	Oodoomalapettah.	
		Rs. A. P.	Rs. A. P.	Rs. A. P.	Rs.	Rs.	Rs.	
Garden Cumboo.	Karusal	6 9 0	... ...	... ...	½	...	...	
	Padugai	6 14 8	... ...	... ...	½	...	...	
	Cevel	4 14 8	... ...	... ...	½	...	...	
	Manal	5 0 6	... ...	... ...	½	...	...	
	Saralai	4 7 4	... ...	... ...	½	...	...	
	Calar	2 2 0	... ...	... ...	½	...	...	
Garden Sholum.	Karasal	16 9 0	36 13 9	18 9 2	½	½	½	
	Padugai	16 14 8	22 12 4	14 12 3	½	½	½	
	Cevel	13 2 8	18 2 2	15 0 8	½	½	½	
	Manal	13 4 6	15 1 2	11 4 6	½	½	½	
	Saralai	11 7 4	15 4 11	... ...	½	½	...	
	Calar	5 9 0	6 10 10	11 7 0	½	½	½	
	Senkarusal	... ...	38 8 8	16 11 11	...	½	½	
	Soocan	... ...	15 4 11	11 7 4	...	½	½	
	Vellai	... ...	... ...	14 13 4	...	..	½	
	Sambel	... ...	17 15 9	... ...	...	½	...	
Garden Baggy.	Karusal	14 15 0	... ...	... ...	½	...	...	
	Padugai	15 4 8	... ...	... ...	½	...	...	
	Manal	11 10 6	... ...	... ...	½	...	...	
	Cevel	11 8 8	... ...	... ...	½	...	...	
	Saralai	7 10 4	... ...	... ...	½	...	...	
	Calar	5 1 0	... .	... ...	½	...	...	

(Signed) J. W. BEST,
Ag. Sub-Collector.

(True Copy.)

(Signed) H. E. SULLIVAN,
Acting Collector.

Erd. G. A. Turton.

ENCLOSURE No. 3.

MEMORANDUM showing the estimated yield of Paddy, Cholum, etc., as stated by Anamalai Vyapoorigownden, Chittrachavady Monigar Sreenivassiengar and Coimbatore Venkatasoobba Row.

Yield of one Ma or 240 Goolies of Nunjah land.

	Salagays.
Yield of paddy from a Ma of a superior quality of land...	30
Do. of do. from do. of a middling quality...	20
Do. of do. from do. of an inferior quality...	15
	65
Average produce per a Ma...	22
Yield of one cawny at this average	9
Deduct on account of expenses of cultivation, seed, planting, etc... ...	4½
Net Salagays being the profit of the ryot...	4½
Estimated average market value of the above at Rupees 3-12-0 a salagay	17
Deduct average assessment per Cawny	9
Net profit to the ryot...	8

The above is a correct statement so far as Nunjah produce is concerned, of which we have experience. As we have no experience in respect of Punjah cultivation, we have nothing to say on the subject.

(Signed) VYAPOORIKOWNDEN.
(,,) SREENIVASSIENGAR.
(,,) VENKATASOOBBA ROUT.

18th February 1870.

Statement of the undersigned, Kaviswara Nagaiya and others, living in the Coimbatore cusbah, in regard to the Punjah and Garden lands.

	In Punjah lands. Yield per bullah.	In Garden land irrigated by wells. Yield per bullah.
	Salagays.	Salagays.
Average yield of land of the best, middling, and inferior quality...	6	15
Deduct on account of expenses for tillage, hedging etc.	3½	10
	2½	.5
	Rs. A. P.	Rs. A. P.
Net profit to the ryot	7 8 0	15 0 0
Market value of the above at Rupees 3, per Salagay ...	4 0 0	4 0 0
Average assessment per Bullah...	3 8 0	11 0 0
Net profit, (estimated) per Bullah		

The above is the information we have given as regards the average produce, expenses, and net profit, with respect to the best and inferior description of lands.

(Signed) KAVISWARA NAGAIYEN.
(,,) STREENIVASSIENGAR.
(,,) GOVINDARAJULU,
Tahsildar.

18th February 1870.

(True Translation.)

(Signed) H. M. WINTERBOTHAM,
Assistant Collector.

Memorandum showing the produce of Punjah, Nunjah, and Garden lands in the Palladom Talook, in the District of Coimbatore.

NUNJAH LAND PER ACRE.—*Paddy.* If the land is cultivated by the ryot at his own expense, the produce is 4 Podies or 7·68 Madras measures.

		RS.
The value of this at 12 Rupees a Pody		48
Do. of 40 loads of Hay		5
		53
Expenses on account of tillage, seed, etc.,...		10
Assessment		8
		18
		35

If the land is leased out, the lessee will give 2 Podies of Paddy.

Value of the above		24
Assessment		8
	Net...	16

If the land is cultivated with Cholum, the yield is 3 Podies or 576 Madras measures.

The value of this		36
Do. of Cholum Stalks...		10
		46
Expenses.		
For tillage, manure, price of seed, etc., ...		8
Assessment		8
	...	16
	Net...	30

If leased out 1½ Podies will be given for a year.

The value of this		18
Deduct assessment		8
	Net...	10

If the land is planted with Betel vines, the profit for three years, at the end of which the plants will decay is 300

Expenses for digging drains and purchasing vines for three years		80
Assessment for three years...		24
		104
	Net profit...	196
Average profit per year		63

If planted with plantains, the value of the yield for two years 140

Expenses.		
For weeding, etc., and for purchasing plants		42
Assessment for two years		16
		58
	Net...	82
Average per year...		41

Cholum.

GARDEN, PER ACRE, IRRIGATED BY WELLS.—The yield is 3 Podies or Madras measures 576

The value of this at 12 Rupees a Pody	36
Do of Cholum Stalks...	5
	41
Average expenses for manuring, tillage, and watering ...	10
Assessment	2
	12
Profit...	29

If leased out, 1½ Podies will be given

The value of the above...	18
Assessment	2
Net...	16

Raggy.

The yield is 2 Podies or 384 Madras measures.

The value of the above	16
Do. of Stalks...	2
	18

Expenses.

For watering, manuring and purchase of seed	4
Assessment	2
	6
Net...	12

If leased out, one Pody will be given,

The value of the above	12
Assessment	2
Net...	10

DRY LAND PER ACRE,—*Verangaud* (*Cotton soil. Cholum.* If cultivated by the ryot himself, the yield will be 1½ Podies or 288 Madras measures

The value of the above	18
Do. of Cholum Stalks	5
	23
Expenses for tillage and sowing	3
Assessment	2
	5
Net...	18

If leased out, the yield is ¾ of a Pody.

	RS.
The value of the above...	9
Deduct assessment	2
Net...	7

If cultivated with cotton, the yield will be one Shedangum (10 maunds.)

	RS.
The value of this...	20
Expenses for tillage, seed, etc.	2
Assessment	2
	4
Net...	16

If leased out, ½ a Pody will be given.

The value of this...	10
Assessment	2
Net profit...	8

Shengadoo (red soil.)

If cultivated with cholum at the ryot's own expense, the yield will be ¾ Pody or 144 Madras measures.

	RS.
The value of the above...	9
Do. of Stalks	5
	14

Expenses.

For tillage, sowing and seed	3
Assessment	1
	4
Net...	10

If leased out, ½ a Pody will be given.

	RS.
The value of the above	6
Assessment	1
Net...	5

If cultivated with Horse gram, ¾ Pody will be given.

The value of the above	6
Do. of pods	1
	7
Expenses for seed etc.	2
Assessment	1
	3
Net...	4

If leased out, ½ a Pody will be given.

	RS.
The value of the above	4
Assessment	1
Net...	3

If cultivated with cotton, the yield will be half a Shedangam (*i. e.* 5 maunds).

	RS.
The value of this	10
Expenses for seed, etc.	3
Assessment	1
	4
Net profit...	6

If leased out, ½ Shedangum (*i. e.* 2½ maunds) will be given.

	RS.
The value of this	5
Assessment	1
Net profit...	4

(Signed) VENCATACHELLAM,
Tahsildar.

(,,) THAVAGOWNDON,
Monigar of Avenashypolliem.

(Signed) MOOTTOO PONNAGOWDON,
Monigar of Avenashypolliem.

(Signed) NATHAGOWNDON,
Monigar of Vairpolliem.

(Signed) VADOOGANATHA GOWNDON,
Monigar of Vairpolliem.

(Signed) VENKATACHELLUM PILLAY,
Acting Monigar of Wodderpolliem.

(Signed) RAMA PILLAY of the above village.

(True Translation.)

(Signed) H. M. WINTERBOTHAM,
Assistant Collector.

Exd. G. A. Turton.

ENCLOSURE No. 5.

Pollachy Talook.

Memorandum showing the produce of Nunjah, Punjah, and Garden lands.

1. *Nunjah cultivation.*

If one cawny of Nunjah land is cultivated at the ryots' own expense, the yield would be ten salagays of paddy on the average, which at the rate of 3¼ Rupees, the market value of each salagay would give Rupees 32-8-0. From this, deducting Rupees 20, being the expenses for cultivation, and Rupees 8-1-6, the average assessment on a cawny, making in all Rupees 28-1-6, the profit would be Rupees 4-6-6, to which Rupees 2-8-0, the price of twenty bundles of straw being added, the total is Rupees 6-14-6.

2. If one cawny of Nunjah land is leased out, the landholder would get five salagays of paddy, which at the rate of Rupees 3¼, the market value of a salagay, would give Rupees 16-4-0. From this, deducting Rupees 8-1-6, the assessment, the net profit will be Rupees 8-2-6.

2. *Punjah cultivation.*

1. Cultivation at the ryots' own expense.

1*st.*—If Cholum is sown on one bullah of land, the average produce would be six salagays, which at the rate of Rupees 5, the market value of a salagay of Cholum, would give Rupees 30. From this, deducting Rupees 20, the expense of cultivation (*i. e.* ploughing, threshing) and Rupees 3-6-0 the average assessment on a bullah of land, making in all Rupees 23-6-0, there remains a profit of Rupees 6-10-0. If Horse-gram is sown on a bullah of the same land after the Cholum crops have been cut, the average produce would be three salagays, which at the rate of Rupees 2-8-0, the market value of a salagay would give Rupees 7-8-0. From this, deducting Rupees 2-8-0 the expenses of cultivation, there remains a balance of Rupees 5; on the whole, the profit will be Rupees 11-10-0.

2*nd.*—If one bullah of land is sown with a single crop Horse-gram, the average produce would be eight salagays, which at the rate of Rupees 2-8-0, the market value of a salagay, would give Rupees 20. From this, deducting Rupees 7, the expenses for cultivation and reaping, and Rupees 3-6-0 the assessment, making in all Rupees 10-6-0, the profit will be Rupees 9-10-0.

3*rd.*—If the land is leased out, the landholder will get only a sum equal to double the assessment on it, but not any produce. If leased out on condition of the payment of rent in kind, he would receive one pody of Cholum for a bullah, which at the rate of Rupees 5 per pody (should be salagay) will give Rupees 15, deducting from which Rupees 3-6-0 being the assessment, the net profit will be Rupees 11-10-0.

3. *Lands irrigated by wells.*

1. Cultivation at the ryots' own expense.

1*st.*—If one bullah of land is cultivated with a single crop cholum, the average produce will be twenty salagays, which at the rate of Rupees 5 per salagay, would give Rupees 100. Deducting from this Rupees 60, being the expenses of cultivation, and Rupees 3-6-0, being the assessment, making in all Rupees 63-6-0, the net profit will be Rupees 36-10-0.

2*nd.*—If cultivated with a single crop Raggy, the average yield will be 25 salagays, which at the rate of Rupees 3¼ per salagy, will give Rupees 81-4-0. Deducting from this Rupees 54, being the expenses for cultivation, and Rupees 3-6-0 the assessment, the balance would be Rupees 23-14-0.

3*rd.*—If cultivated with Chillies, the produce would be four candies on the average, which at the rate of Rupees 20 per candy, would give Rupees 80. From this, deducting Rupees 40, being the expenses of cultivation, and Rupees 3-6-0 the assessment, making in all Rupees 43-6-0, the balance would be Rupees 36-10-0.

4*th.*—If cultivated with Tobacco, the produce would be five candies, which at the rate of Rupees 20 per candy, would give Rupees 100. Deducting from this Rupees 66, being the expenses of cultivation, reaping etc., and Rupees 3-6-0 the assessment, making in all Rupees 69-6-0, the balance would be Rupees 30-10.

2. It is not usual to lease out garden lands for rents in kind, but only for money rent, which would be Rupees 40 per bullah, per year, deducting from this Rupees 3-6-0, being the assessment, the profit would be Rupees 36-10-0.

(Signed) MYLAPPA MOODELY.
(,,) DASA IYER.
(,,) RAMIER.
(,,) SITTANDE GOUNDEN.
(,,) APPACHI GOUNDEN.
(,,) VENCATARAMANIAH,
Tahsildar.

(True Translation.)
(Signed) H. M. WINTERBOTHAM,
Assistant Collector.

From the same officer, dated Coimbatore, 31st March 1870, No. 70.

Adverting to the Board's Proceedings, dated 19th January 1870, No. 372, and in continuation of my letter, dated 22nd March 1870, No. 59, I have the honour to enclose a Statement showing the proportion of the State demand to the gross profits derived from land less the assessment, prepared from information supplied to me personally, when recently on circuit, by an intelligent and wealthy ryot of the Coimbatore Talook.

2. I have reason to believe that these figures may be depended on, but there is still the difficulty with regard to the expenses of cultivation, which are not shown in the enclosure. This charge is unequally distributed, and as a matter of course presses heavier on the petty land-holder than on the farmer on a large scale, and the majority of the ryots of this Presidency come under the former class.

Enclosure No. 1.—Statement.

Exd. T. Cartledge.

ENCLOSURE No. 1.

Statement showing the propotion of the State demand, to the gross profits derived from land less the assessment.

Description of crop.	Estimated produce per acre.	Value at market price.	Assessment.	Difference between Columns 3 and 4.	Proportion of assessment to gross profits.	Remarks.
1	2	3	4	5	6	7
	Madras Measures.	RS.	RS.	RS.		
Paddy under tank or channel cultivation..	640	37	7¼	29¾	1/5	
Cholum or Raggy ...	384	18	1¼	16¾	1/18	
Gram	128	6	1¼	4¾	5/19	
Dhrupyre or orchard land.						
Ordinary land	.....	50	12	38	1/3	
Padoogay	.....	75	12	63	1/5	
Rough average ...	.....	...	...	...	4/5	

(Signed) H. E. SULLIVAN,
Acting Collector.

From J. W. BREEKS, Esq., Commissioner of the Neilgherries, to the Acting Secretary to the Board of Revenue, dated Ootacamund, 18th February 1870, No. 30.

Proceedings of the Board, dated 19th January 1870, No. 372, calling on me to report after careful inquiry what may on the average be assumed to be the actual proportion of *profits from land* to *land revenue* in this district, with a view to Income Tax assessment on agricultural profits.

1. Agriculture in this district may be said to be represented by coffee, tea, and cinchona estates mainly in the hands of Europeans, and by Badaga cultivation of the common cereals of the country.

2. Koralie is the commonest and cheapest cereal in the district, and it is so far fortunate that the Board's Proceedings came in time to enable me to have measured a large field of it belonging to the ex-Tahsildar of Ootacamund. The enclosed sketch A., shows the field to have an area of 23·55 acres. The land is average land on a bare hill-side, not manured, and was cropped with koralie last year also.

3. Even in this instance I can only get reliable information of the gross yield of straw and grain and the money value thereof. The proprietor let the land to a Badaga cultivator on the condition (a common one here) that the proprietor paid the Government assessment (23 rupees) and took the straw, while the cultivator paid all other expenses (thrashing included) and took the grain.

4. The land yielded 536 bundles* of straw, which were sold on the ground, at 2 annas a bundle, for 67 rupees. The gross yield of grain was 5,880 Madras measures, which at 20 the rupee (a fair average price here) represent Rupees 294.

* Each bundle is supposed to weigh 40 lbs., and sells in the Ootacamund bazaar at from 4 to 6 annas, according to time of year.

Rs.
67—23 represents the net profit to the proprietor.

$\frac{44}{23}$ makes the proprietor's net profit about twice the assessment.

$\frac{294+67}{23·5}$ = Rs. 15·3, the gross yield per acre in money value. How much of the 294 rupees that went to the cultivator may be called *net profit* I cannot get the least reliable account. Anywhere, within a day's journey of Ootacamund, the straw alone of such a miserable cereal as koralie nearly trebles the assessment.

5. I thought it worth a trial to ask four of the chief Badaga land-holders for their opinion on the question under examination; much trouble was taken to explain to them what we wanted, and that we had no intention of increasing the assessment. All the returns but one put the cultivator's expenses at such a figure as to leave a heavy *net loss* on the year's operations. The exception made out a *net profit* per acre, per annum, of 1 anna and 14 pies. It matters little however, for, as the Board are aware, with scarce an exception none of the hill cultivators can read or write, and I do not know a single man whose intelligence is of such an order as to afford a reasonable expectation that his opinion would have been of any value.

6. As regards coffee estates I cannot, perhaps, do better than give a return for 1868-69, which a gentleman rendered to me as the actual result of six estates, all in full bearing, all in one valley, under his own management, and in which he is a large shareholder, in reply to my assessing him to the Income Tax last year. I may mention that the result of the return was to assess himself and his partners on a larger income than I had rated him at. Enclosure B. is the return.

Estate No. 1.

Rs.
683 Government assessment.
60,838 Yield of the year.
43,339 Expenditure of do.

17,499 Net profit.
17,499 Shows net profit to be 25 times the
683 assessment.

Estate No. 2.

637 Government assessment.
30,962 Yield.
30,963 Expenditure.

—1 Net loss.

Estate No. 3.

354 Government assessment.
21,456 Yield.
20,860 Expenditure.

596 Net profit.
596 Shows net profit to be nearly twice
354 the assessment.

Estate No. 4.

Rs.
1,058 Government assessment.
1,31,998 Yield.
81,516 Expenditure.

50,482 Net profit.
50,482 Shows net profit to be 47 times the
1,058 assessment.

Estate No. 5.

658 Government assessment.
30,691 Yield.
29,356 Expenditure.

1,335 Net profit.
1,335 Shows net profit to be twice the
658 assessment.

Estate No. 6.

400 Government assessment.
6,790 Yield.
13,070 Expenditure.

—6,280 Net loss.

7. A consideration of the above results shows, conclusively as it appears to me, that it is quite impossible for the purposes of the Income Tax to fix any sum which on the average may be assumed to represent the actual proportion of net profits to assessment on Coffee estates in this district.

8. Of Tea estates I have not been able to get any satisfactory statistics, but the growth and manufacture of tea are at least exposed to as many variations as coffee, and the risk of damage to flavour on boardship is so exceptional as to necessitate a special tea reservation clause in all Insurance Bills. Cinchona estates as yet yield nothing.

9. By way of general remarks I may say that in a district like this, and especially with tea, coffee and cinchona cultivation, differences of climate, of capital, of skill, and of energy largely affect the quantity of produce, and differences of population and of situation, as regards markets, affect the value of produce. Permanent variations such as these, affording so wide a range for "profit" and "loss," are found more or less notably even in an ordinary-sized district; consequently I am unable to see how any trustworthy conclusions can be arrived at as to the proportion which the net profits realized on the land all over the district bear to the assessment.

10. In some districts which have been lately re-assessed some of the above-mentioned variations have been weighed and allowance made for them in the rates of assessment sanctioned, in respect of which differences for a time the different rates of assessment may be said to put the different qualities of land fairly on a par. But even in these districts there remain the variations in the skill, energy, and capital of the cultivator, to say nothing of new roads, railways, canals, and such like, which every year in an unopened country like India tend to alter the relative values of lands all over the country; so that even in districts recently re-assessed, as well as in other districts, the variable elements seem to me so numerous as to invalidate any general conclusions which we may attempt to arrive at on the subject of the proportion borne by *net profit* to *assessment* for the purpose of imposing Income Tax on agricultural profits.

11. The only way, as it seems to me, is to deal with each individual cultivator as we do with each trader.

Enclosure No. 1.

B.

Coffee Estates.	To estates Jamma expenditure, 1st April 1868 to 31st March 1869.	Superintendence.	Crop expenses.	Apothecary, Storekeeper, etc.	Government Tax.	Sundry.	Discount at 1 per cent.	Total.	Crops shipped 1868-69. Tons.	Yield at £5 per cwt.	Exchange 3 per cent.	Net yield.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.		Rs.	Rs.	Rs.
1	27,023	5,200	8,000	500	683	1,500	433	43,339	112	62,720	1,882	60,838
2	19,591	5,300	3,425	500	637	1,200	310	30,963	57	31,920	958	30,962
3	13,748	2,400	2,450	400	354	1,300	208	20,860	39½	22,120	664	21,456
4	52,943	7,500	16,000	1,200	1,058	2,000	815	81,516	213	1,36,080	4,082	1,31,998
5	18,794	4,000	3,410	500	658	1,700	294	29,356	56½	31,640	949	30,691
6	8,239	2,600	800	300	400	600	131	13,070	12½	7,000	210	6,790
Total...	...	...	...	...	...	...	...	2,19,104	...	...	...	2,82,735

Ootacamund,
18th February 1870.

(Signed) J. W. BREEKS,
Commissioner.

Enclosure No. 2.—Sketch.

Exd. J. Tulloch.

From H. S. THOMAS, Esq., Acting Collector of South Canara, to the Acting Secretary to the Board of Revenue, dated Mangalore, 28th March 1870, No. 388.

With reference to the Board's Proceedings, dated 19th January 1870, No. 372, I have the honour to state that in a district in which the inequality of the Land-tax is the chief complaint, it is hard to lay down any proportion as generally applicable to the difference between the assessment on land and the profits of the cultivator. Some approximation might perhaps be made by taking the profits to represent twice the assessment in all but the marginally named localities;* but even then, the guide for the imposition of the Income-tax will be a very unsatisfactory one, and conceiving it more prudent and profitable to under-tax than to over-tax, I would beg to recommend that till the district is surveyed and settled, no advance be made on the present calculation by which the profits are estimated as equal to the assessment.

2. The very light Land-tax of the Bengal Presidency finds but few exceptional parallels in Madras, and our cultivators are already undersold at their very doors by the cultivators of the north of India. I conclude, therefore, that if it is an improvement in the finances that is desired, it will scarcely be obtained by still further burdening the agricultural capital and advancement of the south, but may be found by placing the landlords of the north of our Empire on a more equal footing with their brethren of the south. Improved communications by sea and land have brought them into so much closer connection, that the inequality becomes daily more baneful to the advancement of the south, and what is wanted is, in my humble opinion, not an Income-tax for the Madras ryot, but a fairer ryotwary assessment for both the Presidencies of Bombay and Bengal.

* The profits to be calculated at one-third less than the general rate of profits for the district.

1. Kollur Uttara Mogani.
2. Mugu.
3. Koteshwar.
4. Subramani.
5. Neranki.
6. Shisila.
7. Brahmawer.
8. Kot.
9. Arur.
10. Waddarse Mogani.
11. Nalwatnad.
12. Hanehalli.
13. Venur.
14. Kela.
15. Perinja.
16. Aldangadi.
17. Sulkeri.
18. Hejamadi.
19. Nadsal.

The profits to be calculated at two-thirds less than the general rate of profits for the district.

1. Hannar Mogani.
2. Adimale.
3. Baindur.
4. Kundapur.
5. Panja.
6. Yenakal Devarahalli.
7. Mardala.

Exd. G. A. Turton.

No. 1,508.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 3rd March 1870.

Read the following letter from A. McC. WEBSTER, Esq., Acting Collector of Malabar, to the Acting Secretary to the Board of Revenue, dated Pyangady, 2nd February 1870, No. 52:—

WITH reference to the Proceedings of the Board of Revenue, dated 19th January 1870, No. 372, I have the honour to state that the information therein called for will be submitted as early as possible.

2. There is, however, one class of land-holders whose income derived from the land is manifestly under-estimated. I allude to the Coffee planters of Wynaad. I intended to address the Board on the subject of their Income Tax taxation for next year, with a view to having their actual income taxed. At present their income is estimated to be equal to the tax paid, *i. e.*, the net profits from an acre of coffee cultivation is only 2 rupees!

3. As, however, a report on the general question of profits from land is called for I will defer any remarks on the subject until its submission.

ORDERED to be recorded.

2. The Board await further report.

(A true Copy and Extract.)

(Signed) A. MACGREGOR,
Acting Secretary.

To the Acting Collector of Malabar.

Exd. J. Tulloch.

1870.

Board of Revenue, MADRAS.

PROCEEDINGS, 3RD MARCH 1870, No. 1,508.

Encl.

No. 1,508.

Income-tax assessment—on agricultural profits;—Letter from Collector of Malabar stating that report called for, as to what may, on average, be assumed to be actual proportion of profits from land to land revenue in District, in view to alteration of present rule for, will be submitted shortly, recorded.

From A. MACGREGOR, Esq., Collector of Malabar, to the Acting Secretary to the Board of Revenue, dated Calicut, 25th April 1870, No. 138.

I HAVE the honour, with reference to Board's Proceedings, dated 3rd March 1870, No. 1,508, to state that in this district the profits from land, and the rate of assessment thereon, vary so much that no proportion can be laid down as subsisting between the two.

2. In many cases the profits are equal to treble the assessment, while in some lands, such as coffee plantations, the profit may rise as high as fifty times the assessment.

3. It scarcely ever happens that the tenant of a land is liable. The liability rests almost exclusively on the landlord holding the superior right, or on a mortgagee holding some inferior title.

4. The course to be pursued appears to be to leave each case to be decided on its own merits.

5. The provision in the new Act, which obliges parties to declare their income, will facilitate this course, and I, therefore, recommend that in this district no fixed proportion be laid down.

6. An extract from a Memorandum drawn up by the Sub-Collector on the subject is annexed, as also a report from the Deputy Collector of Wynaad, together with letters from Canaren, late Deputy Collector, and Koman Nair, late Tahsildar, and a reply from a native named Thayakat Narayanan Nambudiri, selected from those of several land-holders.

ENCLOSURE No. 1.

Extract from a Memorandum drawn up by the Sub-Collector, dated 6th April 1870.

2. "Inquiries have been directed to ascertaining the profits on the two main descriptions of land, viz., wet lands and garden lands.

3. As regards wet lands the principle on which the Government assessment was fixed was as follows:—

After deducting from the gross produce the seed and cultivation expenses one-third of the remainder was taken as the cultivator's share, and the remaining two-thirds was divided between Government and the land-owner in the proportion of about 50 to 60 and 65 per cent. to Government, and the remainder to the landlord. The percentage was fixed as high even as 75 per cent. to Government in some parts of North Malabar, and on the other hand as low even as 25 per cent. in other parts. The percentage varies all over the district, but the figures above given, viz., 50 to 60 and 65 per cent., indicates pretty accurately what the share of Government is in the great bulk of the wet lands in the district.

The Government share of the net produce thus calculated was converted into a money assessment at the rate of 39 to 45* Rupees per 1,000 seers of paddy in the North Malabar Talooks. For the last fifteen or twenty years the price of 1,000 seers of paddy has ranged from 50 to 75 Rupees, that is to say, the prices actually obtained have succeeded the fixed commutation rates by from 28 to 66 per cent. At the same time it should be remembered that before that period the actual prices obtainable were less than the commutation rates.

* In other portions of the district the commutation rates vary immensely, as will be seen on a reference to the enclosed table. The following calculation refers, therefore, only to the northern portion of the district, and is given in order to convey some idea of the additional profits derived by landlords from the increase in late years of the price of paddy.

4. The conclusion deducible from these figures is, that the Government share on the bulk of the wet lands in the district would, if paid in kind, bear to the cultivator's and landlord's shares of the net produce the following proportion:—

Government	333⅓	400	433⅓
Cultivator	333⅓	333⅓	333⅓
Landlord	333⅓	266⅔	233⅓
	1,000	1,000	1,000

If the commutation rates were now the actual prices obtainable for every 1,000 seers of net produce, the Government assessment would bear to the income of the cultivator and of the landlord the following proportions in the bulk of lands in the district:—

	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Government	13	to 15	15½	to 18	16 2/19	to 19½
Cultivator...	13	to 15	13	to 15	13	to 15
Landlord	13	to 15	10½	to 12	9 1/19	to 10½
	39	45	39	45	39	45

But the actual prices prevailing have exceeded the commutation rates by from 28 to 66 per cent., and therefore *in theory* the Government assessment on land yielding 1,000 measures of net produce, supposing the advantage of high prices to have been distributed between landlord and cultivator in proportion to their fixed shares, bears to the cultivator's and landlord's shares the following proportions:—

	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Government	13	to 15	15½	to 18	16 5/11	to 19 1/11
Cultivator	18½	to 30	19½	to 31½	19 10/11	to 31 10/11
Landlord	18½	to 30	15 11/13	to 23⅓	13 3/11	to 23 3/11
	50	75	50	75	50	75

5. These are the theoretical figures, but of course in practice it would be found that the landlord reaps more of the benefit than the cultivator does. In round numbers the result of these calculations is that the landlord's and tenant's profits taken together have borne to the Government assessment during the last fifteen to twenty years the proportion,* or in other words from a minimum of 2 to 1 to a maximum of 4 to 1.

* Of about 37 to 13, 60 to 15, 34 to 15, 56 to 18, 32 to 16, and 54 to 19.

6. Returns were called for from all Tahsildars, and certain other individuals were also asked to state their opinions as to what proportion the Government assessment on wet lands bore to the landlord's and tenant's profits. The following table is the result of the inquiries on this subject:—

Number.	Names of Tahsildars.		The net profit from wet land, assessed at Rupees 100, after deducting from the produce the Government assessment or Pattom.	
			Of Jenmy.	Of Cultivator.
1	Cherakal Tahsildar	North Malabar.	150	100
2	Kottayom do.		200	100
3	Kurumbranad do.		150	100
4	Thayakat Tirumunba of Kavay		200	50
5	Palghaut Tahsildar		225	150
6	Ernad do.		200	100
7	Walluvanad do.		100	150
8	Ponany do.		200	100
9	Pensioned Tahsildar Koman Nair		75	50
10	Pensioned Deputy Collector Canaren		150	100
	Total...		1,650	1,000
	Dividing the total by 10...		165	100

7. These figures show that by striking an average of the returns from the whole district the net profits from wet land distributed between the cultivator and the landlord bear to the Government assessment the proportion of about two and a half to one.

8. The results arrived at by the calculation as regards North Malabar, it will be seen, tally pretty closely with the figures given in the table, and the general result may be stated to be that the net profits from the land are double to quadruple the Government assessment, and that the proportion varies with the price of paddy. So long as the actual prices exceed the commutation prices the landlord's and tenant's profits taken together must be always double the Government assessment.

9. Regarding garden lands the principle on which the Government assessment was fixed was the following:—

The assessment is fixed on the trees classified according to their productive power, *i. e.*, according to the quality of the soil. The number of nuts the trees of each class are supposed to bear was the first thing determined. This number was divided into three shares, one-third was set apart for cultivation expenses and for the cultivator's remuneration, and the remaining two-thirds was divided equally between Government and the landlord; the Government share being commuted into a money assessment at the rate of Rupees 10 per 1,000 cocoanuts. But prices have risen since then, and of late years 17½ to 25 Rupees per 1,000 cocoanuts have been the prevailing prices.

10. According to this system the assessment, if paid in kind on a garden yielding 1,000 nuts, would bear to the landlord's profits the following proportions:—

Cultivator's share and cultivator's expenses	333⅓
Landlord's share	333⅓
Government share	333⅓
Cocoanuts...	1,000

Or in money if the commutation prices were the prevailing prices—

	Rs.	A.	P.
Cultivator's share and expenses	3	5	4
Landlord's share	3	5	4
Government assessment	3	5	4
Total...	10	0	0

But taking into account the prices obtainable of late years the assessment stands thus, as compared to the cultivator's and landlord's shares and the former's expenses, supposing the advantage to be equally divided between them:—

	Rs.	A.	P.		Rs.	A.	P.
Cultivator's share and expenses varies from	7	1	4	to	10	13	4
Landlord's share varies from	7	1	4	to	10	13	4
Government assessment	3	5	4	to	3	5	4
	17	8	0		25	0	0

In other words the additional profits accruing to the landlord from the rise in prices alone makes his share from two to three times the Government assessment.

11. As an actual fact, however, it would be found that his profits are even larger than this. Instances could be cited where the tenant pays the whole profits, from the garden he occupies, to the landlord in the shape of rent, reserving for himself and family only as much as they would get if working for daily wages. There is a feeling of independence among some of the lower classes that prompts them to do this rather than serve for daily wages under another man, and of course the landlords reap the full benefit.

12. Another point in connection with the garden assessment of this district is, that there has been no regular pymaish of the tree assessment since the year 1840. The consequence is that some gardens are very much under-assessed, and some are over-assessed. It is a rule always

adhered to at the Jummahbundy never to give remission of tree assessment, unless the applicant for remission is willing to have *all* his gardens inspected and re-assessed. This is generally a crucial test. The loss in one garden is far more than made up for by the increase in the others, and the applicant usually declines to submit to the inspection.

13. On the whole, therefore, it is a very difficult question to say what relative proportion the Government assessment bears to the profits derived from garden lands. The following table shows the result of the inquiries made on this subject:—

Number.	Names of Tahsildars and others consulted.	The net profit from a garden, assessed at Rupees 100, after deducting from the produce the Government assessment or Pattom.	
		Of Jenmy.	Of Cultivator.
1	Cherakal Tahsildar	175	100
2	Kottayom do.	150	250
3	Kurumbranad do.	200	100
4	Thayakat Tirumunba of Karay...	200	50
5	Palghaut Tahsildar	250	100
6	Ernad do.	150	250
7	Walluvanad do.	250	250
8	Ponany do.	300	100
9	Pensioned Tahsildar Koman Nair	150	100
10	Pensioned Deputy Collector Canaren	150	100
	Total...	1,975	1,400
	Dividing the total by 10...	197	140

It will be seen that by striking an average of all opinions the profits from gardens of cultivator and landlord taken together exceed by more than three times the Government assessment. One Tahsildar makes the proportion as high as five to one. In comparing these figures with those given in paragraph 10 it must be remembered that in paragraph 10 the rise in prices over the commutation rates was alone taken into account.

14. It will be necessary to allude to the other prevailing kinds of cultivation in the district, viz., Ponam, Yellu, and Modan. In the Board's Proceedings, No. 5,005, dated 14th September 1861, will be found details of the relative shares of the landlord, the cultivator, and the Government on those descriptions of land. The shares vary in different parts of the district.

15. The only other description of lands assessed in this district are coffee estates, which bear an assessment of Rupees 2 per acre. Regarding them little need be said. The profits vary immensely. While on some estates it would not be unfair to assess the clear profits at Rupees 100 to 120 per acre, on others even Rupees 2 per acre would be too much. No rule can, therefore, be fixed, and if it is intended to alter the present system of taking the profits as equal to the Government assessment it must be left to the discretion of the officer in charge of Wynaad to assess proprietors of estates according to the bearing qualities of their property and the nature of the particular season. An additional shower or two of rain in March makes a difference of lacs of Rupees in the profits.

16. I am not aware of any single instance of a tenant cultivating a sufficient extent of land to render him liable to the payment of Income Tax. As a rule he has to make up to his landlord in many ways for any extra profit he is allowed to derive from his landlord's property. Frequently he has to give his labour free whenever the landlord summons him. He has to supply frequently various articles without payment, and in short the tenants being, generally speaking, men of no capital are unable to dictate terms to the landlords, while the landlords take as much from them as they can get.

17. Looking at the widely different rates of assessment which prevail in this district, I would recommend finally that the profits from land should not be fixed with reference to the Government assessment at all, but that it should be left to the officers of the district to exercise their discretion in assessing the Income Tax on the varying profits which are derived from land in different parts of the district."

(Signed) W. LOGAN,
Sub-Collector.

(True Extract.)
(Signed) A. MACGREGOR,
Collector.

ENCLOSURE No. 2.

From W. E. UNDERWOOD, Esq., Deputy Collector of Wynaad, to the Officiating Collector of Malabar, dated Manantoddy, 18th March 1870, No. 115.

I HAVE the honour to submit the report called for in your docket at foot of Proceedings of the Board of Revenue, dated 19th March 1870, No. 372.

In communication with Tahsildar he gives the results of profits on wet and dry land as under—

(1). The rents and produce from "wet lands" may on the average be calculated to ten times the assessment, inclusive of cultivation expenses, that is, cost of seed, labour, wear and tear of tools, etc., and the profits of "dry lands" to be twenty-five times the assessment, inclusive of cultivation expenses.

(2). The profits to proprietors from wet lands would be about half as much again as the assessment, and on dry land equal to the assessment.

(3). The profits to the ryots (tenants) after payment of rent to proprietor, assessment on the land, and cultivation expenses, would be from wet lands equal to five times and on dry lands to ten times the assessment.

Or to simplify the matter take the assessment at 5 Rupees on wet cultivation. The ryot would pay in assessment, rent to proprietor, and cultivation expenses—25 Rupees in all—for which he would get a return in produce Rupees 50, or a clear profit of 25 Rupees, or 100 per cent. on his expenditure. Take again the dry assessment at 5 Rupees. The ryot would pay in assessment, landlord's rent, and cultivation expenses 75 Rupees, receiving produce in return 125 Rupees, or a clear profit of 50 Rupees, or 66⅔ per cent. on his expenses.

The ryot paying assessment only his profits would be increased to the extent of the landlord's rent, which in dry cultivation is fully equal to the assessment and in wet cultivation is equal to half as much again as the tax he is required to pay.

(True Copy.)
(Signed) A. MACGREGOR,
Collector.

ENCLOSURE No. 3.

From C. CANAREN, Pensioned Deputy Collector, dated 24th February 1870.

WITH reference to the queries contained in the Acting Collector's Memorandum, dated 14th instant, No. 246, Churia Canaren submits the following replies:—

Whether all income derived from land, *i. e.*, pattom, produce of cultivation, etc., is equal to or more than the Government assessment charged thereon. If more, how much more?

1. The profits accruing from lands are not equal to Government assessment, the rates of which as at first fixed were different in different localities, and ranged, as a general rule, from 50 to 72½ per cent. upon the net pattom. The prices of grain and other produce were then very low; but the Government revenue was calculated and levied upon the highest price which then prevailed, and the practice has been continued for a long time. The Jenmics and tenants were then subjected to great loss and trouble

in meeting the Government demand. This is clear from the following example. The Jenmies of South Malabar generally set down as their share 20 per cent. of the Jenm pattom, as appears from their mortgage deed.

2. It is difficult to explain the present practices briefly. Many respectable Jenmies not wishing to break through the old custom still adhere to it, while others have raised the rates of pattom, with reference to the qualities of lands and demands for them, as well as the circumstances attending themselves and their tenants; but in doing so they have not followed a general rule, but fixed their rent according to their own choice. I am, however, of opinion that the rent so fixed does not exceed 50 per cent. over the pattom which the Jenmies received, as shown in the answer to Query No. 1.

3. According to the old usage the profits of the cultivator were more or less above the Government revenue. But considering the higher pattom which Jenmies now exact as stated above, as well as drought, etc., attending cultivation, the cultivator's profit has fallen short of what it was before. A percentage of this decrease cannot be estimated, as its rates vary in different localities.

4. Pattom and Jenmabhogam are generally paid in kind and sometimes in money.

5. It is from the gardens lying along the sea coast that Jenmies derive higher profits. This is owing to the higher price which has prevailed for some years.

What would be the income of a Jenmy from wet land paying 100 Rupees as the Government revenue?

6. It is very difficult to answer this question, for the transactions between Jenmies and their tenants are carried on on various principles. In addition to the pattom other payments are made to the Jenmy, which are known as *Shilakash, Kayikuli, Sanjennam, etc.*, and the prices of produce often vary. A Jenmy's share of the profits from a land whether garden or wet, paying 100 Rupees assessment, may however be estimated at not below Rupees 150, and that of cultivator below the Government assessment.

(True Translation.)

(Signed) A. MACGREGOR,
Collector.

Enclosure No. 4.

From N. ROMAN NAIR, Pensioned Tahsildar, dated 10th February 1870.

I am in receipt of Order, No. 233, dated 14th February 1870.

The income from lands is not equal to the Sirkar revenue on them.

As regards wet land the pattom is arrived at by deducting from the outturn the seed, cultivation expenses, and cultivator's share. Out of the pattom 35 per cent. goes to the Jenmy and 65 per cent. to the Sirkar.

As repects gardens, setting apart one-third of the outturn for their maintenance, as well as for the cultivator's share, the remaining two-thirds is equally divided between Jenmy and Government.

The rates of income derived by a Jenmy and Kudian from a wet land and a garden, each paying 100 Rupees Government assessment, are hereunder mentioned.

2. The income derived by Jenmies from gardens is equivalent to the Government assessment thereon; but this is not the case with respect to wet lands, as Jenmies' profit from them is only 35 per cent., while that of Government is 65 per cent.

3. As the income derived by cultivator, inclusive of his expenses, is only one-third of the outturn his net profit on an average cannot be more than one-fourth of the Government assessment.

4. Jenmabhogam is paid to Jenmies in kind and also in money, but in case of gardens it is almost always paid in money.

5. On an average it is profits from gardens that bear the largest percentage over the Government assessment.

According to the present usage the Jenmies profit from a wet land, paying 100 Rupees assessment, comes to Rupees 53-13-6, and that of Kudian, inclusive of his expenses, is Rupees 51-4-6.

The amount of income which a Jenmy derives from a garden of 100 Rupees Government assessment is 100 Rupees, and that of the tenant, inclusive of expenses, is also the same amount.

One or two years previous to or after 1825 Commissioner Mr. Græme, in order to fix Sirkar revenue on wet lands and gardens of this district travelled all over it, made inquiries, and obtained the opinions of respectable people, and then he submitted a detailed report to Government, a copy of which is in the Huzoor record. A reference to it will make clear what is stated above. The Government assessment was based upon a certain price of the produce; but it seems to me that as the price of articles has risen of late a Jenmy derives 75 Rupees from a wet land and 150 Rupees from a garden paying 100 Rupees assessment. In the Tila of Tellicherry good deal of pepper is produced, which pays no assessment.

In fruitful localities the Jenmies' income from gardens may be taken at 175 Rupees, or 25 more than the above rate.

A cultivator cannot, however, be supposed to derive any additional profit from this advantage, as the hire of labour and expenses of cultivation have considerably risen.

(True Translation.)

(Signed) A. MACGREGOR,
Collector.

Enclosure No. 5.

From THAYAKAT NARAYANAN THIRUMUNBA, dated 10th March 1870.

In reply to Order, No. 241, dated 14th February last, calling on me to give opinion on certain points connected with Income Tax assessment, I submit the following remarks:—

1. The income derived from lands, after deducting seed and expenses, may be taken at three times the amount of Government assessment. Of this a third may be taken as Government assessment, another third as Jenmy's share, and the remainder as cultivator's share. The produce of lands in Malabar depends upon the nature of rain-fall. Owing to unfavourable seasons all kinds of produce continue to decrease every year; but on account of their present high price the decrease makes no deep impression.

2. The present profits of Jenmies from lands are not equal to Government assessment, but may be taken as double of it. This is owing to the present high price of grains and other produce. From the beginning of the British rule in Malabar till fifteen years ago the prices of grains and other produce were for many years only half and even one-fourth of the Revaj value put upon them at the time of original assessment, and the Jenmies were in consequence put to great loss.

3. The tenant's profit, after deducting the rent paid to Jenmy or Government, and the expenses, may be taken as one-half of the revenue, because though there is a sharp competition for the cultivation of lands and the rent has risen in consequence, the high price of the produce renders it probable that the tenants derive the profits as mentioned above.

4. The rent or purapad paid by tenants to Jenmies is, in North Malabar generally, in kind for wet lands, and in a few cases in Fanams, and generally in money for gardens and in a few cases in kind. I understand that the practice in South Malabar is quite the reverse as regards gardens.

5. In my opinion the Jenmies derive larger profits from gardens than from wet lands over the assessment. On the whole the profits to Jenmies and tenants from a land paying 100 Rupees revenue would, as shown above, be equal on an average.

(True Translation.)

(Signed) A. MACGREGOR,
Collector.

Rec: 1869/70
Cattle Diseases

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I have great misgivings as to the expediency of instituting any enquiry into the prospects of the ryots. I question whether the additional income which would be obtained by instituting such an enquiry would compensate for the evils attendant on it. I would be aware of the present practice of taking the opinions of Collrs as to Peasant income and which income this is payable. It is quite true that the enquiry suggested by the Revenue Sanitary & Agricl Commissioner & my hon colleague & my hon friend would be limited number of persons but I much fear that it would practically affect others and that it would be used as an engine of extortion from ryots as there no demand ought to be made.

7th December 70

Memo.

It would be strictly conformable to
principle and example that the Income
Tax should be levied on profits derived
from land by individual enquiry
and assessment in each particular
case but I submit that there are
great objections to such a course in
the Presidency at the present
time. The objections appear to me
as follows.

1. The principle adopted and
declared by government in their
new Settlements has everywhere
been that the Government Assessment
is to be equal to the net profits
of the land holder calculated
on an average of years during a
Series of years.
It is true that the income Tax is
applied to the actual profits of
a particular year and in the

average profits of a series of years but the distinction is one which would not be very apparent to the cultivator and which would certainly be distasteful to him. He would simply see that the Govt. says with reference to one ~~tax~~ profits ~~your assessment~~ is equal to your assessment ~~last~~ and with reference to another profits ~~your assessment~~ are ~~different from~~ your assessment and unjustly higher. The cultivator would conceive an apprehension that the land assessment would be assimilated to the new estimate of profits, his confidence would be shaken.

2. The introduction of specific assessments on profits derived from land would be a deviation from previous practice always repugnant to the people of this country and most so to the conservative race of land holders. The Tax is undistinctive already

the new method of levying it would make it more distasteful still.

3. An increase of income Tax levied on the profits of agriculture depending on the method of assessment would coincide with a suggested increased demand for the purposes of local taxation. The alteration in the method of assessing the income tax would not only make that tax more obnoxious but it would increase the prevailing repugnance to increased local taxation.

4. Up to the present time the assessment has been the basis which both the Income Tax and the local taxes have been levied. If the income Tax be now levied on a new and increased estimate of agricultural profits the apprehension will be created that local taxation will also be levied on the new basis + stringent ~~estimate~~ ~~But~~ is on an immediate estimate

of actual current profits instead of an indulgent estimate of average profits. Nor would this apprehension be altogether groundless. W. W. Robinson, (the present Member of the Legislative Council of India for the Madras Presidency) is a strong advocate for the change of basis and there may be of the same opinion: —

5. The application of the principle of separate assessments to agricultural incomes would necessitate a system of inquisition in remote places by untrustworthy native agents. The cases of oppression or connivance which initially exist in the enactment of the Income Tax in these districts would be multiplied and intensified in this one.

6. The gain to the Imperial Revenue which would accrue from the increase of the number of incomes

charged with the Tax aid by an increased estimate of the incomes already charged under the present and previous system would undoubtedly be very small and out of all proportion to the amount of discontent which would be created. The estimate of agricultural profits is very hypothetical and inconsistent in the papers before us. The estimates in different Districts differ widely and the Estimates by different persons for the same district are equally divergent. A narrower scrutiny would doubtless result in a diminution of estimable almost everywhere and the operation would be particularly unhappy and unsatisfactory at the present moment when a great fall of prices has set in throughout the

country and is likely to
continue. He can admit the
Govt. ought to have made by an
equitable assessment of individual
profits for agriculture last year
would vanish in the present
season. Prices are the only rule
by which the Estimate of actual
profits could be made — the amount
of produce raised would
elude investigation. —

For the reasons above mentioned
I would request the Govt. of
India not to disturb the present
system.

If however the Govt. of India
consider that the application of the
general rule of individual
assessment is imperative I would
suggest that the rule should
not be applied in the Pergunnah
till next year when the
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there will be an increase of
the aggregate revenue enacted from
land a result which is without
precedent in the revenue history
of the Country under British
Dominion. This circumstance will
not be unheeded or uncomplained
of and it is desirable to enquire
the discontent which may be raised
in this case by any contemporaneous
aggravation of another import.

In the reasons above mentioned

Memo: for orders on 1838

Govt of India recently called for an estimate of the profits derived from land, as compared with the sort demand upon it, as they were satisfied that the supposition that the average net profits might be taken to be equal to the assessment was erroneous.

2. The question was referred to the Collectors of Districts and all those Officers are unanimous in considering that

question of local taxation will be determined one way or another, when the agreement of the two Districts referred to will be completed and when it is fixed the rate of Income Tax will be reduced and the Minimum of income specified raised.

It is excessively difficult to determine with any accuracy what the net profits from land are, and that it is almost impossible to fix any average ratio which they bear to the assessment, for the inequality of the Govt demand in all those Districts, the assessment of which has not been recently revised, is notorious. Even in those districts which have been subjected to the operation of the Settlement Dept it is found that the relation of the net profits to the assessment is very different in different localities and under different circumstances

8 In Godavery & Kistnah Fraser estimates that the net profits derived

derived by the cultivator from land are certainly not less than double the assessment. Mr. Cadell estimates them in Tschinapoly at three times the assessment in the case of Nunjah land. Mr. Boswell in Kistnah at double in dry land and equal in wet. Mr Chase as equal in Kurnool.

4. In some of the other Districts, the profits are estimated at three times and double the assessment, and in others at equal to it, but from the returns submitted, it would be manifestly impracticable to lay down any general rule. The Board of Revenue are of this opinion and would assess agricultural

agricultural incomes separately, merely laying down some general rules as to estimated profits.

5. It is submitted that the most expedient and at the same time most equitable course will be for the assessing officer to treat each case on its own merits; and that the Collectors of Districts may be directed to make an enquiry into the net profits derived by each landholder in their District whose assessment payable to Govt amounts to ~~more than~~ upwards Rs. 250 per annum. If his estimated net profits from cultivation were found to equal Rupees 500 (or double his assessment) he would be assessed

assessed to the Tax, but if they did not reach that amount he would be exempted. This arrangement would not add very materially to the work of assessment as kept in the Tanjore, Tinnevelly, Godavery and South Canara Districts, as no other would pay incomes have to be investigated. The subjoined table gives the numbers of ryots paying a revenue of Rupees 250 upwards in 1866-67 — the latest return available

available.

Tanjore	2615.
Tinnevelly	1070.
Godaveery	647.
S. Canara	574.
Malabar	477.
Nellore	336.
Madras (old)	326.
Trichinopoly	307.
Kistna	294.
S. Arcot	274.
Bellary	179.
Kurnool	136.
Coimbatore	91.
Madura	76.
Cuddapah	55.
Vizagapatam	44.
Godavery	37.
North Arcot	24.
Salem	16.
Total	1521.

It is impossible to say, with any pretension to accuracy, what rates the first assessment generally bears to the last or present from land. In most of our Districts the assessments were framed many years ago - but even in those where the new assessments are in force - variations of prices from the standard of comparison - the contingencies of seasons - the accidents of the land holder possessing capital - Enterprize - skill - and other circumstances cannot be meant any general fixed proportion being fixed, even in a long series of years. The Board may the right from time to time to equalize the assessments - the fluctuations of assessments are notoriously higher than those of other parts of India - and I should say that generally 2:1 is about the rate.

Revenue Department

No. 1894

Proceedings of the Madras Government
Under date the 1st Decr 1876

Read again letters from
Govt of India (Financial)
dated 17th Decr 1869 and 20th Sept 70.

Read also the following
Pros of the Board of Revenue

(N.L. 14th June 1876 No. 4131)

The Govt have given their best consideration to the subject of the above recorded papers, and while allowing due weight to the reasons which have led the Board to the conclusion at which they have arrived

N.

I. D.S

By A.

I think the the cruder
proposed in the
Govt Letter of 1869 is
the best. My objection
rests on a technical
point of view & not on all points
whether advisable
at present. I think
practically where, though
the assessment is below
this scale, the Collr
should be allowed to levy
that from the cultivator
as the Govt have
done where the assessment
was the minimum.

I would order the
cruder should be tried at
once & report to Govt:
first.

The Govt should then
pass an order on
receipt of closely working

C. 15th Sept 70. R Bacon

The pros: of the Board
Nates and the history
of the Settlement & Valuations
in question - for which
the Govt Commr of the Deccan
will be doubtless prepared
to refer.

Under the original
Income Tax I think
3 Rs per cent was taken as
equal to 1 Rupee per bigha.
and the Govt allowed
of remissions & reductions
of assessment for bad
seasons in addition.

I. D.S. 26/9.

I should be sorry to see
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not time to go into it
now. By A.

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arrived, the Govt. are decidedly of opinion that there are far more than counterbalancing arguments why the rule hitherto adopted, of estimating the Ryot's profits from land for purposes of assessing Income tax, at Equal to the Land assessment, should be maintained.

2. They would observe in the first instance that there appears to be much room for doubt whether in the estimates of profits which have been supplied to the Board from the Provinces

provinces, due allowance has generally been made for the fact that, as a rule, the occupying Ryot is himself with his family the actual cultivator of the land, and that their maintenance must be charged against the outturn before a fair estimate of profits such as the Income tax is intended to reach, can be formed.

(in part absent N)

3 But apart from this consideration the Govt are of opinion that the following

following reasons ~~afford~~ strongly recommend the ~~absolute (establish) proof of the necessity~~ maintenance of ~~for maintaining~~ the rule hitherto in force in order to avoid making an obnoxious tax ~~(positively)~~ odious to the people. — still more repugnant

4. The principle adopted and declared by Govt. in their new settlements of the Land tax demand has everywhere been that the Govt assessment is to be equal to the net profits of the landholder calculated on an average of prices during a series of years. It is true that the Income tax is assessed on the actual profits of

of a particular year, and not on the average profits of a series of years, but the distinction is one which would not be very apparent to the cultivator, while it would certainly be very distasteful to him. He would simply see that with reference to Land tax the Govt estimates his profits as equal to his assessment, while for another tax his profits are differently estimated and at an invariably higher rate, and he would in all probability conceive an apprehension that the Land assessment would

would be assimilated
to the new estimate of
profits, which would
mischievously shake his
confidence in the sta-
bility of his position.

5. The introduction
of specific assessments
on profits derived from
land would moreover
be a marked deviation
from previous practice,
which is always repug-
nant to the people
of this country and
most so to the
Conservative

Conservative face of land-
holders, so that the Income
tax which is unpopular
already, would by the new
method of levying it,
be rendered more ~~odious~~ distasteful
still.

6. Again, any increase
of Income tax leviable on
the profits of agriculture
depending on the particular
method of assessment,
would coincide with a
projected increased demand
on account of Local cases.
The alteration in the
method of assessing the
Income tax would not
only make that tax more
obnoxious in itself but
would

would greatly aggravate the prevailing repugnance to additional local taxation altogether

7. Moreover, up to the present time the Land assessment has been the basis on which both the Income tax & the Local Cesses have been calculated. If the Income tax be now levied on a new and increased estimate of agricultural profits, the apprehension will infallibly be created that local taxation will also be levied on the new basis; that is on an immediate and stringent estimate of actual

actual current profits instead of on ~~an inadequate~~ estimate of average profits; and it will scarcely be maintained that the apprehension would be groundless.

8. The application of the principle of separate assessments to agricultural incomes would also necessitate a system of inquisition in remote places by an agency which could not be deemed absolutely trustworthy or unbiassed by a common interest with the landholders, and the opportunities & temptations for oppression or connivance which exist

an indulgent

N

ie

in the exaction of the tax from other classes would be multiplied & intensified many fold in this particular class of cases.

9. The gain to the Imperial revenue which would accrue from an increase in the number of incomes chargeable with the tax & from an increased estimate of those incomes already charged under the system hitherto adopted would undoubtedly be very small, & out of all proportion to the amount of discontent engendered by the change of system. The estimate of agricultural profits given in the papers before first is very hypothetical & inconsistent. Those from different districts & even from different persons in the same district are widely divergent, and a closer scrutiny

scrutiny would very probably result in a diminution of estimate almost every where, while the operation would be most unhappy and unsatisfactory at the present moment when a ~~(great)~~ considerable fall in prices for agricultural produce has set in throughout the country. ~~(and is likely to be continuous)~~

Thus, the gain which possibly the State might have secured by a specific assessment of individual incomes from agriculture last year would ~~(certainly)~~ vanish in the present season, for prices are the

only

I would not say this. It is mere conjecture. A.V.

omit N.

(in a great measure as is clear)

only rule by which any
estimate of actual profits
could be made ~~for~~ The amount
of produce raised would
certainly evade investigation
every where.

10. It is also to be borne in
mind that the revision of
the Land Assessment which
is now in progress in this
Presidency may not improbably
for the first time in the
revenue history of the country
under British rule, result
in an enhancement of the
average charge on the land
in many instances which
circumstance will assuredly
neither be unobserved, nor
left

11 836

left without complaint, and
it is eminently undesirable
that the discontent which
may be excited by this
circumstance should have
fuel added to it by the
contemporaneous aggravation
of another (~~Enhance~~) impost

11. The foregoing considerations
appearing to this Govt (abso-
lutely prohibitive of the)
adoption of the suggested
change in the mode of
assessing the Income tax
on Ryots' profits from land
and the financial year having
already so far advanced
that three instalments
of the tax out of four
are

Minute

to find the most
cogent grounds against

are now overdue, while the assessment on Ryots incomes has yet to be made, the Govt resolve to accept the responsibility of anticipating the decision of the Govt of India, which they (~~do not question~~ trust) will be in accordance with the views above expressed, and direct the Board of Revenue to instruct all Collectors to ~~proceed~~ continue ~~at once with~~ the assessment of the Income tax on the basis of the rule approved by the Govt of India for this Presidency

trust

Should say "Continue" as I believe assessment has been made in the Presidency

N. 1.11.

Presidency in their letter No 826 (Financial) dated 31st May 1869, viz:- that the profits of temporarily assessed lands in Madras Presidency shall for the purposes of the Income tax be estimated in all cases at an amount equal to the assessment — the rule being open to modification when found necessary These proceedings will be at once reported to the Govt of India

In Copy Fd to Sec to Govt Rev Dept 1 Sec to Govt Dept 3 & Fd to Accts Genl Dept

No 1500 6

23 Nov 70.

Revenue Department

No. 1895

To.

The Secretary to the Govt. of India
Financial Department

Sir

Referring to the letter from your department No. 3177 dated 17th Dec. 1869 and No. 2468 dated 20th April 1870 regarding the method of assessing Income tax on the profits of persons holding land paying revenue to Government and directing that the assessment of the tax should be suspended pending orders by the Government of India,

I am directed by this Govern-
ment to forward their Proceed-
ings of this date on the sub-
ject for the information of
His Excellency the Governor
General in Council, from
which it will be perceived
that for the reasons therein
stated this Government
have deemed it necessary
to order the assessment of
the tax for the current year
~~to be continued to proceed at once~~ on the
principle hitherto approved
and adopted, which reso-
lution this Govt. do not
doubt will be approved
by His Excellency in Council.

I have &c.

L.S.

I have directed to add
that this Govt. would
view with great
the adoption of
different principle

L.S.

I would add that
be view in the
a determination
adverse to a Memb
Council or Assembly