M.R.O. 14—10,000—21-4-27

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 1819	Press ~~Mis.~~
144-145	
Dated 13 — 9 — 1861.	

Not to be folded or roughly handled

No. 144. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 6th August 1861, No. 10,147.

Read the following :—

Extract from the Proceedings of the Government of India, in the Foreign Department, No. 4,194, under date the 31st July 1861.

Read an Office Memorandum from the Home Department, No. 557, dated 2nd March last, forwarding for disposal a letter from the Commissioner of the Tenasserim and Martaban Provinces, relative to the working of the Income Tax in those Provinces.

Observations.—The Governor General in Council observes that there are two points in the report which call for special orders.

2. The 1st is noticed in paragraph 5. The monthly cost of the Moulmein Income Tax establishment is Rupees 470, exclusive of contingencies. But the Deputy Commissioner reports that the sanctioned establishment is too weak, and to enable him to collect the 1st instalment, he has been obliged to employ six functionaries from his Revenue and Judicial establishments to the detriment of their legitimate work. He considers that three or four elders or influential Burmese should be employed to collect from their countrymen, and that a commission of 4 per cent. should be allowed them for their trouble. The Commissioner recommends this for sanction, as it would lighten the work of the Revenue Office, and would be popular and acceptable with the Burmese.

3. Under the circumstances stated, His Excellency in Council is of opinion, in this Department, that the proposed measure may be adopted wherever the Commissioner finds it necessary.

4. The 2nd point requiring special orders is referred to in paragraphs 15 and 16. The Commissioner proposes "that the Capitation Tax in the Tenasserim and Martaban Provinces "on all those who do not come within the operation of the Income Tax, should pay an enhanced "tax of 25 per cent., to come into operation from the commencement of the next official year "1861-62." This he believes has been proposed for Pegu.

5. The Governor General in Council, in this Department, is of opinion that the measure proposed by the Commissioner does not quite accord with that proposed for Pegu, and that a copy of the letter to the Commissioner of Pegu, No. 5,157, dated 31st October last, explaining the grounds on which his proposal was sanctioned, should be sent for the information of the Commissioner of the Tenasserim and Martaban Provinces, who should be requested to state whether, in his opinion, those same grounds exist in the Tenasserim and Martaban Provinces.

Ordered, that the foregoing observations be sent to the Financial Department for consideration, together with a copy of the papers noted in the margin, with the intimation that a copy of the observations, with a copy of the letter to the Commissioner, Pegu, dated 31st October last, has been sent to the Commissioner of the Tenasserim and Martaban Provinces, with reference to paragraph 5 of the observations.

From Commissioner, Tenasserim and Martaban Provinces, No. 27, dated 26th January 1861, with 3 enclosures.
To Commissioner of Pegu, No. 5,157, dated 31st October 1860.

From Lieutenant-Colonel A. FYTCHE, Commissioner of Tenasserim and Martaban Provinces, to W. GREY, Esq., Officiating Secretary to the Government of India, Foreign Department, Fort William, No. 27, dated Moulmein, 26th January 1861.

Sir,

1. With reference to your letter, No. 2,480, of date 1st November last to my address, I have the honor to report as follows regarding the operation of the Income Tax in the Tenasserim and Martaban Provinces.

2. In Amherst Province and the Town of Moulmein up to 1st December last only, a very small portion was collected of the 1st instalment of the Tax; but up to the present date a sum of Company's Rupees 15,381-3-10 have been collected. Of this sum, however, Company's Rupees 2,063-2-4 has been paid in excess of the first quarterly instalment, and includes sums paid on account of the 2nd, 3rd, and 4th instalments.

3. I enclose a general abstract of assessments made for the Town of Moulmein and its suburbs, exhibiting as per column 6 the sum of Company's Rupees 41,243-12-0 as the total amount of assessments on returns made by the several Assessors per column 2, and Company's Rupees 26,922-6-0 total amount assessed by Loogyees or elders per column 7, aggregating Company's Rupees 68,166-2-0 per column 8 as the total amount of assessments. In the former item, however, is included the heavy surcharge of Company's Rupees 2,000, which has not yet been decided. This may probably reduce the amount assessed, but as the amendments made on notice of surcharge have still left some surcharge, it is anticipated that the total amount of Income Tax for the year will not fall short of that exhibited in the present abstract. There are still 130 returns forthcoming from the interior of the Province, the assessments on which it is calculated will amount to Company's Rupees 800.

4. I enclose also a general abstract of assessments on salaries for the year ending 31st July 1861, estimated from the deductions made by the Ex-Officio Assessors and by the Civil and Military Auditors General for the past four months, averaging Company's Rupees 675 monthly, or Company's Rupees 8,100 for the whole year, and a Statement shewing the monthly and annual cost of the Income Tax establishment and probable contingent expenses for the year amounting to Company's Rupees 8,640.

5. The Deputy Commissioner, Major Tickell, however, reports that the present establishment, as sanctioned, is much too weak, and to enable him to collect this first instalment, he has been obliged to employ no less than six functionaries from his Revenue and Judicial establishments, to the great detriment of their ligitimate work. He considers that on a future occasion, three or four Loogyees (elders or influential Burmese) should be employed to *collect* from their countrymen, and a commission of say 4 per cent. allowed them for their trouble. This would very considerably lighten the work of the Revenue Office, would be popular and acceptable with the Burmese, and I would beg to recommend its being sanctioned, if the Government see no obejction to the plan. He thinks also that next year, when the time arrives for a fresh assessment, that the Assessor, Mr. Latter, will require a better paid and superior assistant to the one he has at present; but this is a matter for after consideration.

6. The tax under all its Schedules is working smoothly. Punchayets strictly so called have not been made use of, but a large proportion of the Burmese inhabitants, instead of delivering in the returns required by the Act, which they cannot satisfactorily understand at least at the commencement, have been assessed by their own Loogyees or elders—the most popular measure under the circumstances that could have been adopted and consonant with their ideas. The Act is, however, being carefully translated into the Vernacular, and which is hoped that they will be able to comprehend at least its principal provisions. One thousand surcharges have been made, of which only one has been successfully resisted. Only one person, a Chinaman, has expressed a desire to compound, and no complaints have been made since my arrival, of oppression or hard dealing against the Assessors.

7. A few days after my arrival, a deputation of Burmese from all the wards of the Town waited upon me, and although their Loogyees had nearly completed their assessments, they appeared from what had taken place in the Straits Settlements, with which there is a constant communication, that the tax would not after all be collected. I explained to them that there was not the least doubt on the subject, and as loyal subjects which they had always shown themselves to be, and a people who had received such benefits from British Rule and Protection, that they should hasten to pay in their instalments and show a good example to the Kalahs (black foreigners) who were located amongst them, and they went away contented and promised to act as I proposed. The Burmese are a good dispositioned, orderly people, and always open to reason when kindly treated.

8. The Hindoostanees, Chinese, Jews, English and Europeans, generally, after a slight ebullition, confined almost entirely to the former, have acquiesced in all the requisitions of the Act. The English residents, non-official, have acted in a prompt and gentlemanly way, and as Major Tickell reports, relieved him of a good deal of trouble, and been of good service in inducing the more backward Natives to pay all that is due.

9. The Income Tax in Tavoy Province is very trifling. The total amount for the year including absentees not yet assessed, is about Company's Rupees 904-10-0. Of the first instalment

Company's Rupees 226-2-6, Company's Rupees 154-9-0 had been paid in by 7th December last. The tax on salaries is estimated at Company's Rupees 1,074-12-0 for the year. The cost of establishment is Company's Rupees 30 per mensem, or Company's Rupees 360 per annum. Punchayets have not been made use of. There have been no compositions, no surcharges, and no complaints of oppression or hard-dealing. The Act was carried out literally, and without any overt opposition.

10. In Mergui Province, considerable obstinacy has been manifested against the imposition of the tax, but it appears now to have passed away. A petition against it, signed by some 138 persons, was presented to the Deputy Commissioner, and about 300 people thronged to the Court-House to hear the answer which would be given to it. They claimed exemption from the tax, because they were poor men, and if the Deputy Commissioner had not power to exempt them, they prayed that there petition might be submitted to higher authority and all proceedings regarding the tax stopped. The Deputy Commissioner pointed out to the petitioners that the tax only bore upon the income and profits, and he declined either to be made the medium of transmitting a petition against the enforcement of the tax, or to suspend his proceedings whilst they were appealed against. The petition was ultimately forwarded to Government direct, and the answer received here, which has been transmitted and explained to the inhabitants.

11. The Deputy Commissioner appears to have acted in a very firm and proper manner, but the result of the assessment, as far as the amount is concerned, is very insignificant. The total amount for the whole year under Schedules I and II is only Company's Rupees 344. Of the 1st instalment, or Company's Rupees 86-0-11, Company's Rupees 71-7-6 has been paid in, leaving a balance of Company's Rupees 14-9-5 due from the tax-payers at present absent on trading expeditions. The amount of tax on salaries is Company's Rupees 64-4-0 per mensem, or Company's Rupees 771 for the year. The annual cost of establishment is Company's Rupees 240.

12. There were 33 surcharges made, ten of which were annulled, nine modified, and fourteen confirmed. Punchayets were not made use of, and no persons availed themselves of the composition provision.

13. The Deputy Commissioner considers that the collection under Schedules I and II may probably be increased when the Act has been a little longer in operation, for he cannot conceal from himself that there must be more than 213 persons (besides those employed under Government) out of a population of about 34,000 souls, who earn more than 200 Rupees per annum. The people in the Mergui District are however very poor, and a population who "live from hand to mouth," and even if the strictest and most searching inquires had been carried on, the result must have been very small.

14. The estimated amount of Income Tax collections from the Martaban Province is Company's Rupees 4,700. I have, however, received no returns from Captain Brigs, Deputy Commissioner of that Province, of the amount of assessment or of his collections on the 1st instalment, though he has been called upon on two occasions to do so. This Officer is, however, I know at present on the Frontier, where some of the customary raids from the independent hill tribes in that vicinity are expected; and the Post from Shooay Gyeen, his sudder station, is ten days' Post from Moulmein. Their is some excuse for his neglect, but I consider that he might have taken measures to have informed me of what he had effected by this time, for the work in all Departments that he has to perform is trifling as compared to the Deputy Commissioner of Amherst, and he has three European Covenanted Assistants at his disposal.

15. While on the subject of the Income Tax, I would suggest that the Capitation Tax in the Tenasserim and Martaban Provinces on all those do not come within the operation of the Income Tax should pay an enhanced tax of 25 per cent., to come into operation from the commencement of the next official year 1861-62. The same as I believe has been proposed for the sister Province of Pegu. This tax though called in the English language by a rather unpopular name is always cheerfully paid up, easily collected, and is without doubt the most popular and best direct tax that can be devised for these Provinces.

16. If the Government should think fit to direct the Capitation Tax to be increased as above recommended, I should wish to receive intimation of the same as early as possible, in order that timely notice may be given to the people.

General Abstract of Assessments made for the Town of Moulmein and its suburbs, commencing from the 1*st day of August* 1860, *and ending on the* 31*st July* 1861.

1 Town and suburbs.	2 Names of Assessors.	3 3 per cent.	4 1 per cent.	5 2 per cent.	6 Amount of assessments on Returns.	7 Amount of lump assessments.	8 Total amount of assessments.	9 Amount of quarterly instalments.	10 Amount collectedup to 20th January 1861, inclusive.	11 Amount paid in excess of first instalment.
1st Division.	Captain E. M. Ryan	1,899 14 0	632 12 0	1,303 15 0	3,836 9 0	0 0 0	3,836 9 0	959 2 3	1,159 15 6	200 13 3
	Loogyees	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0	0 0 0
2nd Ditto	Lieut. H. L. Hill, J. K. Macrae, Esq.	596 7 0	198 6 0	2,268 11 0	3,063 8 0	0 0 0	3,063 8 0	765 14 0	78 15 9	0 0 0
	Loogyees	0 0 0	0 0 0	0 0 0	0 0 0	6,483 4 0	6,483 4 0	1,620 0 0	1,149 2 3	0 0 0
3rd Ditto	J. K. Macrae, Esq.	5,815 5 0	1,916 15 0	1,754 2 0	9,486 6 0	0 0 0	9,486 6 0	2,371 9 6	444 15 0	0 0 0
	Loogyees	0 0 0	0 0 0	0 0 0	0 0 0	4,563 10 0	4,563 10 0	1,140 14 6	1,024 6 3	0 0 0
4th Ditto	Mr. W. E. S. Latter	15,947 5 0	5,313 3 0	2,323 8 0	23,586 0 0	0 0 0	23,586 0 0	5,896 8 0	6,038 11 1	142 3 1
	Loogyees	0 0 0	0 0 0	0 0 0	0 0 0	2,878 8 0	2,878 8 0	719 10 0	515 12 0	0 0 0
5th Ditto	Mr. W. E. S. Latter	384 7 0	127 6 0	759 8 0	1,271 5 0	0 0 0	1,271 5 0	317 13 3	0 0 0	0 0 0
	Loogyees	0 0 0	0 0 0	0 0 0	0 0 0	12,997 0 0	12,997 0 0	3,249 4 0	4,969 6 0	1,720 2 0
	Total Rupees.	24,643 6 0	8,190 10 0	8,409 12 0	41,243 12 0	26,922 6 0	68,166 2 0	17,041 8 6	15,381 3 10	*2,063 2 4

* The total of Col. 11 may be considered part of the 2nd instalment.

MOULMEIN,
INCOME TAX OFFICE,
The 25th January 1861.

(Signed) S. R. TICKELL,
D. S.

(Signed) W. E. S. LATTER,
Deputy Collector and Assessor, P. A.

General Abstract of Assessments on salaries under Schedule 4.

Year.	For what period.	Average Monthly.	Total for the year.
1860-61	From 1st August 1860 to 31st July 1861	675	8,100 0 0

MOULMEIN,
INCOME TAX OFFICE,
The 25th January 1861.

(Signed) W. E. S. LATTER,
Deputy Collector and Assessor, P. A.

Statement showing the monthly and total annual cost of the undermentioned Establishment for the year 1860-61.

Year.	Establishment.	Probable contingentexpenses for the year.	Monthly disbursements.	Total annual cost.
1860-61.	Income Tax Office.	3,000 0 0	470 0 0	8,640 0 0

MOULMEIN,
INCOME TAX OFFICE,
The 25th January 1861.

(Signed) W. E. S. LATTER,
Deputy Collector and Assessor, P. A.

No. 557, Home Department, Fort William, the 2nd March 1861.

Copy forwarded to the Foreign Department, for disposal.

From A. R. YOUNG, Esq., Deputy Secretary to the Government of India, Foreign Department, to the Commissioner of Pegu, No. 5,157, dated Fort William, 31st October 1860.

SIR,

1. I am directed to acknowledge the receipt of your letter of the 21st ultimo, No. 171, in which you report that you have taken measures for giving immediate effect to the provisions of the Income Tax Act in fifteen of the principal towns in the Province of Pegu, but have restricted its operation to those towns pending orders on a proposal, made in the same letter, to increase the Capitation Tax by 25 per cent. in preference to the introduction of the new Tax into the agricultural portions of the Province.

2. The circumstance mentioned by you, that of the whole number of cultivators and small proprietors in the province, "there is not one who, under the operation of Section 97, Rule 1, and Section 130, would have to pay Income Tax," would be an argument rather for the total suspension of the Act in those places, than for a substitution of any other for the Income Tax; and were the question merely between enforcing the Income Tax and providing an equivalent for it, the Governor General in Council would not be disposed to act on your suggestion, which would have the effect of imposing the tax on classes exempted under the Act.

3. But it is satisfactorily shown in your report, as well as in the letters from the several officers in the Province whom you consulted on the subject, that since 1853-54, when the present rates of the Capitation Tax were fixed, the wages of labor and the general prosperity of the lower classes in Pegu have greatly increased, that they are now well able to bear a higher rate of taxation, and that an enhancement of 25 per cent. would not press heavily upon them. His Excellency in Council therefore sees no objection to such an increase being made, and agrees with you that it will be advisable to give notice at once that the rates for the years 1861-62 will be fixed at 25 per cent. above those now paid. The Governor General in Council leaves it to you to make such exceptions to the increased rates as you may deem necessary, in the districts referred in your 8th paragraph.

4. The payment of the enhanced rates of Capitation Tax will fairly entitle the classes affected by them to exemption from the further direct taxation, which any such Bill as that before the Legislative Council for imposing a License duty on trades and professions may authorize, and I am directed therefore to state that the provisions of that Bill, if it pass into Law, will not be brought into operation in the agricultural districts of Pegu, which are now to be subjected to the enhanced Capitation Tax, but they will take effect in those towns into which the Income Tax has been introduced, and in which the Capitation Tax remains unaltered.

Financial Department, Fort William, the 6th August 1861.

RESOLUTION.

1. The Governor General in Council is pleased to accede to the recommendation of the Commissioner of the Tenasserim and Martaban Provinces, and to authorize him to entertain whenever it is necessary three or four elders or influential Burmese to collect the Income Tax from their countrymen, paying them a commission of 4 per cent. on the collections.

2. In respect to the 2nd point noticed in the above observations, His excellency in Council desires that the Commissioner's reply to the inquiry from the Foreign Department be transferred to the Financial Department, for final orders, when received.

ORDERED, that a copy of the above Resolution be sent to the Foregin Department, for the issue of the necessary orders and for guidance.

Ordered, also, that the above Resolution, together with the above papers be printed, and that twelve copies thereof be forwarded to the Clerk of the Legislative Council, and four copies to each of the local Governments, and two to each of the Administrations entered in the margin, in continuation of the Financial Resolution, No. 9,581, dated the 19th ultimo.

Governments of Madras, Bombay, Bengal, North-Western Provinces, and Punjab.
Chief Commissioner of Oude, Commissioners of Nagpore, Pegu, Tenasserim and Martaban Provinces.
Residents, Hyderabad, Baroda, Indore and Nepal.
Governor General's Agents, Central India and Rajpootana.

(A true Extract.)

(Signed) C. HUGH LUSHINGTON,
Secretary to the Government of India.

No. 145. ORDER THEREON, 13th September 1861, No. 1,819.

Communicated to the Board of Revenue for information.

(Signed) J. D. SIM,
Secretary to Government.

R-2nd August/61 Nos 381 382

Rec'd 1861 Sept.
Pro: of Govt for Septr.
£ 2695-

From the Secy to Govt of India

Dated 6th Augt 1861
Received 2nd Septr 1861

£ 1047

per P

Forwarding Copy of Resolution authorizing the Commissioner of the Tenasserim and other Provinces to entertain three or four influential Burmese to collect the Income Tax and pay them a commission of four per cent on the Collections-

No 1819. 13th Septr.
with an order-

No 144 & 145-

C. 5 Sept. R 7th

No 1819

Communicated to the Board of Revenue for information.

For Lt Governor
For Lt St George
13th Sept 1861

11 Copies
To the Board of Revenue. Copy-14