M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 2004	Press ~~Mis.~~
223. 224	
Dated 18—10—1861.	

Not to be folded or roughly handled

No. 223. Read the following Extract from the Proceedings of the Government of India, in the Financial Department, dated 16th August 1861, No. 10,704.

Read again the following papers :—

Endorsement from the Government of the North-Western Provinces, No. 467*a*, dated the 14th December 1860, forwarding for information certain documents relative to an agreement entered into by the principal inhabitants of Benares, to levy among themselves, and from the city, on account of Income Tax, a lump assessment of 1¼ lac of Rupees, and to pay the entire amount into the Treasury for the year ending 31st July 1861.

Letter to the Government of the North-Western Provinces, in reply to the above, No. 1,819, dated the 23rd February 1861.

Endorsement from the Home Department, No. 1,617, dated the 2nd ultimo, forwarding for disposal certain reports submitted by the Governments of Bombay, Bengal, and the North-Western Provinces, relative to the operations of the Income Tax, in reply to a Circular addressed by the Home Department to the Local Governments and Administrations, dated the 1st November 1860.

Financial Resolution on the above, No. 9,581, dated the 19th July last.

Read the following papers relative to the working of the lump assessments in the cities of Allahabad and Benares :—

From Sir GEORGE COUPER, Baronet, Secretary to the Government of the North-Western Provinces (Separate Revenue Department, Income Tax), to C. H. LUSHINGTON, Esq., Secretary to the Government of India, in the Financial Department, Fort William, No. 224*a*, dated Nynee Tal, 9th of July 1861.

SIR,

1. With reference to your letter, No. 1,819, dated 20th February 1861, I am directed to forward to you, for the information of His Excellency the Viceroy in Council, the accompanying copies of the correspondence noted in the margin,* regarding the working of the lump assessment of the Income Tax, in the city of Allahabad.

* From Secretary to the Sudder Board of Revenue, North-Western Provinces, No. 190, dated the 14th of June 1861, (Extract paragraphs 1 to 5) and copies of its enclosures.
To Secretary, Sudder Board of Revenue, No. 223*a*, dated the 9th of July 1861.

2. The report on the Benares lump assessment will be forwarded when received.

EXTRACT paragraphs 1 to 5 from a letter from the Secretary to the Sudder Board of Revenue, North-Western Provinces, to the Secretary to the Government of the North-Western Provinces, No. 190 of 1861, dated Allahabad, 14th of June 1861.

1. With reference to paragraph 7 of the orders of Government, in the Separate Revenue (Income Tax) Department, dated the 14th of December 1860, No. 466*a*, I am directed by the Sudder Board of Revenue to submit, for the consideration and orders of the Honorable the Lieutenant-Governor, copies of the papers noted in the margin,† connected with the lump assessment of the Income Tax in the Allahabad District.

† No. 1. Collector's report dated the 1st of May 1861, No 166, and enclosure.
No. 2 Do. Do. dated the 1st of June 1861, No. 202, and enclosures.

2. In the brief space which his report occupies, the Collector has furnished all the information that is essential to the formation of an opinion on the result of the lump assessment.

3. The Board consider that the amount of dissatisfaction which has been manifested through the medium of appeals is no greater than might reasonably have been expected, and they regard the result as satisfactory.

4. Mr. Johnston has devoted himself most assiduously to the duties imposed on him under the Income Tax Act, and the extensive experience which he has acquired attaches much weight to his opinion.

5. The Board would therefore concur with him in recommending that the lump assessment should not be renewed for the coming year, notwithstanding the probability that a detailed assessment will yield a smaller amount of revenue than has this year been obtained from the city of Allahabad.

From WILLIAM JOHNSTON, Esq., Officiating Collector of Allahabad, to W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue, North-Western Provinces, Allahabad, No. 166, dated Allahabad, 1st of May 1861.

SIR,

1. I have the honor herewith to report the completion of the assessments for the Income Tax of this District. The assessments were all made by the 15th of March, more than a month ago, and the delay in submitting this report has been solely occasioned by the City Punchayet failing to send in their distribution list by the time fixed; this has at last been supplied, objectors heard and their claims disposed of.

2. The Board are already aware of the mode in which the asssessments were made in this District, and I hope the result will be considered satisfactory.

3. I enclose a Statement showing the amount of assessment in each Pergunnah, the number of assessments made, the number of surcharges made, and how the objections to the latter were disposed of.

4. In this District, as I presume in every other District, of the North-Western Provinces, almost every native was surcharged, and the heaviest part of the duties connected with the Income Tax was the disposal of objections thereto. 1,079 persons attended personally at Kacheri exclusive of the residents in the city, and each of their cases had to be gone into, witnesses examined, and accounts inspected. Mr. Melville had left this District before the objections began to be made, and Mr. Bayley preferred to leave the whole of the Income Tax work to me, so that I had more than usually heavy duties to perform.

5. The total amount levied is 1,90,498-3-0, but if the duties on salaries, pensions and Government Notes are added, the sum amounts to 2,35,018-1-6, the cost of collection which includes Establishment and probable contingent charges up to 31st of July 1861, amounts to 13,478-12-11, or 5-11-8 per cent.

6. My original Establishment was an expensive one, Mr. Gordon's salary of 500 Rupees a month being a heavy item, but by making reductions whenever it was possible, I brought the amount of the monthly Establishment down from 2,405 Rupees to 1,870 Rupees, and I think next year an Establishment on 1,500 Rupees a month, for three months, will be all that will be necessary.

7. The assessment of the Doab and half of the Trans-Gangetic Purgunnahs were made by Pundit Gopy Nauth, and were conducted most admirably by that officer, and I shall be glad when an opportunity occurs for his receiving some reward at the hands of Government for his services. His assessments were all made after careful enquiry, and in most cases his proposals were confirmed.

8. Meer Mudud Allee made the assessments in the Trans-Jumnatic Purgunnahs, and half of the Trans-Gangetic ones. His intimate knowledge of the people and their resources across the Jumna rendered his services most valuable; but, on the whole I think, his assessments were a little too heavy, and I have had to reduce and remit the duties in a good many cases. He performed his work, however, with expedition and deserves considerable credit.

9. The assessment of the Station of Allahabad with all the Europeans except those living in Cantonments, was made by Mr. A. R. Gordon, and I have very great pleasure in reporting that no one could have performed the work better. Mr. A. R. Gordon has assessed

the Station at nearly 20,000 Rupees, at the rate of 139-14-8 on each person; the objections were few, and these with the exception of one or two cases only required an explanation to be disposed of to the entire satisfaction of the objectors. Mr. Gordon's abstracts of assessments will form a valuable record, and will render the work next year comparatively easy.

10. The assessment of the Cantonments entrusted to Captain Wemys Smith has, I am sorry to say, been a failure; no surcharges were made, and a great number of the returns not sent in at all. I made as many surcharges as I could, but the financial results were not satisfactory. Out of three Royal Regiments of the line, a Troop of Horse Artillery, a native Regiment of Infantry, and the Station Staff, not one return of Income other than Regimental pay was made.

11. The city lump assessment has, I think, been effected without any, or at least a very few, of the abuses which many people thought would occur. The Punchayet were all highly respectable natives, and every one assessed has had ample opportunity of contesting the amount levied both before the City Punchayet and Deputy Collector Nasir Allee Khan, who has rendered me the very greatest assistance not only with respect to the lump assessment, but in the Doab assessment which were entrusted to him.

12. The best proof that the assessments of this District have been made in a fair and equable manner, is that the average rate per assessment in each Purgunnah and in the city is nearly the same, and a difference of only eight Annas exists in the average on the whole District and that of the city.

13. The collection up to date, *viz.*, for the two first instalments is 1,28,284-15-11, being 10,775-15-11 in excess of the demand; great number of tax-payers, especially the poorer classes, have preferred to pay the whole sum assessed at once.

14. The third instalment falls due to-day, and will be collected without difficulty; and I apprehend without having recourse to coercive measure of any kind, which have hitherto been applied in very few cases.

15. The classified Statement on the incidence of the Tax required by Circular Order, No. 7 of March the 19th, 1861, will be submitted in a day or two.

16. In conclusion, I have the honor to report that the records connected with the assessments are all complete and in classified order, both in the English and Vernacular Departments.

Name of Circle and Purgunnah.	Special notices issued.	Cases in which no assessments were made.	Balance, *viz.*, No. of assessments made.	Surcharge cases.	Surcharge cases in which objectors attended.	Results of objection. Cases in which duties were wholly remitted.	Cases in which duties were partially remitted.	Cases in which assessments were confirmed.	Total amount of Income Tax levied in all cases to the 31st of March 1861. Rs.	A.	P.	Average on each person. Rs.	A.	P.
			persons	persons	assessed at.									
City of Allahabad	0	0	4,528	77	28	3	18	7	80,000	0	0	17	10	8
Station of Allahabad	465	324	141	43	10	2	3	5	19,728	5	0	14	8	8
Cantonment of Allahabad	225	174	51	754	193	7	19	167	2,306	12	0	47	1	2
Purgunnah Chail...	1,192	378	814	464	93	6	13	74	11,588	8	0	14	5	9
Do. Kurrah	777	266	511	236	74	3	4	67	8,519	12	0	16	13	11
Do. Uthurban	339	82	257	275	24	1	2	21	3,378	3	0	13	4	9
Do. Kumalee	378	91	287	336	48	1	4	43	4,064	13	0	14	3	4
Do. Suraoan	479	143	336	146	33	2	4	27	6,648	4	0	19	13	6
Do. Nawabgunje	254	108	146	441	42	1	3	38	3,345	10	0	23	3	8
Do. Secundra	721	280	441	334	53	10	1	42	6,939	12	0	15	12	1
Do. Jhoosee	544	210	334	60	17	3	3	11	5,878	13	0	18	2	3
Do. Mirzapoor Chuntaree...	70	10	60	498	62	9	10	43	795	12	0	13	15	4
Do. Kewaie	622	124	498	449	66	10	7	49	5,253	13	0	10	11	10
Do. Meh	628	179	449	281	17	2	3	12	3,868	11	0	8	13	0
Do. Barra	298	17	281	1,178	207	94	29	84	3,719	2	0	13	5	3
Do. Arail	1,231	53	1,178	854	112	15	18	79	10,987	14	0	10	2	2
Do. Khyraghur	892	38	854						13,481	3	0	16	1	1
Total...	9,115	2,477	11,166	6,426	1,079	169	141	769	1,90,498	3	0	17	0	11
Salaries	0	0	0	0	0	0	0	0	43,267	12	6			
Pensions	0	0	0	0	0	0	0	0	624	0	0			
Government Notes...	0	0	0	0	0	0	0	0	628	2	0			
								Total...	2,35,018	1	6			

ALLAHABAD, COLLECTOR'S OFFICE, INCOME TAX DEPARTMENT, *the 1st May* 1861.

Cost of assessment, collection, &c., up to the 31st of July 1861 13,478-12-11
Cost per cent. on account of Tax levied..... 5-11- 8

(Signed) W. JOHNSTON, *Offg. Collector.*

From WILLIAM JOHNSTON, Esq., Officiating Collector of Allahabad, to W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue, North-Western Provinces, No. 202, dated Allahabad, the 1st of June 1861.

SIR,

1. In reply to your letter, No. 296 of the 9th of May, calling for a special report on the lump assessment in the city of Allahabad, I have the honor to furnish you with the following further information on the subject.

2. I enclose copy of the agreement made by Mr. Court with the chief natives of the city, and also a tabular statement showing the results thereof, the objections made to the Punchayet, the appeals made therefrom to Deputy Collector Nasir Allee Khan, and how all of them were disposed of.

3. Before the enclosed agreement was drawn out and signed by the parties concerned, a large meeting was convened in the Khoosroo Bagh, which a very large number of the inhabitants of the city attended; the subject of a lump assessment was discussed, and a Committee appointed to arrange the matter with Mr. Court.

4. The agreement having been signed and attested, the head Punchayet proceeded to divide the city into parcels of Mohullas, to which other Punchayets were appointed to make the assessment.

5. Persons who objected to the amount levied upon them by the Mohullah Punchayets had full opportunity of stating their objections to the Head Punchayet, and, if still dissatisfied, of appealing to Deputy Collector Nasir Allee Khan, whom, with the sanction of Government, I had delegated with Collector's powers, under Section XXIII of the Act.

6. The enclosed tabular statement shows the number of persons, *viz.*, 1,286, who availed themselves of this privilege. In 392 cases, the duties were either wholly remitted or revised, to the amount of Rupees 9,159-8-0, in the remaining 894 cases, the assessments were confirmed in the sum of 22,822 Rupees.

7. In comparing the number of appeals from the lump assessment in the city with the number preferred from the rest of the District, I find the result as follows:—

	Persons assessed.	Appeals.	Amount of Tax.
City.....	4,489	1,286	80,000 0 0
Rest of District.....	6,638	1,079	1,10,498 0 0

which considering the greater facility of appealing possessed by the city people, I think, shows that they were not much more dissatisfied than their friends in the Mofussil.

8. On the 1st of February, 40,000 Rupees were paid into the Treasury by the Head Punchayet, although not a pice had been collected from the people. The collections are now going on, and the Board will observe that Rupees 72,036-8 has been definitely apportioned, the remaining Rupees, 7,974-8, a portion of that remitted by the Head Punchayet and Deputy Collector Nasir Allee Khan, has still to be levied. I have directed that no collections are to be made from the individual members of the Punchayet until this sum is assessed; a large proportion of it will no doubt be made up by the Punchayet themselves as they are all wealthy men.

9. A good many of the city people have appealed to the Commissioner of Land Revenue, who, as I construe the Act, does not possess the power of entertaining such appeals. Any way, however, the collections are being made, and as yet I have not had occasion to enforce the penalties of the Act in a single instance.

10. With regard to the question whether lump assessments are preferable to individual assessments, I have the honor to make the following brief remarks.

11. My own opinion of the Indian Income Tax, based on the experience I have had in this large District, is that it is a failure so far as the practical fairness of the impost is concerned. In theory nothing can be more just, but in India, I am afraid, the difficulty in arriving at any thing like an approximate estimate of a rich native's actual annual profits, has resulted in making the poorer population pay a much higher proportion of the Tax, than they are liable to under the provisions of the Act. This does not apply to the European portion of the community, who, I believe, have been assessed most equitably in so far as the Act is concerned, but most unequally with reference to the rich native Mahajuns, Bankers, Merchants, &c.

12. A lump assessment relieves the Collector of much trouble and extra work, but I very much doubt whether it is fair to the poorer population. It is natural to suppose that in a native community, the parties who have got the power of apportioning the Tax, will, to ease themselves and their friends, lay it heavier on their neighbours and their enemies, and I have no doubt to some extent this has been done in Allahabad; whereas in an individual assessment, rich and poor fare alike, or rather ought to fare alike; but here again, the former have an advantage over the latter inasmuch as the poor man's income is easily ascertained and the rich one's the reverse.

13. Taking every thing into consideration then, I am of opinion that although the lump assessment, as a lump assessment, has been carried out successfully in the city of Allahabad during the present year, I would recommend that next year the assessments should be made in the usual way by taxing each individual separately. I don't think we shall get more than 60,000 or 65,000 Rupees by the latter mode, but the decrease will be made up by the knowledge that the mass of the people will be better satisfied, and the tax itself more equitably apportioned on rich and poor.

ARTICLES of Agreement between M. H. COURT, Esq., Collector of Allahabad, on the part of Government, and the undersigned merchants and residents of the city of Allahabad, dated 17th October 1860.

WHEREAS much inconvenience and distress is likely to occur in the collection of the Income Tax, and in the preparation of the several Schedules and Returns required, the merchants and others, residents of the city, make application to compound for the Income Tax, on the following terms:—

1. The sum to be paid in lieu of Income Tax for the year ending July 31st 1861, is agreed to be eighty thousand Company's Rupees.

2. In the above sum will be included.

1*st*. All profits derived from trade or other sources assessable under Schedule, No. 2.

So much of Schedule, No. 1, as will comprise the tax for all lands, houses and property, on land of every description within the following bounds.

From the Ganges at north corner of Mohullah Dara Gunge to kucha road running from Buxee Bund to Grand Trunk Road, thence along Grand Trunk Road to cross-way at Kota Parchah; thence south of line of Railway to level crossing at Kutchpoorwa; thence south to the Jumna, at eastern corner of Neeamut Beebee's Bagh; thence down Jumna to junction with Ganges and up Ganges to starting point at Dara Gunge.

The Native Bazars of Kulra Jai Singh, Colonel Gunge, and Montgomery Gunge.

3. In Allahabad, there are Heads of Banking and Trading houses, whose Gumáshtas are stationed in Mirzapoor and other cities within British Territories, but whose accounts are included in those of the Head firm at Allahabad. Such Gumáshtas are declared to be

included in the assessment on the city, and entitled to exemption so far only as their business and profits are as Agents to Head Firm. Each Firm claiming exemption for such Gumáshtas will give the names and residences, supported by a certificate on oath, that the persons named are *bona fide* Gumáshtas, and they will then receive Certificates of exemption, which shall hold good so far only as their business as Agents is concerned, and so far only as they may be liable under Schedule 2.

4. All persons whose incomes are less than 200 Rupees per annum, and all Gumáshtas of houses of which the head establishments are in other cities within British territory, and who produce certificates exempting them from Tax on profits of business, in consequence of those profits having been charged to the Head Firm, shall be exempt from contributing to the city assessment for any profits under Schedule II. as Gumáshtas, but not for any house or lands they may hold under Schedule No. I. But Gumáshtas of Firms or individuals living in foreign territories, who may reside in the city are liable to pay their share.

5. The leading men of the city will arrange amongst themselves for distribution of the Tax without interference on the part of any public officer. Should any question arise, which they are unable to determine, Nasir Allee Khan Zool Kadur, Deputy Collector, will decide the same, and such decision shall be final.

6. The following are elected as Members of the city Punchayet for distribution of Tax, and all questions arising therefrom: —

Lalla Ram Pershad, Rae Bahadúr.
Lalla Madho Pershad.
Lalla Baboo Lall.
Sheik Feeaz Allee (Government Vakeel).
Lalla Munohur Dass.
Buldeo Narain, Oorf Chotoo Lall.
Lalla Gopee Nath.
Munowree.
Nil Kumul Baboo.
Soondur Dass.

The above shall have authority to work through agency of Sub-Committees; and any six of the number shall form a quorum.

7. The distribution returns will be presented to the Collector within the month of December, and half of the sum assessed shall be paid on or by the 1st of February, 1861. An instalment of one-fourth on or by the 1st May, and the remaining one-fourth on or by the 1st of August.

8. In collecting the Tax, the Committee can require the assistance of the Collector, when required either for process of distraint or other purpose.

9. In proof of the above, the following signatures are attached.

M. H. Court, Collector.
Rai Ram Pershad.
Lalla Madho Pershad.
Lalla Baboo Lall.
Sheik Feeaz Allee.
Lalla Munohur Dass.
Lalla Buldeo Narain, Oorf Chotoo Lall.
Lalla Gopee Nath.
Munowree.
Nil Kumul Baboo.
Soondur Dass.

Statement showing the result of the lump assessment in the city of Allahabad.

Name of Arbitrators.	Amount of assessments made by Arbitrators.		Amount of assessment increased by order of Deputy Collector Nasir Allee Khan.		Total.		Total number of persons on whom Arbitrators fixed the assessment.	Amount of assessments in which objections were raised.		Amount of assessment as fixed by order of Deputy Collector Nasir Allee Khan.								Decrease proposed by Arbitrators.		Total amount of remission and reduction.		Number of persons in whose favor remission was granted.	Cases in which objectors attended and assessments confirmed.				Cases in which assessment has been fixed after objections were made.				Balance, viz. cases in which persons have taken copies of orders for preferring increase, reduction and remission.				Number of persons who have taken copies of orders for preferring appeal.
										Revised.				Remitted.				Revised.																					
										Others.		Dancing women.		Others.		Dancing women.																							
	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	Rs.	A.	No.	Rs.	A.	No.	Rs.	A.	No.	Rs.	A.	No.	Rs.	A.	No.	Rs.	A.	No.
Lalla Manohur Dass	9,448	15	4	8	9,453	7	507	5,430	8	192	183	8	872	8	35	0	1,563	14	26	0	2,704	14	55	2,725	10	187	4,022	15	315	6,748	9	452	1,322	0	25					
Lalla Baldeo Narain, alias Chutoo Lall	13,926	9	35	8	13,962	1	878	4,389	0	771	2	12	8	231	0	1,145	10	22	6	3,243	6	136	9,573	1	720	12	816	7	856	750	0	17								
Lalla Gopee Nath	6,604	0	146	0	6,750	0	392	3,129	8	240	0	49	8	149	0	1,129	8	55	0	2,000	0	78	3,620	8	259	8	909	0	337	5	0	1								
Baboo Nilkumal Mittur	4,226	8	1	0	4,227	8	440	1,578	6	53	0	0	0	0	0	318	8	34	8	1 259	8	71	2,649	8	335	8	3,909	0	406	703	8	12								
Rai Ram Pershad	14,550	0	12	8	14,562	8	764	8,129	0	321	8	59	0	158	0	1,046	8	83	8	7,082	8	215	6,433	8	466	13	516	0	681	440	8	27								
Baboo Madho Pershad	14 819	8	2	0	14,821	8	617	4,530	8	506	8	57	0	79	0	960	8	45	0	3,870	0	98	9,901	0	474	13	861	0	572	1,783	0	8								
Lall Baboo Lall	17,372	8	46	8	17,419	0	1,283	4,405	0	957	0	19	0	77	0	1,854	0	98	0	2,641	0	159	12,924	0	1,026	15,565	0	1,185	821	0	19								
Total	80,948	0	248	0	81,196	0	4,881	31,961	8	1,286	703	8	2,888	0	214	0	4,413	0	223	0	9,159	8	393	23,822	0	894	49,214	8	3,595	72,036	8	4,439	5,825	0	169					

W. JOHNSTON,
Officiating Collector.

ALLAHABAD COLLECTOR'S OFFICE,
INCOME TAX DEPARTMENT,
The 1st June 1861.

From Sir GEORGE COUPER, Baronet, Secretary to the Government of the North-Western Provinces (Separate Revenue Department, Income Tax), to W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue, North-Western Provinces, Allahabad, No. 223*a*, dated Nynee Tal, 9th of July 1861.

1. I am directed to acknowledge the receipt of your letter, No. 190, dated 14th ultimo, with which the Board submit a report from the Officiating Collector of Allahabad, relative to the lump assessment of the Income Tax in that city.

2. With reference to the appeals preferred against those assessments, I am to remark that these were facilitated by the proximity of the city to the Collector's Office, and that this proximity may account for the larger proportion received from the city as compared with the number received from the interior. The Lieutenant-Governor does not, however, think that the appeals have been so numerous as to afford evidence that the lump assessment has been productive of any great hardship.

3. But it is due, probably, as much to Mr. Johnston's close supervision, as to the general fairness of the arbitrators, that this result has been obtained.

4. As shown in my letter, No. 456*a*, dated 14th of December last, the Lieutenant-Governor was not disposed to think that lump assessments could be carried out, without some degree of hardship to the poorer classes, and though the Government should suffer some loss of revenue by abandoning them, His Honor would prefer future assessments being made under the general provisions of the Act.

5. With reference to the letter from the Government of India, in the Financial Department, No. 1,819, dated 20th of February 1861, (a copy of which was sent to the Board with my letter, No. 30, dated 15th of March) copies of Mr. Johnston's report, dated 1st June, and of its enclosures, together with an extract (paragraphs 1 to 5) from your letter under acknowledgment, and a copy of these remarks will be sent to the Government of India, with an intimation that the report on the Benares lump assessment will be forwarded when received.

6. I am desired to notice, with the Lieutenant-Governor's approbation, the care and diligence with which Mr. Johnston has carried out the provisions of the Act, and the efficient manner in which Mr. Gordon has performed the troublesome duty of assessing the station of Allahabad.

7. Nazir Alee Khan, Deputy Collector, Gopeenauth, and Mudud Allee, Assessors, have also earned the acknowledgments of Government by the aid which they gave to the Collector.

From Sir GEORGE COUPER, Bart., Secretary to the Government of the North-Western Provinces (Separate Revenue Department, Income Tax), to C. H. LUSHINGTON, Esq., Secretary to the Government of India, in the Financial Department, No. 246*a*, dated Nynee Tal, 17th July 1861.

SIR,

1. With reference to my letter, No. 224*a*, dated the 9th instant, reporting on the working of the lump assessment of the Income Tax in the city of Allahabad, and to your letter, No. 1,819, dated the 26th February last, on the subject of such assessments, I am directed by the Honorable the Lieutenant-Governor to forward to you, for the information of His Excellency the Viceroy in Council, copies of a letter, from the Secretary to the Sudder Board of Revenue, No. 195, dated 22nd ultimo, and of its enclosures, relative to the lump assessment in the city of Benares and the completion of operations for 1860-61, in the Benares District, and to offer the following remarks of the Lieutenant-Governor thereon.

2. It appears to His Honor that the lump assessment has been carried out by the Native Committee with great judgment and impartiality, as shown by their report, and by the paucity of complaints against their distribution of the burthen. But if, as may be fairly assumed from the high respectability of the members, there is truth in their statements, and in the assertion that, after taxing every person liable to duties under the Act to the utmost allowable limit, the more opulent of the residents have had to take upon themselves the payment of Rupees 25,000 to make up the amount agreed upon, a strong argument is furnished against recognizing generally the principle of lump assessments.

3. It was, indeed, in view of the probability that it would tell against the interest of the poorer classes, rather than of the well-to-do residents, that the Lieutenant-Governor objected to the system of lump assessments, but it is no more right that the Government should benefit by undue exaction from the latter than that they should benefit by the oppression of the poor; and it would seem, from the experience which has been gained at Allahabad and Benares, that one or the other contingency is likely to happen.

4. The Sudder Board of Revenue will be informed of His Honor's view, and advised that unless the city of Benares should solicit the repetition of a lump assessment for the next year, whether at the old rate, or at any other reasonable rate, the Income Tax must be assessed according to the general provisions of the Act.

5. Notwithstanding what the Committee say as to the inability of the city to pay Rupees 1,25,000, the average rate per tax payer of Rupees 17-3-7, and of 10 annas 1 pie per head of the city population, is not materially in excess of the like averages in semi-rural districts, as will be seen on reference to the enclosures of my letter, No. 207*a*, dated the 24th ultimo.

6. The report of the Native Committee curiously confirms the opinions which have been expressed by the majority of the officers under this Government, and which the Lieutenant-Governor himself entertains, that (1st) the natives of this country are totally indifferent as to secrecy in respect of the amounts assessed upon them, though they will not disclose the sources thereof, and, (2ndly) that correct returns of income will never be obtained. "We know" say the Committee, "there are very few men who are disposed to give a true statement of their "incomes, and we know how difficult it is to prove the exact amount of one's income without a "tedious and irritating enquiry." This testimony is valuable, as coming from natives of the highest respectability, especially at the present time, when the Government of India is seeking suggestions for the improved working of the Income tax Act.

7. The Native Committee, under the guidance of Rajah Deo Narain Sing Bahadúr, have, in His Honor's judgment, accomplished the arduous and invidious duty which they undertook with much ability, integrity and conscientiousness, and are entitled to commendation. There has been no complaint of oppression from their hands; the appeals from their allotment have been few; those in which success has been obtained, are fewer still; and the Lieutenant-Governor thinks that the arguments advanced in their own intelligent report go to show that while true to their engagement, they and the richer residents of the city have overtaxed themselves to fulfil it; they have spared no man liable to the duty, nor brought under the operation of the Act any man not fairly liable. They have acted with complete openness and fairness throughout.

8. His Honor will make known to Rajah Deo Narain Sing the great value which he attaches to his services as the Head of the Native Committee, and will request him to convey his thanks to his associates. If it should please the Governor General to convey the expression of his approval to the Rajah, it will be highly gratifying to him.

From W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue of the North-Western Provinces, Allahabad (Separate Revenue), to Sir GEORGE COUPER, Bart., and C.B., Secretary to the Government of the North-Western Provinces, No. 195, dated Allahabad, 22nd June 1861.

SIR,

Present.
R. Money, Esq., Member.

1. With reference to paragraph 6 of the orders of Government in the Revenue (Income Tax) Department, dated the 14th December last, No. 46*a*, I am directed by the Sudder Board of Revenue to submit, for the consideration and orders of the Honorable the Lieutenant-Governor, copies of the papers noted in the margin, relative to the lump assessments of the Income Tax in the city, and completion of operations for 1860-61, in the Benares District.

Copy of a letter from Collector of Benares, dated 29th April 1861, No. 13A.
Do. letter from the leading Members of the Committee of the Income Tax, dated 27th April 1861.
Do. of a letter from Collector to Board, dated 12th June 1861, No. 20, and statement.

2. The Committee appear to have discharged their duty in a most satisfactory and impartial manner. There have been no complaints of oppression or of unjust assessment, and owing to the city having been taxed without any charge for Establishment, the percentage of cost for the whole District amounts only to the small sum of Rupees 2-8-8.

3. The Board have not the means of ascertaining the amount that might be realized from the city of Benares by individual assessment, but if the inhabitants are willing to renew the lump assessment for the same amount, Rupees 1,25,000, for next year, the Board would recommend that their offer be accepted.

4. The Board would suggest that a letter of acknowledgment of his services would be very acceptable to Rajah Deo Narain Sing, the President of the Committee, and he might be requested to convey to the Members of the Committee His Honor's approbation of the valuable aid which they have afforded.

5. I am to add that Sheo Suhai will in due course be recommended for the appointment of Deputy Collector.

From the Collector of Benares, to W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue, North-Western Provinces, Allahabad, No. 13*a*, dated 29th April 1861.

SIR,

1. I have the honor to submit a letter, in original addressed to me by the leading Members of the Committee for distributing the lump assessment sanctioned by Government for the city of Benares among the residents.

2. In soliciting sanction to the lump assessment, I represented to the Board the wishes of the residents of Benares, with respect to the conditions contained in their agreement, that they were not to be assessed for profits under Schedule II. and for house property under Schedule I. in any other District or place save in Benares, or in other words, that those receiving profits from transactions or house property in other Districts were to be assessed for the same at Benares and at no other place, and in consideration of this condition they were willing to exempt from assessment in Benares the residents of other Districts similarly situated. These conditions were adopted on the same principle as the arrangements made at Allahabad. The Lieutenant-Governor was pleased to consent to these terms as the basis of the lump assessment.

3. The manner in which operations were commenced is partially described in the enclosure. The wealthy men of the city assembled and put down their names for certain sums rather in the shape of subscriptions towards the lump assessment than as the quotas due from them; many of these who would have escaped under an individual assessment for small sums, subscribe double the amount for which they were liable. I could give instances of these were it necessary. The object was to raise as much as possible at first starting among the respectable citizens, so that the burden might fall more lightly on the poorer classes.

4. The Members of the Committee also undertook among themselves to make up any deficiency that might exist after a fair assessment had been fixed on the people.

5. The result is shown in paragraph 7 of the Committee's report. After including the subscriptions alluded to, and assessments from all the people, there was still a deficiency of 25,000 Rupees. The Committee, as you will see, thought at one time of making up this sum by an additional assessment at the rate of 25 per cent. from the people, but to their credit, be it said, they soon abandoned this idea, and by contributions from among themselves they raised the money. The burden of the tax has then essentially fallen on the wealthy and respectable class, and although the poorer classes have also contributed, still the tax has not fallen oppressively on them at the same time that they appear to have been fairly taxed.

6. The result of these operations has, to my mind, borne out the opinion I formerly expressed as to the amount of Income Tax derivable from the city of Benares.

7. The work of assessing incomes has proved to be so much more arduous than was anticipated, that notwithstanding the Committee have labored incessantly, they are only just now completing their work. The accompanying abstract Statement will show in a measure the extent of the Committee's labors, the detailed Statement has been kept in the Collector's Office. 6,804 persons have been taxed in the aggregate Rupees 1,21,467-14-0, one or two Muhulla still remain to be assessed, so that the numbers of the payers will be much larger, the proportion distributed on the above numbers gives the average rate of Rupees 17-13-7 per head. But of those taxed, I find by a reference to the detailed papers that forty-nine persons have been assessed in the sum of Rupees 53,035 or at the rate of Rupees 1,082-5-6 per head as per margin.

1	at	4,000	6	at	900
1	,,	3,000	2	,,	850
1	,,	2,700	5	,,	800
1	,,	2,000	3	,,	750
1	,,	1,600	1	,,	725
1	,,	1,500	1	,,	700
1	,,	1,410	1	,,	650
1	,,	1,400	3	,,	600
4	,,	1,300	2	,,	550
2	,,	1,200	4	,,	500
4	,,	1,100			
2	,,	1,050			
1	,,	1,000			

8. I have much pleasure in bearing testimony to the excellent service rendered by Lalla Sheo Suhai. I have been repeatedly told by Members of the Committee that but for the aid afforded by Sheo Suhai, the Committee's labors would have been much prolonged. I trust the Board may view favorably this assistance, and express their approbation of Sheo Suhai.

9. I beg to enclose an expression of the Committee's opinion regarding Sheo Suhai.

10. I regret that circumstances should have prevented me from incorporating in this report the result of the Income Tax arrangements for the rest of the Benares District. The assessments are completed, but the delay caused by the necessity of giving the persons assessed an opportunity of objecting to the surcharges invariably imposed, has prevented the preparation of statistical information on the subject.

11. In conclusion, I have only to remark that I consider the Committee of the city lump assessment have exercised a wise discretion in their proceedings. Objections have certainly been made, but explanations from the working Members of the Committee have invariably demonstrated the unreasonableness of such objections. I consider that I am under an obligation to the Committee for relieving me of so arduous a task as the assessment of the city, a matter which, from the novelty of the law, would have entailed very considerable labor; I beg therefore to record my thanks to them.

Statement showing the result of assessment under Act XXXII of 1860,

Divisions.	No. of Notices issued.	No. of persons entitled to exemption.	No. of persons assessed.	No. of persons surcharged.	No. of appeals made.	No. of appeals upheld.	No. of appeals dismissed.	No. of assessments as shown in the last report of progress Form No. A. Schedule No. I.	Schedules Nos. II. & IV.	Total No. of assessments.
English assessment	74	21	53	0	0	0	0	16	43	59
Huzúr Tehseel	1,857	0	1,857	1,857	394	21	373	1,586	1,557	3,143
Chundowlee Tehseel	700	0	700	700	128	2	126	488	552	1,040
Cantonments	0	0	192	4	2	2	0	30	164	194
Maharajah of Benares	1	0	1	0	0	0	0	1	0	1
Total	0	0	2,803	2,561	524	25	499	2,121	2,316	4,437
City (lump assessment)	0	0	0	0	0	0	0	0	0	1
Grand Total	0	0	0	0	0	0	0	0	0	4,438

Memorandum of the Income Tax duties collected up to the 31st May 1861, *under several heads.*

	RS.	A.	P.
English assessment	3,677	10	0
Huzúr Tehseel	27,418	10	0
Chundowlee Tehseel	15,195	9	0
Cantonments	853	8	0
Lump assessment	1,20,007	0	0
Salaries and pensions	20,479	11	6
Interest	7,082	6	4
Unaudited salaries and allowances	182	0	0
Total...	1,94,896	6	10

INCOME TAX DEPARTMENT,
BENARES COLLECTORSHIP,
The 12th June 1861.

for the District of Benares for the year ending on the 31st July 1861.

Amount of assessment as shown in the last report of progress Form No. 1. Schedule No. I.	Schedules Nos. II. & IV.	Total amount assessed.	Deductions allowed.	Total demand.	Average amount of individuals* assessment.	Amount collected up to 31st May as shown in the last Towzee Form, No. B.	Balance due.	Remarks.
RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	RS. A. P.	
308 1 0	5,757 11 0	6,065 12 0	1,055 4 0	5,010 8 0	94 8 7	3,677 10 0	1,332 14 0	
13,423 0 0	22,759 5 0	36,182 5 0	223 8 0	35,958 13 0	19 5 9	27,418 10 0	8,540 3 0	
8,321 1 0	7,240 8 0	15,561 9 0	140 0 0	15,421 9 0	22 0 0	15,195 9 0	226 0 0	
681 11 0	2,542 11 0	3,224 6 0	452 12 0	2,771 10 0	14 6 11	853 8 0	1,918 2 0	
3,594 0 0	0 0 0	3,594 0 0	0 0 0	3,594 0 0	3,594 0 0	0 0 0	3,594 0 0	
26,327 13 0	38,300 3 0	64,628 3 0	1,871 8 0	62,756 8 0	0 0 0	47,145 5 0	15,611 3 0	
0 0 0	0 0 0	1,25,000 0 0	0 0 0	1,25,000 0 0	17 13 7	1,20,007 0 0	4,993 0 0	
0 0 0	0 0 0	1,89,928 0 0	1,871 8 0	1,87,756 8 0	0 0 0	1,67,152 5 0	20,604 3 0	

* The average amount of individual assessment in the whole District amounts to Rupees 19-8-8.

Memorandum of expenditure of the Income Tax Department.

	RS.	A.	P.
Cost of establishment up to May 1861	4,496	10	4
Ditto. Contingencies up to do.	67	11	4
Total...	4,564	5	8
To be expended in June and July on account of establishment and contingencies...	216	0	0
Grand Total...	4,780	5	8

This expenditure of the Income Tax Department is Rupees 2-8-8 per cent. on the Income.

(Signed) J. BAX,
Collector.

From J. H. BAX, Esq., C.B., Collector of Benares (Income Tax Department), to W. H. LOWE, Esq., Secretary to the Sudder Board of Revenue of the North-Western Provinces, Allahabad, No. 20, dated Benares, 12th June 1861.

SIR,

1. With reference to your letter, and in continuation of my predecessor's letter, both noted in the margin, I have the honor to submit the final report, together with the Statement announcing the completion of the assessments in the Benares District.

From Secretary, Sudder Board of Revenue, to Collector of Benares, No. 333, dated 23rd May 1861.
From Collector of Benares, to Secretary, Sudder Board of Revenue, dated 29th April 1861, No. 13A.

2. During my short incumbency here, I have interfered as little as possible with my predecessor's arrangements for making assessments, and I necessarily am unable to give a detailed report of the system pursued, as I should like to have done.

3. The Europeans in the District and Civil station were assessed by Mr. Lind; none of them had been surcharged; but on my arrival, I found that very few, if any had paid up their instalments; they have however since been called upon by me to do so, and except for the last kist, nearly the whole of the money is collected.

4. Captain Gill, the Cantonment Joint Magistrate, had the assessment of the Europeans and Natives in Cantonments; he was assisted by associates under the designation of Punchayet. The Collector having reason to be dissatisfied with that Officer's assessments on the Natives in the Sudder bazar, deputed the Tahsíldár to revise them; and I find by looking at the records that the assessment was nearly doubled by the Tahsíldár and confirmed by the Collector. The money being demanded at once, an appeal was preferred to the Commissioner, on the ground of illegality, no notice of surcharge having been served, and the surcharge was in consequence cancelled by the Commissioner, who ordered the cases to be re-tried. The notices of surcharge were subsequently issued by me, but on making inquiries, it appeared to me that Captain Gill had taken considerable trouble in the matter, and that he was much more likely to know about the people than the Tahsíldár, who never had an opportunity of ascertaining the means of these individuals in the Sudder bazar, while Captain Gill had been resident on the spot for many months if not years, and was in constant communication with them. I therefore did not press the surcharge and allowed the original assessment by Captain Gill to stand.

5. The Húzur Tahsíl assessment was entrusted to the Tahsíldár Pundit Gokulchund. The details of his assessment are noted in the Statement. Some assessments were made very late, and a large sum of money is still due. It will be observed that a surcharge was made in every instance out of 394 appeals, altogether 21 were successful before me.

6. The Chundowlee Tahsíl assessment was made by the Tahsíldár Aga Ismael Ali Khan; his work was much lighter than that of the Húzur Tahsíl, and he seems to have been consequently more successful in the amount of his collections. As in the Húzur Tahsíl, so in the Chundowlee Tahsíl, a surcharge was made in every instance. There were 128 applications of resistance, of which only 2 were successful before my predecessor.

7. The average per head in the Húzur Tahsíl is shown to be Rupees 19-5-9, while the average in Chundowlee Tahsíl reaches to Rupees 22-0-0.

8. The Maharájá of Benares' returns were ordered to be revised by my predecessor, and he was surcharged by me, his objections being over-ruled and satisfactorily explained to him. Besides this, the Maharájá had paid into the Treasury the sum of Rupees 4,000-0-0 on his annual income of a lac of Rupees, as also Rupees 2,000-0-0, his share in the lump assessment in the city. I have lately (during this month) cancelled an assessment of Rupees 401-0-0 made on him by the Tahsíldár of Húzur Tahsíl, as it was based on portions of his city property, and had already been included in his payments to the city lump assessment.

9. It will be observed that the total amount demanded from the whole District is 1,87,756-8-0 for the whole year.

10. The expenditure including the annual and monthly pay of every official employed now and discharged previously, and contingencies, amounts for the whole year to Rupees 4,780-5-8; thus leaving an average of Rupees 2-8-8 per cent. of expenditure to income. This would seem satisfactory.

11. There has been only one person desirous of compounding, and my predecessor allowed it; it was in the case of Messrs. Smyth & Co., General Merchants and Commission Agents, who have compounded to pay the assessment on their annual income from all sources which amounts to Rupees 25,000.

12. My predecessor has previously entered into the particulars of the lump assessment. I have since been supplied by the Committee with a general abstract of the assessment of the city of Benares, which may, as the Committee observe, be a guide to me for the future.

13. On this point, however, I have to request the favor of being informed by the Board as to what are to be my proceedings from 1st August next (which date is now near at hand). Whether the lump assessment is to stand good, and the people to pay similarly what they have paid this year, or in the event of their objecting to the lump assessment, whether I am to assess individuals taking the amount paid by them this year as a basis for future assessment though the Committee have ignored the fact of their being taxed on their incomes.

14. Finally, I have to report that I have not heard of any oppression on the part of officials. An anonymous petition was sent to the Sudder Board of Revenue complaining about the lump assessment, and a report called for, which was furnished by my predecessor. The Tahsíldárs of the Húzur Tahsíl and Chundowlee would seem to have done their work satisfactorily though not speedily.

15. The Committee would also seem to have worked hard and laboriously to have relieved the Collector from a very onerous task, viz., that of assessing the city.

16. With reference to the 4th paragraph of your letter under review, after consultation with my predecessor and communication with Sheo Suhai, I beg to propose that as Sheo Suhai's name has been entered among the Candidates for a Deputy Collectorship, and as during the recent visit of His Honor the Lieutenant-Governor to this Division, intimation was given to Sheo Suhai that his appointment would be to one of the first vacancies, it was considered better that Sheo Suhai should (and himself expressed a desire to) wait for the vacancy. My predecessor therefore has urged me to beg the Board to bear Sheo Suhai's claims in mind on the very first vacancy.

From SOMBHU NARAYANA SUILA, RÁJÁ DEO NARAYANA SUILA, BAHADUR, and NARAYANA COT, to F. M. LIND, Esq., Collector of Benares, dated 27th April 1861,

SIR,

As our labors have now drawn towards a close, we have the honor to submit for your information a brief report of our operations in assessing this city, and levying the Income Tax.

2. It was agreed at first that the papers of assessment should not be made public, but as we have no object to gain by keeping them secret, and as they may assist future Assessors to a great degree in the performance of their work, we have resolved unanimously to submit them also to you with this report.

3. It is to be borne in mind, that here neither did Government appoint "Punches" to assess the city, nor did a few men having elected themselves as "Punches," take upon themselves to assist it. The bargain was closed between the Government and the whole population of Benares. The Government fixed the amount at one lac and twenty-five thousand Rupees, and left the arrangement of assessment and collection entirely to the population, with a proviso that you should have power to hear all complaints and cancel their assessment when you thought proper to do so.

1 Rajah Deo Narain Sing Bahadoor.
2 Bullaram Misr.
3 Rai Narain Doss.
4 Baba Huruck Chund.
5 Goordass Mittur.
6 Hurshunkurpershaud Sing.
7 Futtehnarain Sing.
8 Hurrydass.
9 Hunnoomanpershaud.
10 Babu Brijruttun Doss.
11 Dwarkadoss.
12 Jumnadass.
13 Dabepershaud.
14 Oottum Gir Gosum.
15 Gosain Baharipooree.
16 Munshi Chunnee Lall.
17 Baboo Obhoyram, Treasurer.
18 Lalla Seetaram.
19 Goolab Rai.
20 Baba Debee Sing.

4. In an assembly of about 400 men of all guilds and professions forming a complete and perfect representation of the city, the first step to be taken was to elect a Committee. The persons noted in the margin, were noted without a division, and every body expressed his satisfaction with the selection. The Members of the Committee having no object to gain and running a great risk of becoming unpopular in the course of the discharge of their duty, hesitated to accept such an arduous post, but as the people assembled would not make other selection, and as the interest of all Benares were concerned, they consented, though reluctantly, to be placed upon the Committee.

5. The first request that the Members of the Committee made to the people assembled was to assess them on the spot, and so the Members of the Committee were assessed by the people assembled on the spot to universal satisfaction ; and many of them, to set a good example, voluntarily increased the amount which was fixed for them by the people. This was necessary, otherwise those who are unacquainted with the facts might have thought that the rich men of Benares had shifted their burden to the shoulders of the poor.

6. Your allowing Moonshee Sheo Suhai to become our Secretary was a great boon to us. He had already prepared a very correct Register, from Chowkeedaree Registers and enquiries from Mukhtars of Mohullas, of those persons who were considered to be liable to taxation. This we made the basis of our proceedings. We sent for these persons, Mohulla by Mohulla, through the Phatuckhbundees, and when they came before our Committee which regularly met at the house of Rajah Deo Narain Sing Bahadoor, every afternoon for the last five months, we asked every one of them personally and individually what he would pay. It was no use to ask what was his income. We natives do not like such a question to be put to us, we take it as an insult. We know there are very few men who are disposed to give a true statement of their incomes, and we know how difficult it is to prove the exact amount of one's income without a tedious and irritating enquiry. The man to be assessed of course named the smallest sum he dared, but it required little time, by giving examples and by disclosing some of the facts connected with his wealth and transactions with one or the other, of which it was impossible that even one of our Members should not be acquainted, to make him agree to pay such a sum as was thought proper by the Committee according to his known " Haisujat." As soon as he agreed, his name was written down in a Register kept for the purpose, with the amount of his assessment ; and he had to sign his name opposite to it. As soon as the men were assessed they lodged the money for the whole year with Baba Huruck Chund, our Treasurer, and took a printed receipt from his Kothee.

7. With all the trouble which we have taken not to allow any one to escape without assessment or with a light assessment, we could not raise the amount beyond a lac of Rupees. To speak conscientiously, had we adhered strictly to the rules laid down in the Act, we could not have raised it even to Rupees eighty thousand. We met and consulted. We could have increased the whole assessment by 25 per cent. to make up the deficiency, as had been agreed beforehand ; but we were conscious that many a poor man had already been assessed as highly as he could bear, and that any increase would be ruinous to him. We took the additional burden upon ourselves, and upon our class, the richest and wealthiest in Benares, and we thus raised 25,000 Rupees more. This includes the assessment of a few temples and priests also whom we have exempted, and for whom we have taken upon ourselves to pay the tax.

8. From the annexed papers you will see that 6,804 men have been taxed. Of these one pays four thousand, another three thousand, seventeen pay more than one thousand, forty more than five hundred, 48 more than two hundred, 145 more than one hundred, 256 more than fifty, 1,186 more than twenty-five, 2,567 more than four, and 2,543 four Rupees.

9. Out of a population of 184,000 souls, 6,804 men are taxed. The average* comes to Rupees 17-13-7 per man taxed, or 10 annas 1 pie per soul in the city. If we give four souls to one family, out of 46,000 families in Benares, only 6,804 families have been taxed.

* The average is struck from 1,21,467-14-0 which is the amount of assessment up to this date.

10. Though we have tried to our utmost to discharge our duties most conscientiously, yet we find it beyond our power to convince those who form their opinions without any enquiry or examination of the facts how the case really stands. The calumnies raised against us can easily be resolved into two : first that Benares has cheated the Government ; it could afford more. Second, that the rich men have escaped lightly, and the poor have been oppressed. For the first, we challenge any person who is disposed to take the trouble, to name a single man, who could have been taxed and whom we have not taxed, or who has escaped with an under-assessment ; we were not mad to exempt others, or under-assess them, only to take a further burden of 25,000 Rupees upon ourselves. For the second, it is enough to state that the very wealthy men are not many, and it is not difficult for you to satisfy yourself of their circumstances. Benares is a place of wealth, but not of great active trade, Benares is full of capitalists, but has not much income. The tax can amount to 1,25,000 when those of the citizens whose incomes exceed 500 receive a net profit of 31,25,000 per annum. Roy Narain Doss has been taxed 4,000. Now, who will say that his annual income is a clear lac of Rupees. Babu Hurshunker Pershaud Sing has paid 1,100, and that only for two houses which cannot be let even at a rack-rent for more than 3,600 Rupees per annum, he is in debt, and his debt increases every year. Raja Kalkaparsad has paid 300 Rupees ; he has no income ; he periodically sells some of the jewels which he brought from Hyderabad and lives upon the produce. As the Register of assessment is annexed herewith, we need not multiply such instances. We have noted down our remarks in the Register. Some even go so far as to say that we have included in our assessment many of those whose income does not amount to Rupees 200. Now, if even 6,804 men in Benares cannot come under the operation of the law, how was it that 1,25,000 Rupees was fixed for Benares. We shall be obliged to any one who can point out a single untaxed man richer than those whom we have taxed.

11. In conclusion, we beg to bring the valuable services of Moonshee Sheo Suhai to your favorable notice. Without him we could have done nothing. He has acted all along with the greatest zeal and perfect honesty. We cannot detain him longer from returning to his post in your Office, but shall be obliged by his devoting an hour or two to our assistance till the accounts are finally settled.

12. The names of those few persons who are still to be assessed shall be submitted to you in the form of an addendum, and if there is any money left in excess of Rupees 1,25,000, after paying a few hundred Rupees on account of stationery, contingencies, &c., the remainder will be divided proportionably and returned to those who, over and above the sums in which they were severally assessed, have made up the deficiency of Rupees 25,000.

Financial Department, Fort William, the 16*th August* 1861.

RESOLUTION.

The Governor General in Council observes, on a consideration of the abovementioned papers, that the report regarding the working of the lump assessment of the Income Tax in the city of Benares is a remarkable paper ; and that the conclusion which His Honor the Lieutenant-Governor draws from it as to lump assessment, is a legitimate one.

His Excellency in Council desires that the reports referred to be printed and communicated to the Legislative Council and to the local Governments, in continuation of the correspondence forwarded with the Resolution passed in this Department, No. 9,581, dated the 19th ultimo.

His Excellency in Council further desires that the thanks of the Governor General in Council be communicated to Rajah Deo-Narayun Singh, the President of the Benares Committee, for his services.

Ordered, that the above Resolution, together with the reports referred to, be printed, and that copies thereof be forwarded to the Clerk of the Legislative Council, to the local Governments,* and to each of the Administrations† noted in the margin.

* Governments of Madras, Bombay, Bengal, N. W. Provinces and the Punjab.
† Chief Commissioner of Oude, Commissioners of Nagpore, Pegu, and the Tenasserim and Martaban Provinces; Residents, Hyderabad, Baroda, Indore and Nepal; Governor General's Agents, Central India and Rajpootana.

Ordered, further, that the foregoing Resolution, together with the reports referred to, be published in the Supplement to the *Calcutta Government Gazette*.

(A true Extract.)

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

No. 224. ORDER THEREON, 18th October 1861, No. 2,004.

Communicated to the Board of Revenue and Income Tax Commissioners, with reference to the Resolution of the Government of India, forwarded with G. O. 27th August last, No. 1,721, Revenue Department.

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

shall be obliged to any one who can point out a single untaxed man richer than those whom we have taxed.

11. In conclusion, we beg to bring the valuable services of Moonshee Sheo Suhai to your favorable notice. Without him we could have done nothing. He has acted all along with the greatest zeal and perfect honesty. We cannot detain him longer from returning to his post in your office, but shall be obliged by his devoting an hour or two to our assistance till the accounts are finally settled.

12. The names of those few persons who are still to be assessed shall be submitted to you in the form of an addendum, and if there is any money left in excess of Rupees 1,25,000, after paying a few hundred Rupees on account of stationery, contingencies, &c., the remainder will be divided proportionably and returned to those who, over and above the sums in which they were severally assessed, have made up the deficiency of Rupees 25,000.

FINANCIAL DEPARTMENT, FORT WILLIAM, THE 16TH AUGUST 1861.

Resolution.

THE Governor General in Council observes, on a consideration of the abovementioned papers, that the report regarding the working of the lump assessment of the Income Tax in the city of Benares is a remarkable paper; and that the conclusion which His Honor the Lieutenant-Governor draws from it as to lump assessment, is a legitimate one.

His Excellency in Council desires that the reports referred to be printed and communicated to the Legislative Council and to the local Governments, in continuation of the correspondence forwarded with the Resolution passed in this Department, No. 9581, dated the 19th ultimo.

His Excellency in Council further desires that the thanks of the Governor General in Council be communicated to Rajah Deo-Narayun Singh, the President of the Benares Committee, for his services.

ORDERED, that the above Resolution, together with the reports referred to, be printed, and that copies thereof be forwarded to the Clerk of the Legislative Council, to the local Governments * and to each of the Administrations † noted in the margin.

* Governments of Madras, Bombay, Bengal, N. W. Provinces and the Punjab.
† Chief Commissioner of Oude, Commissioners of Nagpore, Pegu, and the Tenasserim and Martaban Provinces; Residents, Hyderabad, Baroda, Indore and Nepal; Governor General's Agents, Central India and Rajpootana.

Ordered, further, that the foregoing Resolution, together with the reports referred to, be published in the Supplement to the *Calcutta Government Gazette*.

(A true Extract)

Secretary to the Government of India.

R- 27th August 61
Fs. 381-382

(10)

Rev 1861 Department
Proc. Govt for No. 2217

From the Secy to the Govt of India

Dated 6th August
Rec'd 18th Sept } 1861
No. 10704

Communicating certain Reports regarding the working of the Lump assessments of the Income Tax at Benares

No. 2004. 18th Oct.

With an order

No. 223 & 224.

4 Sep. Rd Asst.

No. 2004

Communicated to the Board of Revenue and Income tax Commissioners, with reference to the Resolution of the Govt of India, forwarded with G. O. 27th August last No. 1721 - Revenue Department.

Fort St George
18th October 1861

14 Copies Board of Rev: Dispd
13 " President & Income Tax Comrs
3 " Special Comrs of Do.