M.R.O. 14—10,000—21-4-22.

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 801 Press ~~Mis.~~

156. 57

Dated 10. 4- 1861.

Not to be folded or roughly handled

Proceedings of the Madras Government, Revenue Department,
10th April 1861.

No. 156. Read the following Proceedings of the Board of Revenue, dated 23rd March 1861, No. 1,531 :—

Read the following letter from J. FRASER, Esq., Collector of South Canara, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Mangalore, 11th March 1861, No. 27.

SIR,

With reference to paragraph 1 of the Board's Proceedings noted marginally, I beg to forward a petition signed before me, by one hundred and one inhabitants of the town, and requesting to be assessed for Income Tax by a Panchâyat. As this must be done by the members of the Panchâyat, solely on their own knowledge of the income of the parties, I beg to know whether they are required to give only the gross sum payable by each individual, or are bound to divide it under Schedules 1, 2, 3, 4, as would be the case if returns were sent in by the parties assessed.

No. 757, 11th February 1861.

1. Submitted to Government with the Board's recommendation that the Petitioners' request be complied with.

2. The Collector will perceive from Section 101 that assessments can be made by Panchâyats only under Schedules 1 and 2, and the Board think that if the Collector explains what property falls under each the Panchâyat will have no difficulty in distinguishing the amount assessed under each, in accordance with the regular forms.

(A true Copy and Extract.)

(Signed) J. D. SIM, *Secretary.*

No. 157. ORDER THEREON, 10th April 1861, No. 801.

1. Under Section 101 of Act XXXII of 1860, the Governor in Council is pleased to order that the assessment under Schedules 1 and 2 of the aforesaid Act in the town of Mangalore shall be made by a Panchâyat consisting of not less than three persons to be appointed by the Collector.

2. The instructions in paragraph 2 of the Order of 1st December 1860, No. 2,292, will be followed in this case.

(Signed) C. G. MASTER,
Deputy Secretary to Government.

No. 752.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 11th February 1861.

Read the following letter from J. FRASER, Esq., Collector of South Canara, to J. D. SIM, Esq., Secretary to the Board of Revenue, Fort Saint George, dated Perdoor, 26th January 1861, No. 11 :—

1. I have the honor to forward for the information and orders of Government, a Petition received by me while on circuit, from a number of the native Merchants and Sowcars in Mangalore, requesting that the Income tax to be collected from them may be assessed by a Punchayet under the provisions of the Act, though they do not express themselves very clearly to this effect, but rather leave it to be inferred.

2. The Board will doubtless observe the marvellous facility with which, according to the statements in the petition, both money and credit are obtainable in Mangalore; and the curious fact of merchants continuing to carry on trade at certain loss to themselves.

3. The only orders issued in the matter were the notices as required by the Act. It has been again and again explained to parties seeking for information, that no accounts or statements beyond those of their gains, &c., as mentioned in the returns, were required; that the tendering of anything further regarding their affair was optional with themselves; also that all possible precautions would be taken to ensure secrecy.

4. Yesterday many of the Ryots of this Taluk* came forward to ask for explanations regarding the Income Tax Act. Their minds had apparently been unsettled by the rough guess-work estimate of the probable outturn of the Tax sent in by the Tahsildar, according to orders from the Board. This the Ryots seemed to think was an authoritative statement, and that on it chiefly would be based their assessment. They were led also by the forms issued, to believe that they would have to make a correct return of all their sub-tenants the amount of their leases, gains on land, and so forth, as would be the case in a permanently settled District; and this necessity, as they imagined it to be, they looked on with no small apprehension.

* Udipy.

5. When I explained to them that Canara was considered an unsettled District, and that so far as their land was concerned, one-third of the Government rent was to be considered the amount of their profits, whatever these might really be, they expressed great satisfaction; and whereas before they were ready to join in the cry for a Punchayet, they now agree, I understand, to make the usual separate returns as a preferable proceeding.

6. There were one or two questions asked which, without a careful perusal of the various rulings of Government under the Income Tax Act, I could not at once reply to. The Ryots intend to send me to-morrow or next day a paper of questions on all their matters of doubt, and to these I shall give precise replies so far as the rulings of Government enable me. There was one question which I do not think I can answer from this source. It is this, premising that in Canara, as an almost universal practice, Wurgdars live on one of the wurgs which they hold if several, or if one only, on that—"Is a proprietor bound to return, as part of his income, the rent of the house he himself lives in on his own wurg." I solicit an answer on this point.

7. In regard to the Mangalore Petition, my Acting Head Assistant, Mr. Williams, has verified those signatures marked with a cross in red ink (161 in number), and I have little doubt that the rest are also genuine. It is probable, from what I learn, that I shall receive similar petitions from the Towns of Udipy, Kurkul, and Buntwal. Indeed the merchants of Udipy verbally petitioned to the following effect, that Government should fix the lump sum to be paid by them, and leave it to be distributed by themselves, as has been done, I understand in large Towns both in Bombay and Bengal.

8. I beg to state that I intend to adopt the mode of assessment by cypher described in page 74 of the *Fort Saint George Gazette* of the 18th instant, unless I can hear of a better one, and shall issue instructions to all the Assessors on the subject. If Government do not or cannot fix the gross sum to be paid by the Mangalore merchants, it will be requisite, I think, to take some written agreement from them beforehand (supposing as wished the Punchayet conceded by Government) to abide by its decision as final. For from their petition, the merchants evidently wish to be assessed without the trouble of making any returns at all, and on such information as the Punchayet can pick up without any reference to them.

---

1. The Collector should require Petitioners to state their wishes more explicitly. If it be desired by the people, the Board will readily apply to Government for permission to have the Tax assessed by Punchayet under the provisions of the Act, which, as the Collector must be aware, does not admit of a lump sum being fixed by Government, in the summary manner apparently contemplated by him. The Collector will also perceive that appeals from the assessment of a Punchayet are specially allowed by Part XII of the Act, and that, therefore, agreements to abide by the decision of such Punchayets cannot be taken by the people. The Collector should intimate to the people that if they omit to make returns the Assessors must act on Section 48, and that under Section 55, such assessments cannot be appealed against by them, if the omission was not unavoidable.

2. As regards the question put by the Collector in paragraph 6, the Board consider that Ryots need not include in their returns the rack-rent of the houses they live in on their wurgs.

3. The Board regard this Petition as merely an attempt to gain more time. The Collector should continue as he has done to afford the people all the assistance and information desired, but also warn them that as the Act has now been in force for six months, further delay cannot be allowed.

(Signed) J. D. SIM,
Secretary.

To J. Fraser, Esq., Collector of South Canara, with Petition.

Exd. J. Wright.

Enclosure No 2 in the Proceedings of the Board of Revenue to the Secretary to Govt. No. dated 23rd June 1851 No 1531.

Extract from the Proceedings of the Board of Revenue dated 11th February 1851 No 92.

(3)

Revd 1861 Department
Proc: of Govt for April
No 755.

Proceedings of the
Board of Revenue

Dated 23d
Desp. 23d } March 1861
Rec. 25th
Encr 2.

No. 1531

Submitting with the Board's recommendation a letter from the Coll.r of South Canara forwarding a Petition from the inhabitants of the town of Mangalore requesting to be assessed for Income tax by a Punchayet.—

No 156 & 157.

No. 801. 10th April

With an order

No 801

1. Under Section 101 of Act XXXII 1860 the Governor in Council is pl
is order that the Assessment mad
schedules 1 and 2 of the aforesa
Act in the town of Mangalore
shall be made by a Panchaya
consisting of not less than
three persons to be appointed
by the Collector.

2. The instructions co
para 2 of the order of 1st D
1860 No 2292, will be follow
in this case.

3 & [illegible] the Collectors of
nor the Board's Proceedings con
the name of the town to w
their application refers.

[illegible]
10th April 1861

13 Copies to the Bd of Rev: with an Engl Copy