M.R.O. 14—10,000—21-4-22

MADRAS RECORD OFFICE.

Government of Madras.

Revenue **DEPARTMENT.**

G.O. No. 69	Press ~~Mis.~~
138. 139	
Dated 18. 1. 1862	

Not to be folded or roughly handled

No. 138. Read the following Extract from a letter from the Secretary to the Government of India, Financial Department, to the Secretary to Government North-Western Provinces, No. 13,544, dated 9th November 1861 :—

Paragraph 1. I am directed to acknowledge the receipt of your two letters of the numbers and dates noted in the margin, and to inform you in reply that His Excellency the Governor General in Council approves generally of the detailed instructions which His Honor the Lieutenant-Governor has issued to the Sudder Board of Revenue for the assessment and valuation of the duty on Arts, Trades and Dealings under the provisions of Act XVIII of 1861.

No. 367*a*, dated 24th September 1861.
Do. 429*a*, dated 16th October ,,

No. 13,544A.

Forwarded to the Chief Secretary, Government of Fort Saint George, for information.

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

From Sir GEORGE COUPER, Baronet, Secretary to the Government, North-Western Provinces, to G. H. M. BATTEN, Esq., Officiating Secretary, Sudder Board of Revenue, North-Western Provinces, No. 335*a*, dated Nynee Tal, 3rd September 1861.

SIR,

1. I am desired to inform you that the Honorable the Lieutenant-Governor has resolved, that the duty of supervising the execution of Act XVIII. of 1861, entitled "an Act for imposing a duty on Arts, Trades, and Dealings," shall be entrusted, as in the case of the Income Tax Act, to the Sudder Board of Revenue.

Separate Revenue (Assessed Taxes) Department.

2. Enclosed is a note* showing, in full detail, the measures to be taken for the execution of this Act, and containing instructions which, it is hoped, will meet all doubtful points, and be a sufficient guide to the Collectors and their subordinates, in the performance of the duty which is unavoidably laid upon them.

* A copy of my letter, No. 1,653*a*, dated 1st December 1860, to which frequent reference is made in the note, is enclosed.

3. This note has been drawn up by Mr. Strachey, the Collector of Moradabad, on leave, at the request of the Lieutenant-Governor, and in personal communication with him. The principles adopted have been well considered, and the system based upon them has been carefully elaborated with the valuable assistance of native gentlemen, who were called up from Moradabad for the express purpose, either on account of their known intelligence, or the knowledge and experience which they had gained in the performance of their duties as Income Tax Assessors.

4. The Lieutenant-Governor directs, accordingly, that the plan described in the note shall be followed in giving effect to Act XVIII. of 1861, and he requests that a sufficient number of copies having been printed, the Sudder Board of Revenue will be good enough to distribute them to all Collectors and officers exercising the powers of Collectors, (the Deputy Commissioner of Ajmere included,) with copy of this letter, and with any subsidiary instructions on their own part, which they may consider necessary or proper.

5. It is important that the note should be carefully translated, at the earliest possible date, and that each Collector should be furnished with copies for the use of their Tehseeldars and other officers, who may be employed in giving effect to the Act.

6. On the points mentioned in the two preceding paragraphs, the Board will communicate with the Superintendent of the Government Press and the Government Translator, and urge each of them to complete the task appertaining to him, with the utmost practicable expedition.

7. The Board will remark that the latest "ordinary" date for payment of the duty is the 1st November, but it cannot be expected that in the present year this date can be adhered to. The *Calcutta Gazette*, in which the Act first appeared, reached the Lieutenant-Governor only a week before the date on which it was intended to come into operation. Nevertheless, His Honor will entertain the hope, that even in this year, the whole duty will have been realized before the end of January next.

8. An extract (paragraphs 82 to 88, together with the several paragraphs and the forms therein referred to) will be sent in due course by the Government to the Public Works Department, in the North-Western Provinces, for information and further orders, and an extract (paragraphs 90 to 92), will be communicated to all Cantonment Joint Magistrates with the requisite instructions. At stations where there are Cantonments, but no Cantonment Joint Magistrates, it will be the duty of the Collectors to make known the wishes of the Government to the Officer Commanding, and to invoke his assistance.

NOTE ON ACT XVIII. OF 1861.

1. In determining the manner in which this Act is to be carried into operation, it is essential that there should be no misunderstanding of the real nature of the tax which it imposes, or of the intentions with which it has been passed by the Legislature.

2. The Act does not impose a License Tax, according to the signification of the term in England. A License Tax, properly so called, implies that the occupation upon which it is imposed can only be lawfully carried on under license. It necessarily follows, that although the amount paid for the license may vary according to circumstances, there can ordinarily be no exemption from the tax. This is not the case with the present Act. It in no way provides that certain occupations can only be carried on after payment of a certain duty. In whatever "Art, Trade, or Dealing," a person may be engaged, he is expected to pay nothing under this Act, unless his income be less than Rupees 200 per annum. On the other hand, all persons, of whose "inability to pay" the Collector is satisfied, are exempted altogether. Both the upper and lower limit of liability to the tax thus depend upon income. The tax is, therefore, not a License Tax, properly so called, but a tax on certain classes possessing certain incomes. It is avowedly a supplement to the Income Tax, intended to fall upon persons who have not been assessed under Act XXXII. of 1860.

3. The fact that this is virtually an Income Tax, must be admitted from the outset, if we hope to make a fair assessment of the duties. Whatever be the details of the scheme of classification which we may adopt, the basis of the adjustment must be the presumed income of the persons liable to the tax. The intention of the law appears evidently to be that persons shall be classified according to their ability to pay.

4. It does not follow from this, that the assessment of the duties under the Act must be made in the manner which was followed in the case of the Income Tax. On the contrary, the adoption of such a course would clearly be in accordance neither with the intention of the Legislature, nor with the wishes of the Government, nor, indeed, would such a mode of assessment be possible, even if past experience had not proved its inexpediency. In the case of the Income Tax, although the returns made by the tax-payers were almost always rejected on account of their falseness and dishonesty, they nevertheless, formed a nominal foundation for the assessments. There was also this check, that every one had it in his power to produce his evidence, his accounts and papers, to show that he had been taxed at too high a rate. Nothing of the kind is possible under the present Act. There will be no returns made by the parties liable to the tax; and, in nearly every case they will be persons who possess no accounts or papers, which they could produce as evidence of the real amount of their incomes. Consequently, there would be nothing to go upon except opinion and assertion. The estimate of income would never be any thing but an estimate. There would practically be no remedy against over-assessment, and the amount levied from the tax-payers would be fixed arbitrarily, according to the opinion,—and not always the honest opinion,—of the Assessor.

5. Even with the Income Tax, the absence of proper data has necessarily made the assessments arbitrary, unequal, and uncertain, and the case would be in infinitely worse, if it were attempted to assess the duties under the present Act in a similar manner. The tax would become obnoxious in the highest degree to all the evils which the second of Adam Smith's well known maxims teaches us to avoid. The maxim is so entirely applicable to the present case that it may fitly be quoted here:—"The tax, which every individual is "bound to pay, ought to be certain and not arbitrary. The time of payment, the manner "of payment, the quantity to be paid, ought all to be clear and plain to the contributor "and to every other person. When it is otherwise, every person, subject to the tax, is put "more or less in the power of the tax gatherer, who can either aggravate the tax upon any "obnoxious contributor, or extort, by the tenor of such aggravation, some present or perqui- "site to himself. The uncertainty of taxation encourages the insolence and favors the corrup- "tion of an order of men who are naturally unpopular, even where they are neither insolent "nor corrupt. The certainty of what each individual has to pay is, in taxation, of so great "importance, that a very considerable degree of inequality (it appears, I believe, from the "experience of all nations) is not near so great an evil as a very small decree of uncer- "tainty."

6. Even with a License Tax properly so called, such as that which exists in England, differential rates are sometimes found necessary on persons engaged in the same occupation. These, as His Honor the Lieutenant-Governor has shown,* practically depend upon "the assumed dif- "ference of the profits realized by the several classes, "according to the locality in which they follow their "calling, or according to the extent of their dealing." If this be necessary, when the tax is a real License Tax, and so graduated that it can fall very heavily on nobody, it will be still more necessary in the case of a tax like the present one, which falls at a comparatively high rate upon the poorer classes only of the community.

* No. 1,653a, dated 1st December 1860, to Secretary to the Government of India, of which copy is enclosed, paragraph 12.

7. We my conclude, therefore, that while the principle must be maintained, that the classification for the purposes of this Act must depend on the presumed incomes of the persons who are liable, there must be no assessment of individual incomes. The tax must be admitted to be a tax upon incomes, but it must be assessed as if it were a License Tax. It remains to be considered how these principles are to be applied.

8. It is impossible to say that any given occupation is a certain index to the means of the person practising it; nor can we lay down an inflexible rule, that all persons following a certain occupation shall be liable to a tax, the amount of which is fixed on the supposition that they have certain income. But although not a positive index, it is neverthless, some sort of index. We can estimate within not very wide limits the income of any class carrying on any of the occupations of small profit which will be taxable under this Act. Thus, for example, we may safely say, that the income of common masons and carpenters in the North-Western Provinces is between Rupees 50 and Rupees 100 per annum. Within these limits there can be no chance of error. The general truth of this statement is not effected by the fact, that the income of a few masons and carpenters is less or more.

So also, although the fact of residence in a particular place is no certain index to income, still it is some index. As a general rule, we may safely assume, for example, that the profits of artizans in small villages are not so great as those of persons carrying on the same occupations in cities and in towns.

9. We may take these two facts as the foundation of our scheme of assessment. The nature of the occupation, and the locality in which it is carried on, will, if both be taken into consideration, give us a sufficient index to the average profits of each class. But as they are not a certain index, and as the tax is after all a tax upon income, the test of amount of income must be applied whenever it seems necessary to do so, for the purpose of saving individuals from over-assessment. With this proviso, the conditions of Section 3 of the Act

will not be infringed. To place a tax which cannot vary in amount on certain occupations, or on certain occupations in certain localities, without such proviso, would be inconsistent with the requirements of the law.

10. In considering how the Act is practically to be carried out, the first point to be settled is that which regards exemption from the tax. The Act only says that the Collector "may exempt any person, of whose inability to pay" he may be satisfied. Evidently, as His Honor the Lieutenant-Governor has shown, this is a matter which cannot be left to the mere discretion of the Collector. The introduction of this fresh element of uncertainty would be a most mischievous aggravation of the unavoidable defects of the law. The meaning of the words "inability to pay" must be clearly defined. This definition must necessarily be an arbitrary one, and it can only be made in one way. It must be laid down, that persons whose ascertained or presumed income is less than a certain amount, shall be exempt from payment under the Act.

11. In determining what this amount shall be, we have no right to consider what is theoretically proper. We have only to expound and carry out an existing law. If it be the intention of the law to impose a tax upon a certain class, the necessity must be accepted, although the results may sometimes be regretted by the Officer who has to carry the law into effect. It is no reason for exempting any class, that the tax may seem to fall upon it hardly and unequally, or that payment must apparently be made out of means that are scarcely sufficient for the bare necessaries of life. We have, therefore, only to look to the intention of the law. That intention evidently is to impose a tax upon every person practising any "Art, Trade, or Dealing," unless he be so poor that payment may reasonably be called impossible.

12. The great majority of the persons affected by this Act, will be artizans in the cities and towns. They will also be the persons whose means are generally the smallest. It is, therefore, to this class in particular that we must look in determining the minimum amount of income which shall be liable to the tax.

13. The average daily wages of the ordinary artizans, who form the great majority of the class, such as masons, carpenters, blacksmiths, &c., may be considered to be three annas per diem. Persons receiving less than this are seldom artizans, but mere laborers who are not liable under the Act. The monthly income of an artizan, who receives three annas per diem, amounts to Rupees 5-10-0, and his annual income to Rupees 68-7-0.

14. Evidently, it was not the intention of the Act that artizans in general should remain untaxed. Therefore the limit cannot be placed at an amount higher than the sum last named. But, in fact, the limit must be placed much lower. For it must be remembered, that few artizans, are employed throughout the year. The occupation of some of the most numerous classes almost ceases during the rainy season. If, therefore, we intend to tax the great body of artizans, we must diminish by (say) one-fourth the amount above stated, and this will give for the average annual income of a common artizan Rupees 51-5-0.

15. We may then take Rupees 50 as the minimum amount of the incomes upon which the tax can fall. Persons whose average income is less than this, will seldom be artizans, or otherwise liable under the Act, while artizans whose income falls below Rupees 50 may, without any doubt, be considered entitled to exemption from the tax on account of "inability to pay." The same limit may fairly be fixed for all the other classes who are liable under the Act. This will clearly be in accordance with the spirit of the law. In connection with this part of the subject, and as a point deserving to be borne in mind in determining the limit of liability, it may be observed, that since wages in this country depend ordinarily upon custom, and not upon competition, it is clear, so far at least as the common artizans are concerned, that the whole burden of the tax will fall upon the persons from whom the amount is levied in the first instance, and that there will be no means by which they can shift the ultimate payment to the employers of labor. The next point to be considered is the assessment or classification

of incomes. The lower limit being fixed at Rupees 50, the following scale would naturally be adopted :—

Persons possessing an annual income amounting to or—

exceeding Rupees 50 and less than Rupees 100, to form class III.
Persons, &c., „ 100 ditto „ 150, to form class II.
Persons, &c., „ 150 ditto „ 200, to form class I.

16. The application of this scale, without the assessment of the incomes of individuals, will, doubtless, be a work of considerable difficulty, nor is it possible to draw up any scheme of classification which shall be universally appropriate in all its details. Circumstances are so different in different parts of the country, that much must necessarily be left to the discretion of each Collector. Regarding the general system to be followed, there can, however, be little doubt, and even when we come to the actual details of classification, it will be found that the principal facts upon which we have to base our conclusions, are of more general applicability than might have been supposed.

17. The first duty of the Collector will be to draw up complete lists of all the "Arts, Trades, and Dealings," that are practised in his District. He must then proceed to classify the various occupations, according to the supposed average annual income which each of them yields to the persons practising it. This should be done, in the first instance, for the principal cities and large towns of the District. The Collector must then enquire how far these rates are applicable to the smaller towns, and to the villages; he must consider the cases in which differential rates are necessary for the same occupation in different localities, and in what cases and circumstances, occupations, liable to the duties in one place, should be exempted altogether in another.

18. Regarding the manner in which the Collector is to obtain the information, upon which the classification must be based, little need be said. No Collector can be expected to possess the knowledge which would enable him to make the classification unassisted. But the means which he has at his disposal, for obtaining information, are so numerous that he ought to be able to arrive at sufficiently correct conclusions. The duty, if properly performed, will be laborious rather than difficult. Personal enquiry will alone give the Collector the information which he requires. The written reports and opinions of his subordinates will teach him little, and at this first stage of the proceedings they should generally be avoided. Nothing should be done which may lead people to imagine that the amount of duty imposed upon any class, in any place, has depended on the opinion or caprice of some official underling.

19. Although the necessity of differential rates upon the same occupations must, as I have endeavoured to show, be in principle admitted, it must be borne in mind that this admission will lead us, if care be not taken, towards very objectionable consequences. Whenever, under the present Act, we establish differential rates upon persons exercising the same calling, we introduce the fatal element of uncertainty, which, in taxation, as we have already seen, is far worse than inequality. This is a point which cannot be too strongly insisted upon. There will be a natural desire to redress, as far as possible, the apparent injustice of imposing the same burden upon persons of notoriously unequal means; and this desire, if not kept in check, will cause an amount of mischief and discontent, which will far counterbalance any advantage to justice which has been gained by the relief afforded to a few individuals. It must be understood, that the very roughness and imperfection which are among the evident faults of such a system of taxation as this, nevertheless, bring with them certain important advantages. Considering the great number of persons that will be affected by this Act, and the impossibility of ascertaining the actual income of the individual tax-payers, attempts to correct inequality of taxation, by the frequent establishment of differential rates, will certainly fail. I shall endeavour to show, hereafter, in what manner relief, from over-assessment, should be afforded in particular cases. It must be understood that I am now considering the question generally. I in no way affirm that all persons, following the same occupation in the same place, must always pay the same amount of duty. That individuals should have a remedy against over-assessment

is a necessary consequence of the principles laid down in the first part of this paper; but it does not follow that the proper means of affording that remedy is the frequent establishment of differential rates of duty. It appears, therefore, that the duty imposed upon each occupation should be as uniform as possible, and that differential rates should only be admitted when the necessity is certain.

20. This necessity will occur less frequently than might, at first sight, be anticipated. If a similar system of assessment were applied to classes possessing considerable incomes, differential rates would be more often necessary; but, for the petty profits which alone are taxed, under the present Act, the margin between the several classes of duty payable is in reality a very wide one. The difference between an income of Rupees 50 and Rupees 100 a year, or between Rupees 100 and Rupees 150, is so great that, practically, the income of nearly all persons following the same calling will come within the same class for taxation.

21. This will be made plainer by a few illustrations. Let us first take the class of artizans, such as masons, carpenters, blacksmiths, &c. These will form the great majority of the persons liable to taxation under the Act, and consequently this class is the most important of all. Common artizans, following the occupation just mentioned, in the cities and towns, are ordinarily either paid or have their wages calculated by the day. The amount of their wages being almost always fixed, as before noticed, not by competition, but by custom, it is generally easy to ascertain the average wages of each class. For the same reason, the rate of wages varies little from time to time, and it is generally almost uniform through the greater part of these Provinces. It is of couse easy to point out exceptions to this rule, but the general truth of what has now been stated cannot be contradicted. I have already assumed as the minimum taxable income, that represented by three annas per diem, and I have shown that this will be the average income of the great majority of ordinary artizans in the cities and towns in this part of India. On the other hand, their daily wages seldom, almost never, exceed six annas per diem. Making, as before, a deduction of one-fourth, this gives an annual income of Rupees 102-12-0.

22. We may, therefore, safely say, that all ordinary artizans in cities and towns, paid by daily wages, will be taxable in Class III., at the rate of 1 Rupee per annum, because their average annual incomes fall between Rupees 50 and 100. With regard, therefore, to persons practising these occupations, no differential rates can be required. The only question that remains is, that of "inability to pay." Of the manner in which individuals should be exempted on this ground, I shall speak further on; but with regard to exemptions of a general character, the point on which I have been insisting again comes out clearly.

23. The most numerous class of common artizans that remains is, that of village carpenters, blacksmiths, &c. These people, although the names of the occupations which they follow are the same, are in a very different position to that of the artizans in the towns, forming part of the village community, and paid, frequently, either partly or altogether, in land or in grain. There is no doubt, that in the North-Western Provinces generally, their average annual income seldom or never reaches the limit of Rupees 50, that has been laid down. Regarding these no enquiry or further classification is, therefore, necessary. They will fall generally into the class exempted on account of "inability to pay."

24. Thus, while we have admitted and acted upon the principle with which we started, that this must be held to be a tax on incomes, we find, that with regard to the class of ordinary artizans, no differential rates are required at all. We shall find the same to hold good as we ascend in the scale. Take for instance the superior class of artizans or handi-craftsmen, who are known by the general name "*mistree*." Their daily wages seldom exceed nine annas, and calculating as before, this gives an average maximum annual income of Rupees 154. On the other hand, they seldom get less than Rupees 100 per annum. They fall, therefore, into class II.

25. The number of persons engaged in trades and dealings, will be very small compared with that of the artizans. Their classification will be more difficult, because they are not paid by daily wages, and we have, therefore, less certain data to start from. But the classification

will be made on the same principles, and the reasons that have been given in the case of the artizans, for believing that differential rates will seldom be necessary, apply equally to these petty traders. The cases will not be numerous in which the profits of persons practising the same trade in different localities, will vary to an extent sufficiently large to make the establishment of differential rates necessary. So far as the cities and towns are concerned, this will almost always be the case. When a trade is also practised in villages, a different rate will, doubtless, sometimes be required. Here again comes in a fact which greatly simplifies matters. When we make out complete lists of all the Arts, Trades, and Dealings that are practised, the number seems formidable, and much difficulty in making the classification is naturally anticipated; but we find on examination, that nineteen out of twenty of the occupations are only followed in the cities and important towns. In the smaller towns and villages, they are either unknown, or, if practised, there is usually some special cause which makes them profitable. Thus, for instance, the business of a "Cheepee" is often carried on more profitably in a village than in a city, the facilities for obtaining pure air and water being more than sufficient to counterbalance the disadvantages.

26. Before leaving this part of the question, it may be desirable to notice that an apparent necessity for differential rates sometimes arises from disregard of the fact, that several occupations are often carried on under the same general name. We may take, as an example, the great class of weavers. These are all included under the general name of "Joolaha," but, in fact, three separate occupations are carried on by them. The silk weaver, ("Reshmee baf,") the weaver of fine cotton fabrics, ("Noor-baf,") and the weaver of common coarse cloth, although they are all "Joolahas," practise in reality different arts, and will fall accordingly into different classes for taxation. So again, with the "Sonars" or goldsmiths; these cannot be taxed at one rate, but the reason is, that different occupations are carried on under the same name. The "Sadahkar," the "Johure," and the common "Sonar" cannot be treated as if they belonged to the same class.

27. The fact that in this country, the name of an art or trade is often also the name of a caste, will be likely to lead to mistakes of a similar nature. Thus there are numerous "Naees," "Jolahas," and "Durzees," who have never had any concern whatever with the occupations with which they are nominally connected.

28. It will be observed that, under Section 2 of the Act, the members of a partnership will not have to pay the duty separately. Cases of *bonâ fide* partnership will be common among the persons liable to the tax.

29. When the same person carries on several Arts, Trades, or Dealings, he should ordinarily be placed in the class to which his principal occupation belongs. It will be understood that he can only be called on to pay one rate of duty, however various may be the nature of his calling. If there be any persons who carry on miscellaneous business, &c., which cannot possibly be included under any given head, but who are, nevertheless, clearly liable to the tax, they must be assessed separately, so that the duty imposed may fall approximately at the rate of two per cent. on their presumed incomes. Such cases will not be sufficiently numerous to give much trouble.

30. The lists of Arts, Trades, and Dealings, appended to this paper, have been prepared in the hope that they may be useful to the officers who will have to carry out the Act. It is believed that few occupations practised in these Provinces, of a nature liable to taxation under the Act, can have been omitted. The classification has been made with special reference to the district of Moradabad, and it is not pretended either that the classification is faultless, or that it will be universally applicable. It has, however, been prepared with the assistance of persons whose knowledge and intelligence give much weight to their opinion, and each item has been carefully scrutinized. Although the classification proposed will, undoubtedly, require modification in some districts, it will probably be found to be pretty generally appropriate. For the reasons which have been already given, it may be supposed, that the rates which are applicable in one district will ordinarily be suitable in others.

The classification has been made according to Arts, Trades, and Dealings. But the distinction between an art and a trade and between a trade and dealing, is necessarily often altogether arbitrary. To preserve the distinction in practice will be rendered still more difficult by the apparent impossibility of finding Oordoo words which exactly correspond to the English term. The point, however, is one of no practical importance.

31. A list has also been given of occupations, which will be altogether exempt from taxation under the Act, on account of the presumed poverty of the persons practising them. It is hardly necessary to notice that many occupations are not liable under the Act at all. I may give as examples, Vakils, Mookhtars, Hukeems, Bhands, Dancers, Kuhars, and Laborers for hire.

32. The provisions of Section 12 of the Act will, of course, apply not only to cultivators in the restricted sense of the term, but to land-holders generally. But if, as not unfrequently happens, a land-holder deals in grain which is not the produce of his own land, he will be liable under the Act. In most cases of this kind, however, he will probably have been assessed under the Income Tax.

33. Assuming that the general classification has been made by the Collector in the manner that has been proposed, the next point to be considered is the actual assessment of the persons liable to taxation under each class.

For this purpose, the first step will be the preparation of complete lists of all persons liable under the Act. Ordinarily this duty should be entrusted to the Tehseeldar of each Pergunnah, although, under special circumstances, other arrangements may be desirable. The spirit of the instructions issued regarding the preparation of the lists of persons liable to the Income Tax, will be generally applicable. Under the system proposed to be followed, there can never be any necessity for enquiring into the income of individuals, unless in accordance with their own request; and the utmost care must be taken to avoid every thing which will give trouble and vexation to the persons liable to the tax. Regarding the assistance which must be given to the Tehseeldar to enable him to carry out the duties imposed upon him, I shall speak further on. For the present, I assume that either by means of his ordinary agency or by that of additional officers, Chowdhrees' establishments provided under Act XX of 1856, Putwarees' Income Tax establishment, &c., the Tehseeldar has had the means given him of carrying out this work. It will only be in the cities and towns that there will be any difficulty. In the villages the number of persons liable to the tax will be very small, and the lists can be easily prepared with the help of the Putwarees.

34. The first duty of the Tehseeldar will be to prepare a list in the following form. The cities, towns and villages, within the circle assigned to him, will be entered in any order that may seem desirable, the cities and towns being sub-divided into Mohullas or other convenient portions.

No. 1, 1861-62.

LIST of persons in Mohulla , city , district , practising Arts, Trades, or Dealings.

1.	2.	3.	4.	5.	6.	7.	8.
No.	Name of place in which the art, trade, &c., is practised.	Number of houses and shops in the "place."	Names of persons practising art, trade, &c.	Name of father.	Home where situated.	Nature of art, trade, &c., practised.	Remarks.

35. This list will include the names of all persons practising any Art, Trade, or Dealing, in any given place. It may be submitted either for a whole Pergunnah or separately for a city or town, according to circumstance. The entries in column 3 will be useful as a means of giving information regarding the size and character of each place. The entries in column 6 will afford a check upon persons following occupations at a distance from their homes. The names of persons who have been assessed to the Income Tax will not be entered in this list, and persons belonging to classes who have been exempted by a general order, as for example, petty artizans in villages, will also be omitted. But every other person following an occupation liable to the tax, must be included in it.

36. Whenever the Tehseeldar considers it evident that any person ought to be exempted altogether on account of "inability to pay," he will make a note to that effect in the column of remarks with the shortest possible statement of his reasons. But the "inability" must be total to authorize any remarks by the Tehseeldar. He will not consider whether the amount imposed upon each occupation by the Collector, is appropriate in every case. He may, indeed, be ignorant of the nature of the classification which the Collector proposes to adopt. In accordance with what has been stated above, the Tehseeldar will consider that "inability to pay" signifies that, for some special reason, it may be looked upon as impossible that the person in question can gain, in the ensuing year, an income amounting to Rupees 50. This definition should be strictly insisted upon, but not hardly or unreasonably. Persons who demand to be transferred from a higher to a lower class, must give a petition to the Collector. Regarding such cases further mention will be made hereafter.

37. The above list will be sent by the Tehseeldar to the Collector in duplicate. On it the Collector will pass his orders, after such inquiry as he may consider proper, regarding the exemptions recommended by the Tehseeldar or any other matters. The list having been finally approved or modified, will then be returned to the Tehseeldar, the duplicate being kept in the Collector's office, with a copy thereon of every order that has been passed. The Collector must, at the same time, unless it has been done before, give notice to the Tehseeldar of the manner in which the classification has been made and the amount of duty that will be leviable on the persons practising each Art, Trade, or Dealing.

38. From this list, the Tehseeldar will prepare a second list, according to the form given below, of all persons who are liable to taxation under the Act. This will be prepared, like the first list, according to localities, cities, towns, mohullas, villages, &c. No copy of this list is required by the Collector.

LIST No. 2 of 1861-62.

LIST of persons in Mohulla , city , district , liable to payment of duty under Act XVIII. of 1861.

1.	2.	3.	4.	5.	6.	7.	8.	9.			10.	11.
No.	Number in list No. 1.	Name of place in which the art, trade, &c., is practised.	Name of person liable to payment of duty.	Name of father.	Home where situated.	Nature of art, trade, &c.	Class in which assessed.	*Amount of duty payable.* Class I.	Class II.	Class III.	Latest date fixed for payment of duty.	Remarks.

39. This list having been signed by the Tehseeldar will then be published according to the provisions of Section 4 of the Act, by being stuck up in some public place of the Mohulla

town, or village. At the foot of this list will be published at the same time the following notice :—

NOTICE.

ANY person, named in this list, who shall not pay, on or before the date named therein, the amount of duty payable by him, will be liable, according to the provisions of Section 6, Act XVIII. of 1861, to a penalty exceeding three times the amount of the duty payable.

Collector.

40. The publication of this list and notice will be held to constitute the *demand* upon each person, according to the provisions of Section 6 of the Act.

41. The next duty of the Tehseeldar will be the granting of Certificates of exemption under Section 3 of the Act. These Certificates will only be required by persons belonging to callings, the members of which are ordinarily liable to the tax, whose names have been entered in list No. I., and whose exemption has been sanctioned by the Collector on the ground of "inability to pay." No Certificates need be given to persons not liable under the Act, or who belong to callings which have been exempted by a general order. The Certificates will be in the form given below. None but printed Certificates should ever be used, and they should be bound up in books. The year of which the exemption is allowed should be printed, not left to be filled up in writing.

CERTIFICATE OF EXEMPTION, 1861-62.

The person named below, has been exempted from payment of duty according to Section III, Act XVIII. of 1861.

	1	2	3	4	5	6	7	8
	No.	No. in list No. I.	Date of grant of Certificate.	Name of place in which art, trade, &c., is practised.	Name of person exempted.	Name of Father.	Home where situated.	Nature of art, trade, &c.

Sd.

Tehseeldar.

CERTIFICATE OF EXEMPTION, 1861-62.

Counterfoil Collector's Office.

	1	2	3	4
	No.	No. in list No. I.	Date of grant of Certificate.	Name of person exempted.

Sd.

Tehseeldar.

CERTIFICATE OF EXEMPTION, 1861-62.

Counterfoil Tehseeldar's Office.

	1	2	3	4
	No.	No. in list No. I.	Date of grant of Certificate.	Name of person exempted.

Sd.

Tehseeldar.

42. It is desirable that a record of all exemptions should be kept both in the Collector's and Tehseeldar's office, for it may frequently be necessary to ascertain without delay whether or not an exemption has been allowed. The object of the double counterfoil is to save labor, and to secure a correct record for both offices. When the Tehseeldar gives the certificate of exemption, he will at the same time fill up the entries in the counterfoil, which he will then divide into two pieces; one of these he will send to the Collector and the other will remain in his own book. In the counterfoil for the Collector a blank space is left, so that it may be immediately posted into a book.

43. The Tehseeldar has been made responsible for the preparation of list No. 2, and of the certificates of exemption, because the work is more likely to be done correctly than if it were performed in the Collector's office. There will be a very large number of entries to be made, and it is desirable that they should be made in that office which has the strongest interest in avoiding errors. Every mistake that is made will entail trouble on the Tehseeldar and his establishment; delay will also be avoided by the plan that has been proposed, and there will not be the same necessity which otherwise there might have been for adding to the strength of the Collector's office establishment.

44. The Tehseeldar will next prepare a statement in the form given below. In this will be entered the names of all persons liable to the tax, according to the nature of the Arts, Trades, and Dealings which they practise. The names of persons following the same occupation will be arranged together, so that totals can be drawn for each calling and for each class.

LIST No. 3.

Statement of final assessments, demands, collections and balances, Tehseel , District 1861-62.

1.	2.	3.	4.	5.	6.	7.	8.	9.			10.			11.		
Number.	Number in list 2.	Name of person taxed.	Name of father.	Name of place where art, trade, &c., is practised.	Nature of art, trade, &c.	Name of Chowdhree or other person, through whom payment is made.	Date fixed for payment.	Demands.			Collections.			Balances.		
								Class I.	Class II.	Class III.	Class I.	Class II.	Class III.	Class I.	Class II.	Class III.

45. The Tehseeldar, as soon as possible after the preparation of list No. 2, will draw up the above statement, and he will send a copy of it to the Collector, omitting the two last columns showing collections and balances.

46. After the collections have commenced, and as long as any balances remain, the Tehseeldar will send to the Collector every month or at such times as may be prescribed, a

statement in the following form. This will keep the Collector informed of the progress of the collections and of the amount of balances.

LIST No. 4.

Abstract statement of demands, collections and balances, Tehseel , District 1861-62.

Total demands, collections and balances, from to 1861.						Detail of balances.								
1.			2.			3.			4.	5.	6.	7.	8.			9
Demands.			Collections.			Balances.			Number.	Number in statement 3.	Name of defaulter.	Nature of art, trade, &c.	Balances.			Property attached.
Class I.	Class II.	Class III.	Class I.	Class II.	Class III.	Class I.	Class II.	Class III.					Class I.	Class II.	Class III.	
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs	Rs.					Rs.	Rs.	Rs.	
100	40	150	97	40	150	3	0	0	1	15	Motee.	Hulwaee.	3	0	0	
Total Rs. 290			Total Rs. 287			Total Rs. 3										

47. Under the system of collection which it is proposed to adopt, these returns by the Tehseeldar will be a sufficient compliance with the provisions of Section VIII. of the Act. The Sudder Board of Revenue and the Accountant can best prescribe any further forms of account that may be necessary. So far as the district offices are concerned, no returns appear to be required in addition to those which have now been recommended for adoption.

48. Of all the arrangements that are necessary for the purpose of carrying out the Act, none requires to be so carefully matured and so strictly watched in their operation as those connected with the collection of the duties. On this point I cannot do better than quote the remarks contained in the draft of proposed instructions which accompanied the letter from the Secretary to the Government of India, Home Department, No. 2,018, dated 17th September 1860, to the Secretary to the Government of the North-Western Provinces,—"Whatever the agency, it must be of such character and in such numbers as to enable every man to comply with the requirements of the Act, without taking him far from his own house. It must be borne in mind, that to the great mass of persons who will pay this tax, the loss of a day will be a very serious evil, and that delay in enabling them to pay their tax and to comply with the provisions of the Act, will seriously enhance the burden of the tax; every precaution must be taken to prevent this, and to make compliance with the requirements of the Act as easy and as little vexatious a process as possible."

49. In the letter from the Secretary to Government, North-Western Provinces, to the Secretary to the Government of India, Home Department, No. 1,653*a*, dated 1st December 1860, His Honor the Lieutenant-Governor has given the outline of the only plan which can be generally adopted with success. The main point in this plan is the collection of the duties in the cities and towns through the Chowdhrees or representatives of each guild or trade.

50. However much the importance and influence may have decayed, which the Chowdhrees in former times possessed, the institution is one that retains to this day a real vitality. In the cities and towns throughout these provinces, there is probably no art or trade of importance

which does not possess a Chowdhree, chosen by its own members. The name given to his varies; Chowdhree, Chokrait Mehtur, &c. So far at least as his dealings with the people of his own calling are concerned, the Chowdhree is generally a man who may be trusted. There is also this special advantage in making the collections under this Act through his agency, that he is the person through whom the members of the guild or trade are already in the frequent habit of making payments. If money be required for any purposes of interest to the general body, it is the Chowdhree who has to distribute the demand, and to make the collection of the money. The employment of the Chowdhree for the purposes of this Act will be agreeable to the people; it will be consonant with their ideas of propriety; it will introduce no novelty, and there will be far less probability of oppression, extortion, or peculation being practised than if the duty were entrusted to official underlings. It will also be agreeable to the Chowdhree himself; for, independently of the actual emolument which it will bring to him, it will be an acknowledgment of his position and will enhance his importance and his influence. At the same time no other arrangement could be contrived which would be so economical to the Government.

51. It will often happen in the same place, that there are several Chowdhrees to one guild or trade. There will be no objection in such cases to the employment of them all. It is of the utmost importance that there should be no needless interference with existing custom. We must accept what we find and utilize it to the utmost. Any extraneous interference which may introduce novelties and changes in the arrangements which have grown up among the people themselves, will go far to frustrate all the objects that are aimed at. The people will become suspicious of our motives and dissatisfied with our meddling; the Chowdhrees themselves will be discontended, or will become the mere nominees of the Collector, and the enemies instead of the representatives of their class. Whenever, therefore, it be possible, the existing Chowdhrees must be acknowledged. If, for any reason they are evidently quite incompetent, the members of the guild must be invited to choose successors. But incompetence should not be hastily assumed. It may often happen that an apparently incompetent Chowdhree has an influence over his own people which cannot be transferred to another.

52. The Chowdhrees should receive, under ordinary circumstances, the full amount of commission, 3 per cent. on the collections allowed by the Act; where there are several Chowdhrees to one trade, the Collector must ascertain what distribution of the work and of the commission will be most agreeable to the people and to the Chowdhrees themselves.

53. It appears unnecessary to say much regarding the penalties to which Chowdhrees will be liable under Section 10 of the Act in case of misconduct. When their new duties are entrusted to them, they must of course be fully informed of the responsibilities which they incur. If the punishment or removal of a Chowdhree become necessary, the members of the guild or trade must choose a successor according to their ordinary custom. The Tehseeldar, in such cases should be specially warned that no interference of any sort is to be permitted, and that the people must be left entirely to their own choice.

54. The Chowdhrees will not only be employed in the collection of the duties. They will be able to give the greatest assistance in the preparation of the lists of persons liable to assessment, and, indeed, in almost every part of the work that has to be performed.

55. Security should be taken from the Chowdhrees, or other persons entrusted with the duty of collection, to the full amount of the money which can pass through their hands.

56. If, for any special reason, the employment of Chowdhrees should, in any city or town, be impracticable, the Collector must devise some plan that may be suitable to the circumstances of the case. The establishment for the collection of the tax imposed under Act X. of 1856, will often be available.

57. Although for all the more important arts and trades practised in the towns and cities, Chowdhrees will usually be found, there will often be some persons liable to the tax, who cannot be included in any existing guild. They will usually not be numerous, and the Tehseeldar must make the collections from them by means of his ordinary establishment.

58. The duties imposed under the Act should be levied in one payment, and no instalments should be allowed. This plan will be the least vexatious to the people, and most economical to the Government.

59. The latest date fixed for the payment of the duties should ordinarily be the 1st November, and the persons whose names are entered in list No. 2, should be allowed to pay at any time between the publication of the list and that date. There will be no advantage or convenience in forcing every one to pay on the same day, and in the large towns it would indeed be impracticable to do so. It would be undesirable absolutely to insist upon payment before the 1st November, because during the rainy season a large proportion of the artizans, liable to the tax, will probably have been out of employment, and under such circumstances the payment of the duties will be specially inconvenient to them. But the collections should be made with as little delay after the publication of list No. 2 as may be practicable, without entailing unnecessary hardship upon individuals.

60. After the publication of list No. 2, the Tehseeldar will proceed immediately to make arrangements for granting receipts for payments. The receipts should, as His Honor the Lieutenant-Governor has proposed, be printed on paper of different color for each class; blue for the first class, red for the second, white for the third. None but printed receipts should ever be made use of, and they should be bound up in books similar to those used for the Income Tax collections. The following form may be adopted :—

1861-62.
Class III.

Receipt for duty under Act XVIII. of 1861.
Class III. 1 *Rupee,* 1861-62.
Tehseel *District.*

1.	2.	3.	4.		1.	2.	3.	4.	5.	6.	7.	8.	9.	
No.	Number in list 3.	Date of giving receipt to Chowdhree, &c.	Name of payer.		No.	Number in list 3.	Name of payer.	Name of father.	Name of place where art, trade, &c., is practised.	Name of art, trade, &c.	Date of payment.	Signature of Tehseeldar.	Signature of Chowdhree, &c.	

61. The Tehseeldar will fill up the receipts from statement No. 3, with the exception of columns 7 and 9. He will then give them to the Chowdhree or other person through whom the collections are to be made, and he will fill up column 3 in the counterfoil.

62. The Tehseeldar will, at the same time, keep a register in the following form, showing the manner in which the receipts are disposed of:—

Register of receipts. 1861-62.

Tehseel. *District.*

1.	2.	3.	4.	5.	6.	7.			8.	9.	10.			11.
Number.	Number in list 3.	Date of giving receipt to Chowdhree, &c.	Name of Chowdhree, &c.	Name of payer.	Name of art, trade, &c.	Amount of duty.			Signature of Chowdhree &c., on taking receipt from Tehseeldar.	Date of receipt of duty by Tehseeldar.	Amount of duty received.			Remarks.
						Class I.	Class II.	Class III.			Class I.	Class II.	Class III.	
						RS.	RS.	RS.			RS.	RS.	RS.	
1	50	30th Octr.	Poorun.	Kulloo.	Carpenter.	..	..	1	Poorun.	1st Nov.	...	..	1	
2	51	Ditto.	Ditto.	Jeewun.	Maistry.	...	2	...	Poorun.		..	...	...	5th November receipt returned. Jeewun having refused to pay.

63. On giving the receipt to the Chowdhree, the Tehseeldar will fill up the first seven columns of this register, and the Chowdhree will sign his acknowledgement for the receipts in column 8. The Chowdhree will then make the collections and give the receipts to the persons paying, affixing at the same time his signature or seal in column 8 of the receipt.

64. The Chowdhree will be responsible for the value of all receipts received by him from the Tehseeldar. He must either produce the amount of duty for which the receipt was given, or he must return the receipt itself to the Tehseeldar.

65. When the Chowdhree accounts to the Tehseeldar for the receipts given to him, the entries in the register will be completed. If the Chowdhree has failed in any case to obtain the payment, the fact will be noted in the last column, and the receipt will be returned.

All receipts thus returned will be kept and arranged in books according to their numbers.

66. The Tehseeldar will give his separate receipt to the Chowdhree for the total amount paid in at any one time, without entry of details.

67. When the Chowdhree or other person makes any payment into the Tehseelee, it must be immediately entered in the Seeaha account. This must never be postponed to another day, and the Tehseeldar must be held strictly responsible that this order is obeyed. The total amount paid at one time will be entered. The details of which every entry in the Seeaha is made up, will be ascertainable from columns 9 and 10 of the register of receipts.

68. The collection of the duties in the villages will ordinarily be made by the Putwarees, each acting within his own circle. The forms already described will be equally applicable to them. The Putwarees will receive a commission of 3 per cent. on all collections made by them. The amount will usually be insignificant, but no further remuneration is necessary.

69. The full amount collected by persons entitled to commission must always be paid into the Treasury. When the Chowdhree or other persons entitled to commission have finished their collections, and no balances remain, except those which appear not to be immediately recoverable, the Tehseeldar will send to the Collector a statement in the following form, showing the amount of commission due to each person.

Statement of commission payable 1861-62.

Tehseel. District.

1.	2.	3.	4.	5.	6.	7.	8.	9.
			Detail of column 3.					
Total demand.	Total collections.	Total collected by Chowdhree, &c.	Name of Chowdhree, &c.	Name of guild, &c.	Name of Place.	Amount paid as per register of receipts.	Commission at 3 per cent.	Orders of Collector.
RS.	RS.	RS.				RS. AS.	RS. AS.	
10,000	10,000	9,380	Jyaram.	Hulwaee.	Moradabad.	250 0	7 8	

70. On the receipt of this statement, the Collector will issue his orders for payment or otherwise. These will be sent by Perwannah to the Tehseeldar, and the statement will be recorded in the Collector's office.

71. After the latest date fixed for the paymentof the duties, the Collector and Tehseeldar will proceed to levy the balance due from defaulters in the manner provided by Section 6 of the Act. The rules which have been laid down for the recovery of arrears of Income Tax being equally applicable to arrears of duty under this Act. No further remarks are necessary on this part of the subject.

72. It will not unfrequently happen that, after the assessment has been made, persons liable to the tax will move elsewhere in the hope of escaping payment. This will be more especially the case with the common artizans. It will not always be possible to meet this difficulty completely, but the object may generally be gained in the following manner.

73. The Chowdhrees and others employed in the assessment and the collection of the duties must be enjoined to keep themselves as well informed as may be possible of the proposed movements of the persons with whom they are more especially concerned. They will have many facilities for doing this without exercising any improper interference, and they will have a personal pecuniary interest in preventing the evasion of payment. Whenever, after the assessment has been made, in consequence of information received from the Chowdhree or other sources, the Tehseeldar shall consider that there is reason to suppose that any person is likely to leave the place in which he was assessed before the latest date fixed for the payment of the tax, he must proceed to serve upon such person a special demand for payment under Section 6 of the Act. This demand will be made according to the form of list No. 2, and the Tehseeldar will enter in column 10 any date that he thinks proper for the purpose of preventing evasion of the tax. The Tehseeldar must report to the Collector all cases in which he has acted upon this authority. He should of course exercise it discreetly, and not without some reasonable cause.

74. It may also occasionally happen that after the 1st of August, but before the lists of assessment are complete, or at any other stage before the publication of list No. 2, a person liable under the Act may wish to move elsewhere, but without any wish to evade payment. In such case, if he offer to the Tehseeldar the amount of duty payable by him, the Tehseeldar should receive it, giving a receipt in the ordinary form. If there should be any doubt regarding the proper amount that is due, the Tehseeldar must refer to the Collector, unless the person should be willing to pay the duty imposed on Class I, when there can be no objection to granting a receipt for that amount.

75. The manner in which persons may be exempted on account of total inability to pay has already been described. It remains to notice those cases in which a person, although not able to claim exemption altogether, may demand to be transferred from a higher class to a lower.

In such cases he must present a petition to the Collector, stating the grounds on which his demand is based, and the reasons for its acceptance. The Collector will then, either through the Tehseeldar, or by any other means that he thinks proper, enquire into the case.

76. If the claimant can show to the satisfaction of the Collector, that there is some special cause, which must in all probability prevent him from gaining an amount equal to the average earnings of persons of his calling, the Collector will place him in a lower class. But it must be remembered that the amount of duty at which he was originally assessed was imposed not with reference to the amount which he actually received during the past year, but on an estimate of the amount which it was considered probable that he would receive during the ensuing year. It will not often, under these circumstances, be easy for a person to make good his claim to reduction of duty, and the evil is so great of allowing differential rates upon persons following the same occupation, that such claims ought only to be admitted where it is quite clear that their rejection would cause real injustice and hardship.

77. Regarding the additional establishments that will be required for carrying out the Act, it is difficult to lay down any rules that will be generally applicable. As the collections will be made all at once, and no instalments allowed, the work will only continue for a few months. It is therefore unnecessary to incur the expense of extra establishments for the whole year.

In Tehseels where there are no cities or towns, the work will often be so light that no addition will be necessary to the existing establishments.

In the cities and towns where the number of persons liable to the tax will often be very large, the work, although not difficult, will be laborious and will require much care.

78. In such cases one or more men should ordinarily be appointed from the existing establishment to assist the Tehseeldar; an addition being made to their pay during the time for which they are thus employed, and substitutes being temporarily engaged to carry on their work. The Bukshee or head officer appointed under Act XX. of 1856, may sometimes be usefully employed in this way, under the authority of the Tehseeldar. The number of Chupprassees attached to the Tehseels having been largely reduced, a few extra Chupprassees will sometimes be required for a time.

79. According to the plans which have now been proposed, little extra work will be entailed in the Collector's Office, and it is not probable that any addition to the establishment will often be necessary.

80. Each Collector should draw up his scheme of Establishment according to the circumstances of his district, and submit it to the Sudder Board of Revenue in the manner that was followed in the case of the Income Tax.

81. Special instructions will be necessary regarding artizans and other person liable to the tax, who may be employed under officers in the Department of Public Works. It will clearly be impossible for the Collector to assess these persons, or to make the collections by means

of his ordinary agency. Orders should, therefore, be issued to all officers of the Public Works Department, calling upon them to give every assistance in their power to the Collector for the purpose of carrying out the Act; to furnish him with all returns that may be called for, regarding persons liable to the tax in their employment, and to collect the duties according to the instructions which they may receive.

82. The Collector, whenever he may consider the assistance of the Executive Engineer or other officer of the Department to be necessary, should send to him blank statements in the form No. 2, and request him to fill up the first nine columns. If a copy of the instructions issued to the Collectors, or an extract therefrom, be sent to the Engineer Officer in charge of the works, with a copy of the statement showing the classification of Arts, Trades, and Dealings, that has been adopted for the district, he will have no difficulty in filling up the statement. He will then return the statement to the Collector. The Collector will examine the entries, and ascertain that the entries in columns 8 and 9 are correct. He will then enter in column 10 the latest date fixed for the payment of the duties, and will return the statement to the Engineer officer in charge, whose duty it will be to proceed to collect the duties and transmit them to the Collector.

83. When the Collector returns the statement, he will at the same time send to the Engne er officer in charge, receipts in the usual form for delivery to the persons paying the duty. The first 8 columns of the receipts will be filled up in the Collector's office. The receipt will be signed by the Engineer officer in charge, and the counterfoils will remain in his office.

84. Within five days after the date fixed for payment, the Engineer officer in charge should send to the Collector a statement according to form No. 4, showing demands, collections, and balances.

The only difference to be observed in filling up this statement will be, that the entry in column 5 will be the number in statement No. 2 instead of No. 3. When the Engineer officer in charge sends statement No. 4 to the Collector, he will at the same time return statement No. 2 for record in the Collector's Office.

85. The special attention of the Engineer officer in charge, should be drawn to the subjects referred to in paragraphs 72 to 74 of this note, and he should be desired to act according to the instructions therein contained.

86. It will also be the duty of the Engineer officer in charge to furnish the Collector with a list, showing all persons employed under him, who appear to him to be entitled to receive certificates of exemption. He will prepare this list according to form No. 1, and in accordance with the rules laid down in paragraphs 37, 42 and 43 of this note, regarding certificates of exemption.

87. The certificates will be made out in the Collector's office in the usual form. They will be sent to the Engineer officer in charge, who will deliver them to the proper persons. He will send one of the counterfoils to the Collector, and will keep the other in his own office.

88. The rules laid down for officers in the Department of Public Works will be generally applicable to the Commissariat Department also.

89. Instructions should be issued to all officers in command of stations to assist the Collector by every means in their power in carrying out the Act.

90. In stations where there is a Cantonment Joint Magistrate, he should be desired to furnish to the Collector, for the persons liable to the tax within his jurisdiction, all the returns and statements which are submitted by Tehseeldars. The instructions laid down for the guidance of Tehseeldars will be applicable to the Cantonment Joint Magistrate in almost all respects, and no further remarks on this part of the subject appears necessary.

91. In small Cantonments, the Collector will act with the assistance of the Commanding Officer. Where there are Superintendents of Sudder Bazars, they should observe the same rules which are laid down for Cantonment Joint Magistrates.

92. Collectors will not fail to notice the provisions of Section 5 of the Act regarding officers of Police. Although the express prohibition against their employment only extends to the collection of the duties, it is clear that, according to the spirt of the law, they ought to exercise no interference of any kind in any part of the operations.

93. The orders contained in the circular orders of Government, No. D, dated 31st August 1860, regarding the Income Tax, will be equally applicable to this Act. The Collector, in accordance with those instructions, should correspond with the Sudder Board of Revenue direct, regarding all matters relating to the administration of the Act, seeking, however, "the advice and assistance of the Commissioner of the Division, especially in cases which raise a doubt as to the construction of the law, or the intentions of the Government, or which involve any general principle of importance. If any difficulties arise, the Commissioner of the Division must be referred to, and consulted as he would be in respect of any difficulty connected with any other branch of the administration."

94. In concluding this paper, I wish to express my acknowledgments to Syud Ahmud Khan, Principal Sudder Ameen of Moradabad, to Imam-ood-deen, Tehseeldar, and to Nund Kishore, formerly Income Tax Assessor, for the great assistance which they have afforded me in the elaboration of the plans that have been recommended, and in the preparation of the lists of occupations.

To Syud Ahmud Khan in particular, my thanks are due. Without the help that he has given me, it would hardly have been possible for me to have worked out the details of the scheme which has been proposed.

J. STRACHEY,
Collector, on leave.

APPENDIX.

Class I.—Arts.

1	
2	
3	Watch-maker.
4	Gold and Silversmith.
5	Seal cutter.
6	Painter (Artist).
7	Stamper of patterns, &c., on cloth.
8	Silk weaver.
9	Manufacturer of durrees and carpets.
10	Maker of leather vessels.
	Enameller.
11	Cutters of inscriptions on stone, and mosaic
12	inkers.
	Jeweller.
	Saltpetre manufacturer.

Class II.—Arts.

1	
2	
3	Petty Goldsmith.
4	Brick-maker.
5	Ice-maker.
6	Glazier, maker of mirrors, &c.
7	Glass-maker.
8	Dyers.
9	Oil-makers.
10	Maker of Hooka snakes.
11	Paper-maker.
12	Gilder and plater.
13	Worker in leather, Harness-maker, &c.
14	Maker of vessels, copper, brass, and zinc.
15	Comb-maker.
16	Makers of ornamental pottery toys, &c.
17	Weaver of fine cotton cloth.
	Mistrees or master workmen of each art.
	Blood-letter.

Class III.—Arts.—(Continued.)

1	Farrier.
2	Blacksmith.
3	Carpenter and Sawyer.
4	Mason and well-sinker.
5	Leather-cleaner and dyer.
6	Threader of beads and stones, and maker of ornamental work in silk, thread, braid, &c.

Class III.—Arts.

7	Ear-cleaner.
8	Barber.
9	Cotton-cleaner.
10	Chik-maker.
11	Kite-makers.
12	String-makers.
13	Painter.
14	Engraver of metal.
15	Cutter of stones for ornaments, &c., of small value.
	Potter.
16	Makers of gold and silver lace, thread, &c.
17	Maker of Sitars, and other musical instruments in wood.
18	
19	Wire-makers and workers.
20	
21	Workers in straws, cane, &c., *e. g.*, makers of mats, punkhas, baskets, &c.
	Beaters of gold and silver leaf, &c.
22	Makers of cloth with hot irons.
23	Workers with needle, *e. g.*, tailors, tent-makers, embroiderers, &c.
24	Inlayer of metal.
25	Stone mason.
26	Weavers of coarse cloth, newar and cotton rope.
27	Grinders and polishers of metals and sharpeners of weapons, &c.
28	Turners.
	Makers of ornaments, &c., in cheap metal.
29	Chumars, makers of Hindoostanee shoes.
30	Turban binders.
31	Whip-makers.
32	Sugar boilers.
33	Rice beaters.
34	Persons who wash and prepare cloth before sale.
35	Superior order of thatchers.
36	
37	

Class I.—Trades.

1	Sweetmeat seller.
2	Cloth seller.
3	Seller of vessels of copper, brass, or other metal.
	Sellers of gold and silver lace, thread, &c.
4	Ghee seller.
5	Lime seller.
6	

CLASS I.—TRADES.—(Continued.)

7		Seller of provisions, &c., bunya.
8		Butcher.
9		Sellers of articles made of stone, such as grind stones, mortars, &c.
10		Silk seller.
11		Manufacturer of sugar (khand.)
12		Wholesale gram seller.
13		Bakers according to European fashion.
14		Seller of English miscellaneous goods.
15		Wholesale dealers in dry tobacco.

CLASS II.—TRADES.

1		Seller of groceries, spices, &c.
2		Seller of drugs and medicines.
3		Petty timber dealers.
4		Sellers of firewood and charcoal, &c.
5		Sellers of baun and thatching grass, bamboos, &c.
6		Petty salt dealers.
7		Sellers of flour and soojee.
8		Butterman.
9		Sellers of iron articles.
10		Seller of durrees.
11		Retail tobacco dealers.
12		Petty money changers.
13		Perfumer.
14		Pedlar, seller of miscellaneous articles.
15		Bhoosa dealer.
16		Native bread-maker and seller.
17		Fruit and vegetable dealer.
18		Sellers of blankets, felt, &c.
19		Seller of pickles, preserves, &c.
20		Book-binder and book-seller.
21		Darner and repairer of cloths, &c.
22		Tin-man.
23		Leather sellers.
24		Lohars keeping shops.
25		Carpenters ditto.
26		Workers with the needle, ditto.
27		Shoe sellers.

CLASS III.—TRADES.

1		Petty dealers in cotton.
2		Rag sellers.
3		Pan sellers.
4		Sellers of parched gram.
5		Soap sellers.
6		Meat roasters.
7		Leaf sellers.
8		Sellers of necklaces and rosaries.
9		Sellers of medicines to promote digestion.
10		Sellers of glass bracelets.
11		Persons preparing food for travellers in seraies, &c.

CLASS I.—DEALINGS.

1		Petty money dealers.
2		Bunjarras, employed in traffic.
3		Mussulman dealers in cattle.
4		Agent of a mercantile or banking firm.
5		Itinerant vendors of superior cloth, &c.
6		Boxwalla.
7		Persons letting out for hire, buggies and horses.

CLASS II.—DEALINGS.

1		Persons letting out for hire carts, bailees ekkahs, &c.
		Do. do. Camels.
2		Boatmen letting out or using boats, for hire or gain.
3		Milk sellers.
4		Dealers in goats, sheep, &c.
5		Brokers.
6		Itinerant vendors of coarse cloth, &c.
7		

CLASS III.—DEALINGS.

1		Persons letting out for hire ponies, mules, donkies, &c.
		Bird sellers.
2		Sellers of poultry and eggs.
3		Sellers of swine and game.
4		Weighers.
5		Itinerant vendors of eatables.
6		Do. do. of medicine for promotion of digestion.
7		Flower sellers.
8		Fish sellers.
9		

OCCUPATIONS exempt from taxation on account of presumed poverty of persons practising them.

1		Stringers of Charpoys.
2		Glass sellers.
3		Petty dealers in sweetmeats.
4		Common thachers.
5		Common artizans in villages; carpenters, blacksmiths, &c., and other village servants.

From G. COUPER, Esq., Secretary to the Government of the North-Western Provinces, to W. GREY, Esq., Secretary to the Government of India, in the Home Department, Fort William, No. 1,653*a*, dated Camp Futtehpoor, Seekree, 1st December 1860.

SIR,

1. I am directed by the Lieutenant-Governor to transmit herewith, in original, the papers noted in the margin, containing the opinions of selected officers on the Bill for imposing a duty on Arts, Trades and Dealings, and requiring dealers in tobacco to take out a license, as well as on the special points relative to the Bill in question, which are specified in your letter, No. 2,018, dated the 17th September last.

From Collector, Mirzapore, No. 374, dated 11th October 1860.
" Officiating Collector, Bolundshuhur, No. 3, dated 4th October 1860.
" Collector of Banda, No. 2,001, dated 22nd October 1860.
" Officiating Commissioner, Rohilcund, No. 61, dated 16th October 1860.
" Commissioner of Benares, No. 261, dated 7th October 1860.
" Officiating Commissioner of Agra, No. 102, dated 16th October 1860.
" Collector of Moradabad, No. 3, dated 10th October 1860.
" Collector of Bareilly, No.———,dated 15th October 1860.
" Magistrate and Collector of Allahabad, No. 11, dated 6th November 1860.
" Commissioner, 1st Division, on special duty, dated 9th October 1860.
" Mr. R. Gubins, Esquire, C. S., dated 8th October 1860.
" Officiating Judge of Seharunpore, No. 128, dated 10th October 1860.
" Secretary Sudder Board of Revenue, North-Western Provinces, No. 174, dated 15th October, with two enclosures.

2. Whether the enactment of this Bill in its present form has been finally determined or not, the Lieutenant-Governor is not informed. But before noticing the points adverted to in your letter under acknowledgment, he would beg permission to observe that, in his judgment, the Bill is faulty in principle. It is declared to be a supplement to the Income Tax, and not an additional impost.

3. The duty which this Bill will impose seems to the Lieutenant-Governor not so much a supplement to the Income Tax Act, as an Income Tax under another name. Those who believe themselves to have been benefited by exemption from the Income Tax, will find themselves liable to the payment of duties equal, at least in proportion to their means, to what they would have been required to pay under the Income Tax Act, had they been made subject to its provisions.

4. Those who will come under the operation of the proposed Bill will be wholly unable to appreciate the ostensible distinction. What they will look to is the fact of the demand upon them, and the amount of the demand. They will care little whether the demand falls upon them under the designation of Income Tax, or of license duty, and they will feel that the concession which was apparently made in their favor by Act XXXII of 1860, has been extinguished by the imposition of the Tax, which the Bill now under consideration, if it become law, will enact.

5. In the foregoing remarks, the Lieutenant-Governor has not overlooked the tenor of the instructions which it is proposed by the Governor General in Council to issue relative to this measure. In the 3rd paragraph of the draft instructions alluded to, it is assumed that every one subject to the Tax, will fall under one of these three classes, "without reference to the "precise amount of Income which he may derive from his calling, the nature of which may be "taken as a rough index to his probable profits."

6. But it appears to His Honor either that the classification under Schedule A, must be chiefly guided by the income of the license, or that the Act must operate with unjust and injurious inequality. This matter will be further adverted to hereafter.

7. Referring still to the principle of the Bill, the Lieutenant-Governor is disposed to think that the feature of the Bill, which is noticed in the 2nd paragraph of your letter, *viz.*, that it enacts no additional impost, does not recommend it to favor. His Honor thinks that if any person exercising any Art, Trade or Dealing, is to be required to take out a license, paying a fee for the same, all persons following such Art, Trade or Dealing, should be licensed, whether they are liable to the provisions of the Income Tax Act or not. Besides, that the very distinction which the exemption of persons paying Income Tax from the operation of the

proposed license law creates, will strengthen the feeling that the license duty is as Income Tax only under another name; the petty dealer will fail to see why he should pay specifically for the privilege of following his vocation, while others engaged in the same, though in more prosperous circumstances than his own, are exempted from the like payment. The Income Tax and the duty upon license to trade are equally intelligible. But the two imposts are totally distinct in their nature. The one is the contribution by a person supposed to be in easy circumstances, of a portion of his income to the necessities of the State; the other, though equally a contribution to the necessities of the State, is made obligatory on every person engaged in any Art, Trade or Dealing, before he can follow the vocation upon which his means of livelihood depend, and which, according to the custom of the country, is the hereditary and the *only* vocation he can follow. It would therefore be no argument to tell the petty dealer that his wealthier brother of the same guild is excused the payment of license duty, because he pays tax on his income.

8. Another objection which occurs to the Lieutenant-Governor, is that whereas artizans and petty dealers will be subject to tax, there are many classes having certain incomes, though incomes too small to bring them under the operation of Act XXXII of 1860, who would be entirely exempt from contribution to the necessities of the State.

9. This principle of the Bill, moreover, is at variance with that which is observed in England in the granting of licenses. Attorneys, bankers, conveyancers, medicine vendors, plate-dealers and others, who obviously, in the majority of cases, if not in all, must pay Income Tax, are required to take out licenses. And if the principle which the practice indicates be correct in England, there can be little or no reason why it should be departed from in India. There is not in this case, as there is undoubtedly in many others, so wide a difference between the conditions of Arts, Trades, and Dealings in England, and the same in India, as to necessitate a different practice in the latter. The Lieutenant-Governor must regret that the principle which was advocated by the Honorable the late Mr. Wilson, should not have been adhered to. He would much perfer that all persons engaged in any Art, Trade or Dealing, whether they are liable to pay Income Tax or not, should be required to take out a license.

10. On the assumption, however, that the Bill will become law, very much in its present form, the Lieutenant-Governor proceeds to notice the points specified in the 3rd paragraph of your letter under acknowledgement.

11. The first question relates to the rules which it is desirable to fix for the classification of persons subject to duty under Schedules A. and B. It has been said above that the classification under Schedule A. must be mainly guided by the income of the licenses, or that the Act must operate unequally. This appears to the Lieutenant-Governor inevitable. It cannot be supposed that all persons engaged in the same Art, Trade or Dealing, will realize the same profits. The more skilful artizan will obtain the larger employment; the tradesman who has more capital than his neighbour, however small, will be able to undertake larger transactions, and will realize a larger income than he. Both classes, the skilful artizan, and the tradesman with the larger capital, will be better able to bear the impost of one, or two, or three Rupees than his less prosperous brother. If, for instance, a uniform tax of three Rupees is to be levied on the license of every goldsmith, there will be some, it is true, paying at the rate of about $1\frac{1}{2}$ or $1\frac{3}{4}$ per cent. on their profits, but there will be others, *viz.*, in all those earning not more than Rupees 100 per annum, paying at the rate of more than 3 per cent. upon the same: that to say, at a rate exceeding by 50 per cent. the incidence of the Income Tax on persons possessing an income of Rupees 490 per annum. The same result will follow in the case of artizans and other dealers. If, as the Lieutenant-Governor thinks, this result must be considered unequal and unfair, than it follows that the classification, without reference to the amount of income, as contemplated in the draft instructions, should be abandoned.

12. And it is worthy of remark, that in England, differential rates of license, even in respect of persons engaged in the same trade, do prevail. Not to mention excise licenses granted to brewers of strong beer, brewers of table-beer, makers of malt, and retailers of spirits,

the price of whose licenses is regulated in the two first cases, by the number of barrels of beer brewed, and in the third case, by the quantity of malt manufactured, and in the fourth case, by the amount at which their premises are rated. Licenses are charged at different rates to persons following the same trade, with reference to the localities in which they exercise it, *e. g.*, a conveyancer in London pays 12£ per annum for his license. Elsewhere he pays but 8£. Again, a medicine vendor in London pays 2£ per annum for his license: in any other corporate town he pays 10 shillings. Elsewhere the charge for a license is five shillings per annum. The same distinction obtains in respect of pawnbrokers, attorneys, plate-dealers, and the rates of license to persons engaged in letting horses for hire, and varies with the number of horses and carriages which they keep. These distinctions, it appears to His Honor, can rest only on the assumed difference of the profits realized by persons of the several classes above enumerated, according to the locality in which they follow their calling, or according to the extent of their dealings.

13. It is, therefore, the opinion of the Lieutenant-Governor, on the ground not only of the equal operation of the Tax, but also on the ground of the practice which prevails in England, that the preferable method of classification, (if there is to be any classification at all,) is that which takes into consideration the profits derived from the calling to be licensed.

14. On this point, the Lieutenant-Governor would first observe that, under section 8 of the proposed Bill, the Collector is authorized to exempt from payment of license duty any person of whose inability to pay the same he may be satisfied. This point should not, in His Honor's opinion, be left discretionary, because opinions of different officers will vary as to the standard of ability or inability to pay the duty, and the impost will bear unequally in consequence. He would therefore prescribe, that all persons, whether artizans, traders, or dealers, who do not on an average earn a profit of Rupees 6 a month, or 72 Rupees a year, should be entirely exempted, and receive a certificate of exemption. Those deriving an income varying from Rupees 72 to Rupees 199, the Lieutenant-Governor would classify as follows:—

Class III above Rupees 72 to Rupees 110.
Class II above Rupees 110 to Rupees 150.
Class I above Rupees 150 to Rupees 199.

15. The classification of tobacco-dealers, under Schedule B of the Act, is a much more difficult matter, and in the papers submitted, opinions on this point will be found to vary largely. The Lieutenant-Governor is still inclined to think, as he has stated on a previous occasion, that the least troublesome mode of deriving a revenue from tobacco would be, to bring it under the laws which regulate the Ábkári revenue, a condition being, of course, enacted, that producers of tobacco shall sell only to contractors for the tobacco duties. But if, as must be presumed, this measure does not consist with the principles which the Legislature has laid down for itself, then the Lieutenant-Governor would propose that the rate of the license duty, whether wholesale or retail, shall be regulated, rather by the value than the quantity of the tobacco sold. This standard is shown to be preferable by the varying prices of raw tobacco, as *e. g.*, of that grown in Oude, and of that grown in Rohilcund, and by the fact that in this country, the article is sold in different combinations, and the quantity sold would not correctly represent the extent of the money dealings of those engaged in the trade, or their ability to meet the demand.

16. But in point of fact, we have at present but little real knowledge of the peculiarities and the ramifications of the trade in tobacco, and we have hardly any data on which to proceed; and any scale which may be fixed must be more or less arbitrary.

17. The first point which calls for decision is the definition of the terms "wholesale dealer," and "retail dealer." Section 24 of the Bill defines the former to be one who sells tobacco in quantities from one maund and upwards in the transaction, and the other to be one who sells tobacco in quantities of less than one maund. This definition does not appear to the Lieutenant-Governor to be satisfactory. *First*, because of the reasons given in the 15th paragraph, *viz.*, that the quantity of tobacco sold is an imperfect guide to the value of the dealings. *Second*, because it is quite possible that even a retail dealer may, on some one occasion, sell a

maund or upwards of tobacco, although his general dealings may be in smaller quantities. *Third*, because dealers in tobacco would find but little difficulty in making such small changes in the management of their transactions as would place them without the category of wholesale dealers.

18. It appears to the Lieutenant-Governor, that it will be better to omit from the Act the definition of wholesale and retail dealer. He apprehends that practically, there will be no difficulty to the Collector in distinguishing the one class from the other. The nature of a man's transaction cannot well be concealed from him. He will know whether a man vends tobacco in his shop, or whether his dealings are wholesale. This is exemplified in the letter of Mr. Denison, the Collector of Mirzapore, who has so little doubt on the subject, that he enumerates those who, in the city of Mirzapore, would become liable to the license duty as wholesale dealers. The embodiment of a definition in the Act would lead only to evasion and subterfuge.

19. The Lieutenant-Governor is further of opinion that one rate of duty *for all the wholesale dealers* had best be prescribed for all wholesale dealers at the uniform rate of Rupees 100 for each wholesale license. It cannot be apprehended that the demand will in any instance be excessive. The trade is believed to be a highly profitable one. Persons engaging in it cannot be without capital. They must be men of substance, and, therefore, there is not the same reason for a differential rate of license duty as there may be in the case of retail dealers in tobacco, and as there certainly is in the case of artizans, petty traders, and petty dealers, whose means must be very limited and precarious.

20. It may be said that this recommendation is not entirely consistent with the principle which the Lieutenant-Governor has advocated in amending part of this letter. And this is true. But it is to be borne in mind, that wholesale dealers in tobacco will be liable to the Income Tax Act, and will pay at different rates in proportion to their incomes, and this will tend so far to remove the objection that might be advanced on the ground of the inequality of this measure. And, after all, do what we may, there must be inequality more or less, as *e. g.*, in the case of petty traders whom the Lieutenant-Governor has included in Class I, of Schedule A. Between the minimum (73,) and the maximum (110,) there is a difference of Rupees 37, and yet both will pay Rupee 1 alike. The difference between the dealings of wholesale tobacco-dealers will seldom be in larger proportion than this, and therefore all may equitably pay the same license duty.

21. But if a differential rate of duty on wholesale license be imperative, then the Lieutenant-Governor would suggest that the wholesale dealer, whose annual transactions amount to the value of Rupees 3,000 and upwards, should form the 1st Class, and those whose sales fall below this amount should form the 2nd Class.

22. In regard to the classification of retail dealers, the Lieutenant-Governor would adopt the scale suggested by Mr. Muir in the postscript of his Minute, viz:—

Class I,	Shops selling to the annual value of Rupees 500 and upwards.			
Class II,	Ditto	ditto	250	ditto.
Class III,	Ditto	ditto	100	ditto.
Class IV,	Ditto	ditto	50	ditto.

23. Before passing on to the second point specified in the 3rd paragraph of your letter under acknowledgment, the Lieutenant-Governor begs to call attention to paragraphs 7 and 8 of Mr. Strachey's letter, and to observe that the opinion expressed in the former derives corroboration from the analysis of probable receipts from the city of Mirzapore, as given by Mr. Denison, and that the restrictions proposed in the latter, modifying section 20 of the Bill, in the manner there suggested, seems indispensable to any thing like a favorable financial result. "A provision," he says "appears essential, that the producers of tobacco shall only sell to licensed dealers. "It is also necessary that a limit be placed on the quantity of tobacco that consumers, having "no license to sell, and not being producers, shall be authorized to keep in their possession."

24. On the second point, the Lieutenant-Governor thinks it undesirable that any forms or processes should be embodied in the Act. Circumstances and available agency will differ in different parts of the country, and it appears sufficient, that each local Government should be left to execute the Act in the manner best suited to its own provinces.

25. So far as these provinces are concerned, there should be no great difficulty in carrying out this measure, whatever may be the vexation to the people. In cities and large towns, lists of persons required to take out licenses may be prepared through the agency provided for the assessment and realization of the house and property rate, sanctioned by Act XX of 1856, with little trouble, beyond that which their proper duties entail. And to places to which Act XX of 1856 may not have been extended. A very small special agency would be required for the preparation of their lists.

26. In other than cities and large towns, the lists may easily be prepared by means of the agency which the Collector possesses for the collection of the land revenue. Every Putwaree would be required to prepare a list of all persons within his circle liable to the license duty. These lists countersigned, as Mr. Rowland Money proposes, by the head men of each village, would be examined and tested by the Tehseeldars and would be submitted by them to the Collector, with an indication of the class to which, in their opinion, each person should be assigned, and the final classification must rest with the Collector and his assistants. The classification being completed, the forms of license (which should be printed or lithographed on paper of different colors for the licenses of each class) would be filled in, and the required number forwarded to each Tehseedar for distribution. The Tehseeldar would then deliver to each Putwaree the licenses for all persons within his circle, together with a nominal and classified list of the persons to whom they are to be delivered, and the duty of the Putwaree would be to deliver his license to each person, taking from him a receipt on the list referred to opposite his name.

27. The mode of collection would be similar in other than large towns, regarding which special arrangements will be proposed presently. Each Putwaree might be charged with collecting the duties in his own circle, and keeping the account prescribed by Section 16 of the Bill. The duties under class I. should, the Lieutenant-Governor thinks, be realized in one payment, and those under classes II and III, in two half or yearly instalments, in order to diminish as far as possible, the relation of reiterated periodical demands, and the complication of accounts. The collection so made will be paid into the Tehseeldar by the Putwaree, who should at the same time deliver a copy of his account, showing the amount received by him, the names of the persons from whom the same may have been received, and the Art, Trade or Dealing, exercised by such persons.

28. As authorized by Section 17 of the Act, the Putwarees engaged as above in the execution of the License Act, should be remunerated at the end of each half year by a commission of 3 per cent. on the amount collected.

29. As regards cities and large towns, the following course might perhaps be followed. The members of each guild or trade might be required to elect a representative or chowdhree, who should be furnished with an extract from the Collector's classified list of assessments, so far as it relates to the members of his own guild or trade, and entrusted with the duty of collecting the Tax in accordance with the said list. In the matter of accounts, instalments, payments into the Tehseeldaree, or the Sudder Treasury, as may be, the chowdhrees will be guided py some such rules as those above suggested for the guidance of putwarees; and they will receive the like remuneration under section 17 of the Bill at the end of each half-year.

30. But if the employment of chowdhrees should prove to be impracticable, or in practice inconvenient, the establishment employed for the collection of the tax, authorized by Act XX of 1856, should be required to perform the duty, receiving the like remuneration.

31. The Lieutenant-Governor has nothing further to suggest on this point. He has given a mere outline of the plan which he thinks might be preferentially adopted; but the rules would, of course, need to be elaborated, and drawn out in considerable detail under the direction of the Sudder Board of Revenue.

32. As to the third point, *viz.*, whether the Bill should be made applicable to Military cantonments, the Lieutenant-Governor desires me to say, that he is not aware of any reason why Military cantonments should be exempted from the operation of the License Bill, should it become law, or why any special clause should be required to make it applicable.

33. In conclusion, I am desired to say, that though the Lieutenant-Governor has, to the best of his ability, met the requisition contained in your letter, No. 2,018, dated 17th September, he would not have it understood that he acquiesces in the expediency of passing this Bill in its present form. This will have been gathered from the first paragraph of this address, and though his opinion upon this point has not been asked for, he must take leave to place on record his conviction, that while the execution of this measure will entail upon the officers of Government enormous labor, labor even greater than that which the carrying out of the Income Tax Act has imposed, the amount of revenue realized will entirely disappoint any expectations which may have been entertained. His Honor is persuaded that the tax will be unproductive, and will be infinitely more vexatious and unpalatable to the people than the Income Tax. It will be, too, in its incidence, more burthensome, as the Lieutenant-Governor has endeavoured to show in the commencing paragraphs of this letter.

34. I am desired to add that, if the Bill should be passed by the Legislative Council, it would be very inexpedient, even if it would be possible, to enforce it during the present season in the districts of the Meerut, the Agra, and the Rohilcund Divisions. The Government of India are already aware of the depression prevailing in those districts throughout all classes of the population in consequence of the drought during the past season, and of the enormous prices ruling in the grain market. The introduction of the measure at the present time would be a very grievous hardship, and add immensely to the difficulties with which artizans and dealers struggling for subsistence have even now to contend. A power, therefore, should be reserved by the Legislature either to the Governor General in Council, or to the local Government, with the sanction of the Governor General in Council, to postpone the operation of the Act for such period as may be deemed fitting, in any part of the provinces under its administration.

No. 139. ORDER THEREON, 18th January 1862, No. 69.

Ordered that copies of these papers be furnished to the Board of Revenue for their information.

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

Revenue 1861 Depart.
Pro: of Govt for Lany: 162
No: 2963.

From the Secty: to
the Govt: of India

Dated 9th Inst. } 1861.
Recd 13th Do. }

No: 135 to A.

No. 69.

Forwarding Extract from a Letter from the Secretary to the Govt of India to the Secretary to the Govt North Western Provinces approving generally of the detailed instructions issued by the Lieut Governor of the above Provinces for the disposal of Waste Lands under Act 18 of 1861

69. 15 January.

Enclosed to Mr. Secretary Grey
18th January 1862
Civil Dept

Extract of a Letter from the Secretary to the Government of India to the Secretary to the Government North Western Provinces, dated 9th January 1862.

Para. 1. I am directed to acknowledge the receipt of your letter No. 69 of the 15th ultimo, forwarding a copy of the detailed instructions issued by the Lieutenant Governor of the North Western Provinces for the disposal of Waste Lands under Act 18 of 1861.

2. In reply I am to state that the Governor General in Council approves generally of the instructions issued by the Lieutenant Governor.

No: 138 to 139.