M.R.O. 14—13,000—27-9-24.

# MADRAS RECORD OFFICE.

## Government of Madras.

Revenue DEPARTMENT.

G.O. No. 248-249 Press Mis.

53-55

Dated 5-2 19 1863

***Not to be folded or roughly handled***

*Proceedings of the Madras Government, Revenue Department,*
*5th February* 1863.

No. 52. Read the following letter from W. HUDLESTON, Esq., Secretary to the Board of Revenue, to J. D. SIM, Esq., Secretary to Government, Revenue Department, dated Madras, 20th January 1863:—

SIR,

1. With reference to the Order of Government dated 7th January 1863, forwarding to the Board for report the letter from the Government of India on the subject of the Income Tax establishments, I am directed to state that the Board having conferred with the Income Tax Commissioners are of opinion that no saving on the cost of the reduced establishment now proposed by the Commissioners to be retained, could be effected, were the Presidency Town Income Tax Department transferred to the Board of Revenue. They are also of opinion that the separation of the collecting Department from the rest, by its transfer to the office of the Collector of Madras, would in many cases seriously interfere with the efficient and easy working of the Tax.

2. As to the District establishments the Board are decidedly of opinion that they cannot be further reduced, if any attempt to maintain the working of the tax in accordance with the Law is to be made. It must be borne in mind that the ordinary revenue establishments in this Presidency have been already reduced to the lowest scale consistent with efficiency for the discharge of ordinary duties; and the Board are of opinion that the additional provision which as made for the special work of the Income Tax is very moderate and essentially necessary.

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No. 53. From H. A. BRETT, Esq., President to the Income Tax Commission, Madras, to J. D. SIM, Esq., Secretary to Government, Revenue Department, Fort Saint George, dated Madras, 21st January 1863, No. 1.

SIR,

1. With reference to the Order of Government No. 23, dated 7th instant, forwarding to the Income Tax Commissioners for report on the paragraphs affecting their Department, a letter No. 1,132A, from the Secretary to the Government of India, Financial Department, dated 5th December 1862, relative to further reductions that may be possible in the Income Tax Establishment, I have the honor to state that the Commissioners, after conferring with the Board of Revenue, are of opinion that the entire working of the Tax should still be entrusted to some one responsible officer, with a separate establishment, whether the duties be performed under the superintendence of the Board of Revenue, or the present Commissioners, and that little or no saving could be effected by merely transferring the controlling authority to the former body.

2. The Government, in their Order No. 1,240, dated 5th June 1862, were pleased to approve of the Commissioners' proposal to abolish the appointment of Special Commissioner, and from the date on which Mr. Ellis left for Calcutta, the duties of that office, in addition to those connected with the general supervision of the establishment, have devolved on me as President, without any additional expense to the Government.

3. I should also explain, with reference to paragraph 6 of the letter from the Secretary to the Government of India, that in my letter No. 24, dated 28th October last, reporting the death of Mr. Walthew, I proposed that the Secretary and Collector should also perform the duties of Assessor; that this arrangement has since been carried out, and that the amalgamation of the three offices under the present Secretary shows a saving of Rupees 4,200 a year, in the estimated expenses for 1862-63.

4. In addition to this reduction the Commissioners would now propose to place the whole establishment on a reduced scale from the 1st March next, but at the same time would keep the establishment, as at present, under the superintendence of the Commissioners, as the most convenient arrangement both as regards the duties of assessment and collection.

5. The proposed reductions as compared with the present establishment are shown in the annexed Statement.

6. Although the changes in the Income Tax Law will considerably reduce the work of assessment, the Commissioners consider it will still be necessary to retain the services of a permanent officer as an Assessor, to enquire and report on all claims for revisions, to serve all parties newly engaging in trade, and to attend to the revisions and special assessments made on the salaries of employés in public Companies, under Rule 4, Part 10, Section C of Act XXXII.

H. A. Brett
President

7. They also consider that such an officer permanently attached to the Office, would be better qualified to make the annual assessments on parties claiming each year to be assessed "de novo" than a person who would receive "a fixed sum down," as contemplated in the latter part of paragraph 6 of the letter under report.

8. With reference to the collecting of the Tax, the Commissioners and the Board of Revenue concur in thinking that the transfer of this Department to the Collector of Madras, though it might be attended with a small saving of expense, would be productive of much delay and inconvenience to the public, and would involve some difficulty in maintaining the system of secrecy prescribed by the Act, particularly in the case of parties paying under private numbers.

9. It was in consequence of such difficulties having been experienced, when formerly the Sub-Treasurer was employed as Collecting officer, that the Commissioners represented the matter to Government and obtained their sanction (*vide* Order No. 2,222, dated 23rd November 1860,) for the employment of a Collecting Department in connection with their own Office.

10. In conclusion, I beg to observe that under Section XI, Part II of Act XXXII, not less than two of the members of the Commission, must be "persons not in the service of Government." It would still be necessary therefore to have a Board constituted as at present, consisting partly of official and partly of non-official members. I feel also assured that any change which would deprive the Board of its non-official members would be very unacceptable to the public.

11. It is proposed that the present establishment should be retained till the end of next month, as there is still much work to be done in preparing bills, and completing the assessments for the current year.

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Statement showing the present Income Tax establishment, and the reductions proposed by the Income Tax Commissioners to take place from 1st March 1863.

| | Rs. | Rs. | | Rs. |
|---|---|---|---|---|
| Special Commissioner*..... | ... | 2,000 | Special Commissioner and President | ... |
| Secretary†..... | 400 | | Secretary, Collector and Assessor | 600 |
| Head Clerk..... | 70 | | 1 Clerk..... | 70 |
| Petition Clerk..... | 50 | | 1 Petition Clerk..... | 30 |
| English Clerk..... | 35 | | 1 English Clerk..... | 25 |
| Abstract Writer..... | 30 | | 1 Mutchie..... | 10 |
| Record-keeper..... | 25 | | 1 Duffadar..... | 10 |
| 1 Mutchie..... | 10 | | 6 Peons at 7 Rupees each..... | 42 |
| 1 Duffadar..... | 10 | | 1 Writer..... | 60 |
| 8 Peons at 7 Rupees each..... | 56 | | 1 Conocopillay..... | 15 |
| | | 686 | 2 Peons at 7 Rupees each..... | 14 |
| Assessor..... | 350 | | 1 Accountant..... | 60 |
| 1 Head Writer..... | 60 | | 1 Writer..... | 25 |
| 1 Writer..... | 30 | | 1 Ledger Writer..... | 25 |
| 3 Conocopillays at 15 Rupees each. | 45 | | 1 Bill Writer..... | 25 |
| 2 Peons at 7 Rupees each..... | 14 | | 1 Shroff..... | 25 |
| | | 499 | 5 Conocopillays at 15 Rupees each. | 75 |
| Collector..... | 200 | | 2 Peons at 7 Rupees each..... | 14 |
| Accountant..... | 60 | | | |
| Writer..... | 30 | | | |
| Ledger Writer..... | 25 | | | |
| Bill Writer..... | 25 | | | |
| Shroff..... | 25 | | | |
| 8 Conocopillays at 15 Rupees each.. | 120 | | | |
| 2 Peons at 7 Rupees each..... | 14 | | | |
| | | 499 | | |
| Cost per month Rupees..... | | 3,684 | Rupees | 1,115 |

* On other duty at Calcutta.

† The Secretary and Collector now performs the work of Assessor.

MEMORANDUM.

Rupees 3,684, per month or Rupees ..... 44,208 per annum.
Now proposed, Rupees 1,115 per month or Rupees 13,380 "
30,828
Less Special Commissioner's salary ..... 24,000
Proposed saving to Government ..... 6,828 per annum.

(Signed.) H. A. BRETT, *President.*



No. 54. ORDER THEREON, 5th February 1863, No. 248.

1. In April and August 1862 this Government forwarded to the Government of India Schedules of two successive reductions which had been effected by them in the Income Tax establishments of this Presidency.

To Govt. of India, 28th April 1862, No. 914.
To do. 29th August " " 1,840.

2. In their letter of 5th December the Government of India confirmed these reductions, and offered various suggestions in view to further reductions being made in these establishments. This letter was forwarded* for report to the Board of Revenue and the Income Tax Commissioners, whose replies are recorded above.

From Govt. of India, 5th December 1862, No. 1,132A, Financial Department.
* G. O. 7th January 1863, No. 23.

3. The Governor in Council concurs in the views expressed by the Board and Commissioners in reference to the suggestions made by the Supreme Government, and he resolves to address that Government on the subject.

4. With reference to paragraph 4 of the Commissioners' letter the Governor in Council grants authority for the cost of the Presidency establishment being reduced as proposed to Rupees (1,115) one thousand one hundred and fifteen per mensem from 1st March next. The office of Special Commissioner will be retained until further orders.

5. Ordered that the following letter be despatched to the Government of India, and that copies of it be furnished to the Board and Commissioners for their information.

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

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Ordered that the following letter be despatched.

No. 55. From J. D. SIM, Esq., Secretary to the Government of Fort Saint George, to the Honorable E. DRUMMOND, Secretary to the Government of India, Financial Department, dated 5th February 1863, No. 249.

SIR,

1. I am directed to acknowledge the receipt of your letter dated 5th December 1862, No. 1,132A.

2. In this letter the reductions effected by this Government during last year in the Income Tax establishments are confirmed by the Government of India "with a remark that further "reductions may be strongly pressed on the Government of Madras, as the present expenditure "still seems excessive."

3. The Supreme Government request that the office of Special Commissioner at Madras may be abolished, and suggest that the duties connected with the assessment of the Income Tax should hereafter merge in the ordinary duties of the Board of Revenue and its Secretariat, and those of collecting the Tax should in like manner merge in the ordinary duties of the Collector of Madras; a considerable saving being thus effected in the Secretariat and collecting charges of the Madras Commission; and further that the appointment of Assessor in Madras and his office should be abolished, future fresh assessments being conducted "by allowing a fixed sum down, on completion of the assessments, in lieu of a monthly salary."

4. As to the District establishments, the Supreme Government request this Government to "reconsider whether the need for additional help to the ordinary establishment is so general as to require Clerks on Rupees 70 and upwards in each District," and "urge the employment, as much as possible, of the ordinary Mofussil establishments for the collection of Revenue."

5. The letter in question was forwarded for report to the Board of Revenue and the Income Tax Commissioners, whose replies with the Proceedings of Government thereon are herewith forwarded.

From Board of Revenue, 20th January 1863.
From Income Tax Commissioners, 21st January 1863, No. 1.
Proceedings of Government, 5th February 1863, No. 248.

6. The office of Special Commissioner is now held by Mr. R. S. Ellis, and has attached to it a salary of Rupees 2,000 per mensem. The Government consider this sum is properly debited to the Income Tax, as the office was constituted for its special and exclusive benefit, and as Mr. Ellis was solely engaged on its duties. It is not however altogether a fresh charge on the State; because with a careful regard to economy this Government have appointed an officer merely to act in Mr. Ellis' substantive appointment of Sub-Collector of Madras. The saving by this arrangement has been about 800 Rupees monthly. Mr. Ellis is now in Calcutta on special duty, and unless the Government of India think fit to make good to him the loss which otherwise he will suffer by the abolition of his office of Special Commissioner the Government think this measure would be one of great hardship. If Mr. Ellis had not proceeded to Calcutta on this duty the Government might have employed him as Acting Collector of a District. In all probability Mr. Ellis will be otherwise provided for

before many months of the ensuing official year expire, and the full pay of Special Commissioner will thenceforward be saved. Under these circumstances I am to recommend the continuance of the present arrangement.

7. The next point is the transfer of the duties of assessment to the Board of Revenue and its Secretariat. The Board are of opinion that no saving could be effected by this arrangement; and the Commissioners consider that "the entire working of the Tax should still be entrusted to some one responsible officer with a separate establishment." The Board's work is already sufficiently onerous, and the Government cannot advise any addition being made to it.

8. The third point is the transfer of the collecting duty to the Collector of Madras. The Board are adverse to this measure. The Commissioners are of opinion that "though it might be attended with a small saving of expense, it would be productive of much delay and inconvenience to the public, and would involve some difficulty in maintaining the system of secrecy prescribed by the Act." These difficulties were experienced when the Sub-Treasurer was the collecting officer; and it was in consequence of this that the duty of collection was transferred to the Commissioner's Office. The establishment of the Collector of Madras has recently been revised with reference to the duties properly devolving on it, and the Government do not see what would be gained by adding to it the number of additional Bill Collectors, who would certainly be required to collect the bills of the Income Tax Department.

9. The fourth point is the abolition of the Assessor and his office and the conduct of future fresh assessments by paying a fixed sum down on their completion, in lieu of a monthly salary. The Commissioners are of opinion that it is necessary to retain the services of a permanent officer as an Assessor, and that this arrangement is preferable to that proposed by the Supreme Government. By a recent arrangement, effecting a considerable saving, the Offices of Secretary, Collector and Assessor have (previous to the receipt of the letter under reply) been united in the same person.

10. The next question is how far can the present establishments be reduced. The successive reductions in the expense of the Income Tax Office sufficiently prove that this Government have not been unmindful of economy since the first introduction of the Tax.

| | Rs. |
|---|---|
| As per Tabular Statement submitted to Government of India with letter 29th August 1862, No. 1,840 | 3,639 |
| Add 3 Conicopolies at 15 Rupees each, sanctioned in December 1862, and reported to the Government of India in the Statement of sanctions out of Budget grants for that month, item No. 8 | 45 |
| | 3,684 |
| Deduct pay of Assessor saved from November 1862, Cr. O. 14th November 1862, No. 2,414 | 350 |
| | *3,334 |

| | Present Establishment. | Proposed Establishment. |
|---|---|---|
| Secretary, Assessor, Collector | 600 | 600 |
| Head Clerk | 70 | 70 |
| Accountant | 60 | 60 |
| Petition Clerk | 50 | 30 |
| English Clerk | 35 | 25 |
| Abstract Writer | 30 | 0 |
| Record-keeper | 25 | 0 |
| Head Writer | 60 | 50 |
| One Writer | 30 | 25 |
| Do. | 30 | 0 |
| Ledger Writer | 25 | 25 |
| Bill Writer | 25 | 25 |
| Shroff | 25 | 25 |
| Moonshy | 10 | 10 |
| Duffadar | 10 | 10 |
| Peons | 84 | 70 |
| Conicopolies | 120 | 75 |
| One do. | 0 | 15 |
| | 1,334 | †1,115 |

11. The Presidency establishment was first fixed at a sum exceeding Rupees 6,000 monthly; but successive reductions have brought it down to its present amount Rupees 3,831*. The Commissioners now propose to make further reductions from the 1st March next which will bring the charge down to Rupee, 3,115, or omitting the Special Commissioner, to Rupees 1,115† monthly which amounts to Rupees 13,380 per annum. The estimated collections of 1863-64 are 2¾ lacs so that the establishment charges will be 5 per cent. on the revenues which has been moderately estimated. Looking at the nature of the Tax and the people dealt with, the Government think this can hardly be termed "excessive." There is in fact but one well paid officer in it, viz., the Secretary who is also Collector and Assessor, and receives Rupees 600 for the three offices. This may be deemed liberal salary, but it must be remembered that the appointment is temporary and that its duties require intelligence, judgment, zeal and fidelity. Authority has been granted for the Presidency establishment being reduced, as proposed, to Rupees 1,115 per mensem from 1st March next and beyond this the Government do not see their way to any reduction at present.



12. As to the District establishments, the Board of Revenue "are decidedly of opinion that "they cannot be further reduced, if any attempt to maintain the working of the Tax in accordance "with the Law is to be made." They point out that "the ordinary Revenue establishments in this "Presidency have been already reduced to the lowest scale consistent with efficiency for the discharge of ordinary duties," and they "are of opinion that the additional provision which was made "for the special work of the Income Tax is very moderate and essentially necessary."

13. This additional provision amounts to a single Clerk on 70 Rupees monthly in each of the 18 Districts, to a Clerk on 100 for the 19th (the Zemindary and trading District of Madura), 11 petty Gumáshtas and 28 Peons; the two latter classes of servants being employed in Zemindaries where Government have no revenue establishment. The total cost of this establishment is Rupees 1,687 monthly, or Rupees 30,244 per annum, being less than two per cent. on the expected Revenue of 1863-64 which is 10¾ lacs. The Government are unable to recommend any reduction, and they think it will be admitted that the levy of a Tax of this nature with no other extra aid in the extensive Districts of this Presidency (one only excepted) than a single Writer on Rupees 70 per mensem is enough to show that the closest economy has been practised, and that the duty has been thrown as far as practicable on the ordinary establishments.

14. In conclusion I am desired to state that this Government are not in possession of any information as to the cost of working the Act in the other Presidencies, and to intimate that they would be glad to receive any reports which the Supreme Government may have on the subject. It would be a great advantage if the Government could be placed in possession of the experience of the other Presidencies.

7th January 1863 No. 43-44

Rev. 1863 Dept.
Pro: of Govt for February.
1771-1774-

From,
The Secy. to the
Board of Revenue

To,
The Secretary to
Government Rev. Dept.

Dated 20th }
Desp. 20th } January 1863.
Rec. 21st }

No.
No. 248 5 July

Stating that the Board are of opinion that no saving can be effected on the cost of the reduced establishment proposed by the Income Tax Commissioners to be retained were the Presidency town Income Tax Department transferred to the Board of Revenue, & also that no further reduction can be made in the District Establishments.

No 52.

24 Jan 1863 No 826 Rec'd 29

Statement shewing the present Income Tax Establishment, and the reduction proposed by the Income Tax Commissioners to take place from 1st March 1863.

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| * | Special Commissioner | | 2000 | Special Commissioner and | | | |
| × | Secretary | | 400 | President | | | " |
| | Head Clerk | | 70 | Secretary Collector and | | | |
| | Petition Clerk | | 50 | Assessor | √ | | 600 |
| | English Clerk | | 35 | 1 Clerk | √ | | 70 |
| | Abstract Writer | | 30 | 1 Petition Clerk | √ | | 30 |
| | Record Keeper | | 25 | 1 English Clerk | √ | | 25 |
| 1 | Mutchie | | 10 | 1 Mutchi | √ | | 10 |
| 1 | Buffaclar | | 10 | 1 Buffaclar | √ | | 10 |
| 5 | Peons at 7 Rs each | 56 | 688 | 6 Peons at 7 Rs each | √ | | 42 |
| | Assessor | 350 | | 1 Writer | √ | | 50 |
| 1 | Head Writer | 60 | | 1 Canoongoe Peon | √ | | 15 |
| 1 | Writer | 30 | | 2 Peons at 7 Rs each | | | 14 |
| 3 | Canoongoe Pillays at 15 Rs each | 45 | | 1 Accountant | √ | | 60 |
| 2 | Peons at 7 Rs each | 14 | 499 | 1 Writer | | | 25 |
| | Collector | 200 | | 1 Ledger Writer | | | 25 |
| | Accountant | 60 | | 1 Bill Writer | | | 25 |
| | Writer | 30 | | 1 Sheroff | | | 25 |
| | Ledger Writer | 25 | | 5 Canoongoe Pillays at 15 Rs each | | | 75 |
| | Bill Writer | 25 | | 2 Peons at 7 Rs each | √ | | 14 |
| | Sheroff | 25 | | | | | |
| 8 | Canoongoe Pillays at 15 Rs each | 120 | | | | | |
| 2 | Peons at 7 Rs each | 14 | 499 | | | | |
| | Cost per Month Rupees | | 3684 | Rupees | | | 1115 |

3684
350
3334

* on other duty at Calcutta.
+ The Secy and Collector now performs the work of a Assessor.

Memo.

Rupees 3,686 per Month or Rupees 44,208 per annum.
Ten proposed, Rupees 1115 per month or Rs. 13,380 per annum 30,828
Less Special Com.rs Salary 2400
Proposed saving to Government 6,828

Office
President

5 Decr. 1862
Fin: Depc. No. 1132 A.

In April & August of last year this Govt. forwarded to the Govt. of India Schedules of two successive reductions of Income Tax establishments effected by them.

The Govt. of India have confirmed these reductions "with a remark that further reductions may be strongly pressed on the Govt. of Madras, as the present expenditure still seems excessive".

In the same Communication the Supreme Govt. request that the Office of Special Com. at Madras may be abolished, and suggest that the duties ~~of the~~

connected with the
assessment of the
Income Tax should
hereafter merge in
the ordinary duties
of the Bd of Rev &
its Secretariat &
that of collecting the
Tax should in like
manner merge in
the ordinary duties
of the Coll. of Madras -
& consider the saving
being thus effected
in the Secretariat
& Collecting charges
of the Madras Com[n] -
and further that
the appointment of
Office of Assessor in
Madras should be
abolished, future
Fresh assessments
being conducted "by
allowing a fixed
Sum Dr. on Com-
pletion of the as-
sessments, in lieu of
a monthly salary."

As to the District
Establishments the
Supreme Govt request
that Govt to "re-con-
sider whether the need
for additional
help to the ordinary
Establishment is
so general as to
require Clerks on
Rs 70 & upwards
in each District"
and "urge the
Employment, as
much as possible,
of the ordinary Mo-
-fussil Establish-
-ments for the col-
-lection of Rev[e]."

The letter whose
chief contents are
above given has
for some days

the Revd Bd of the Income Tax Com.rs for report - The Replies of these Offices are Enclosed -

The Office of Special Com.r is now held by Mr. R. S. Ellis and is attached to it a Salary of Rs 2000 per: mem: This Sum is properly debited to the Income Tax as the office was constituted for its Special & Exclusive benefit and as Mr Ellis has duly enjoyed in its duties - It is not however easy to fix a precise charge on the State, because in the case-ful regard to economy this post has been appointed an Officer merely to act in Mr Ellis' substantive office of Supt. Chief of Madras - The saving by this arrangement has been stated at 800 Rs pm. Mr Ellis is now in Calcutta on special duty and on leave the post of Inspr will be filled from the Lower Provinces - 800 Rs per mem which otherwise would be saved by the abolition of his

office of Special
Com.rs I think
it should be a
peat hand so kick—
The pr.t will in ale
prst chilly have at
least an acting
Coll.r at them Riport
by May next and
the permission of
Rs 24000 in the
Budget of 1863/4
May I think be
safely omitted—

Orders requested

The next point is
the transfer of the
Rates of assess.
Rend & the Bd. of
Rev.e & Sr Secretariat.
The Bd. are of opinion
that no saving could
be effected by this
arrangement — the
Com.rs Considers that

—Would it not be safer
to ask down the item from
Rs 24000 to Rs 4000? This
would enable us to provide
for Mr Ellis for 2 months more
if necessary — In June 1st.
— hear that the Collectors of
Sea Customs for
Madras vacancies —

Elle

I would put down the
R
Rs 24000 to guard
against accidents &
soon Mr Ellis for coming
to prep — but I would ex-
-pect all part of the
Local Com.rs to [illegible] that
Mr E will positively be promo-
-ted before many months
of 1863/4 are out & the pay
of Com.rs stop accordingly
Geo. Elle

Orders requested.

Geo. Elle

the entire working
of the tax should
still be entrusted
to some one responsible
Officer with a Separate
Establishment and
that the pr.o may
I think, very safely
add that the
pr.l work is already
sufficiently onerous.
The third point
is the transfer of
the collecting dept
& the Coll.r of Madras.
The Bd. are adverse
to this — The Com.rs
are of opinion that
"that it might be
attended with
a small saving
of Expence, it
would be productive
of much delay &

inconvenience to the public and would involve some difficulty in maintaining the system of secrecy prescribed by the Act". These difficulties were experienced when the Kut Recorder was the Collecting Officer and it was in consequence of this that the duty of Collecten was transferred to the Commissioners Office. The Establishment of the Collr of Madura has recently been revised with reference to the Rates probably devolving on it, & I do not see that would be gained

3/

by adding to it the number of additional bill Collectors who would certainly be required to collect the bills of the Income Tax Dept.

The fourth point is the abolition of the Assessor & his Office and the conferring of pecuniary assistance by paying a fixed sum down, on their completion, in lieu of a Months Salary. The Comrs are of opinion that it is necessary to retain the services of a permanent Officer as an Assessor and that this arrangement is preferable

Orders requested.

The collecting duty must go on as now I think

Ellis

JF

& the plan pro-
-posed by the Se-
-lect Com. The
simplest plan
would be to appoint
Several Assessors
& fix them a per-
-centage on all
they bring in - Just
looking at the Char.
-acter of the Tax
Such a System
would, I think,
be the very reverse
of desirable or politic.

In proceeding
further to decide the
above points in
the negative, the
next question is
how far can the
proposed Establish-
ments be reduced.

Mem: is now Sheriff's
Loo

Orders requested

The first three Resolutions
are unobjectionable
The first article
of the Tax and
it may even be
objected that the
Tax should have
been more particular
if more literal
Establishments
had been allowed
The Presidency
Establishment was
first fixed at
a Sum Exceeding
Rs four thousand
but successive
Reductions have
Brought it down
to its present
amount Rs 3334
The Com.rs have propos

to make per the Collectors from the 1 March next which will bring the Charge down to Rs 3115 or omitting the Special Com.n to Rs 1115 monthly which is 13,380 per annum. The Estimated collections of 1863/4 are 2,60,000 so that the Establishment charges will be 5 per cent. on the Revenue, which has been moderately Estimated — Looking at the Nature of the people dealt with by the Tax, I think they can hardly be termed "Excessive" There is in fact not the usual kind officer on it, viz

Orders requested

— The reductions already made & those about to be carried out so far as seems possible — If an important new Post of this nature is to be created there must be extra servants for it.

| | Now | Proposed |
|---|---|---|
| Sec.y Ass.t Coll.r | 600 | 600 |
| Head Clerk | 70 | 70 |
| Accountant | 60 | 60 |
| Petn. Clerk | 50 | 30 |
| Eng.h Tr. | 35 | 25 |
| Abstract Writer | 30 | " |
| Record Keeper | 25 | " |
| Head Writer | 60 | 50 |
| 1 Writer | 30 | 25 |
| Do. | 30 | " |
| Ledger Do. | 25 | 25 |
| File Do. | 25 | 25 |
| Sheriff | 25 | 25 |
| Peon | 10 | 10 |
| Do. Cooly | 10 | 10 |
| Peons | 84 | 30 |
| Cuicopellay | 120 | 75 |
| 1 Do. | | 15 |
| | 1334 | 1115 |

Mr Morison who is Secretary, Collector & Assessor and receives Rs 600 — This is certainly liberal pay but the establishment is temporary. I do not see any other item in which paring is practicable & the Revenue Establishments to the Pt. are decidedly of opinion that they cannot be further reduced, if any a Peon pt to maintain the working of the Tax in accordance with the Laws is to be made — They limit out that "the ordinary Revenue Establishments to

the Presidencys have been already referred to the lowest scale consistent with efficiency for the discharge of ~~it~~ ordinary duties" and they "are of opinion that the additional provision which was made for the special work of the Income Tax is very moderate and essentially necessary".

The additional provision, referred to amounts to a single Clerk on 70 Rs. monthly in each of 18 districts & a clerk on 100 Rs. for the Zemindary

and trading district of Madura - 11 petty Amaldars and 30 peons - the Tax Collectors being employed in Zemindaries where Govt. have no Income Establishment. The total cost of the Establishment is Rs 1687 monthly or Rs 20,244 or less than 2 per C. on the Expected Rev. of 1863/4 which is 10 3/4 Lacs. I do not think the Can be termed "excessive" and certainly it shows that Govt. do not need to be urged

Nº. 248. Revenue Department

Proceedings of the Madras Government under date the 5th February 1863.

Read the following

From the Secy. to the Bd. of Revenue papers.

Stating that the Board are of opinion that no saving can be effected on the cost of the reduced Establishment proposed by the Income Tax Commrs. to be retained, were the Presidency town Income Tax kept up for assessment to the Board of Revenue, and also that no further reduction can be made in the Establt.

(Here enter 20th January 1863 No 1)

From the President to the Income Tax Commission.

Submitting a report regarding the reductions proposed in the Income Tax Establt. called for in the order of Govt. No. 23 of 7th Jany. 1863.

(Here enter 26th Jany. 1863 No 1)

1. In April and August 1862 the Govt. forwarded to the Govt. of India Schedules of two successive reductions which had been effected by them in the Income Tax Establishments of their Presidency.

2. By their letters of December the Govt. of India confirmed

To Govt. of India 28 April 1862 No. 914.
do do 29 Augt. " - 1840

From do 5 Decr. 1862. No 1132 A.
Fin. Dept.

I can only express the wish. I may entertain. I cannot write the Board's orders upon the subject. I can find nothing in our files of the cost of working the Act in the other Presidencies I suppose as being the Supt. Govt. and Local ones as any reports they have, that he may see how they manage.

L & S

I concur with the Board

Elliot

Only orders &c. passed on the Proceedings noting Margin

L & S 13/

yes Elliot

L & S

c 23 Jany/63. R20 [illegible]

confirmed these reductions, and offered various suggestions in view to further reductions being made in these Establishments. This letter was forwarded for report to the Board of Revenue and the Income Tax Commissioners, whose replies are read above.

3. The Govt in Council concurs generally in the views expressed by the Board and Commissioners in reference to the suggestions made by the Supreme Govt, and he resolves to address that Govt on the subject.

4. With reference to para 4 of the Commissioners letter the Govr in Council grants authority for the Presidency esta-

blishment being reduced as proposed to Rs. (1115) One thousand one hundred and fifteen per mensem from 1st March next. The office of Special Commissioners will be retained until further orders.

5 Ordered that the following letter be addressed to the Govt of India, and that copies of it be furnished to the Board and Commissioners for their information.

Here enter 5 Feb/63 p. 249.

14 Copies to Mil Bd & Revl Dept 6
13 " Income Tax Commrs
3 " Accts Genl
3 " Civil Paymaster
7 " Govt of India

Govt 7 January 1863 No 23

G. C.

Revenue Tax Establishments

Revenue 1863 Sept.
Pro: of Govt for February.

No. 248.

Pro: of the Madras Govt.
Dy 5th February 1863

Income Tax Comm.
2nd Ltr dy 13 Ct. 2340 - No 10 a 16 of 63
No 1864.

Reports of the Board of Revenue and the Income Tax Commissioners on the suggestions of the Govt of India for further reductions on the Income Tax establishments, with orders thereon -

No 52 a 54.

From the Fin. Dept Ct. No 2539/63

Revenue Department

No. 249.

To

The Honorable E. Drummond
Secretary to the Govt of India
Financial Department

Sir

I am directed to acknowledge the receipt of your letter dated 5th December 1862 No 1132 A.

2 In this letter the reductions which had been effected by this Govt during last year in the Income Tax Establishments are confirmed by the Govt of India with a remark that further reductions may be strongly pressed on the Govt of Madras as the present expenditure still seems excessive."

Th

3 The Supreme Govt
request that the Office of
Special Commissioner at
Madras may be abolished,
and suggest that the duties
connected with the assess-
ment of the Income Tax
should hereafter merge in
the ordinary duties of the
Board of Revenue and its
Secretariat, and those of col-
lecting the Tax should in
like manner merge in the
ordinary duties of the Coll.
of Madras - a considerable
saving being thus effected
in the Secretariat, and col-
lecting charges of the Madras
Commission; and further that
the appointment of Assessor
in Madras and his office
should be abolished, future
fresh assessments being
conducted

conducted by allowing a
fixed sum down, on com-
pletion of the assessments,
in lieu of a monthly salary"

4 As to the district es-
tablishments, the Supreme
Govt request this Govt to
"re-consider whether the need for
additional help to the ordinary
establishment is so general
as to require Clerks on Rs. 30
and upwards in each District
and urge the employment,
as much as possible, of the
ordinary professional estab-
lishments for the collec-
tion of Revenue."

5 The letter in question
was forwarded for report
to the Board of Revenue
and the Income Tax
Commissioners who se...

replies

Item B.P. of Rec 20 Jan 1863
Income Tax
Commissioners 3 Sht 2 No 1
Pages of Book

replies with the Proceed-
ings of Government
thereon are herewith for-
warded.

2 The office of Special
Commissioner is now held by
Mr. R. I. Ellis, and has
attached to it a salary
of Rs. 2,000 per mensem.
The Govt consider this
sum is properly debited
to the Income Tax, as the
office was constituted
for its special and exclu-
sive benefit, and as
Mr. Ellis was solely
engaged on its duties. It

is

is not however altogether
a fresh charge on
the State, because with
a careful regard to eco-
nomy this Govt have
appointed an officer neces-
sarily to act in Mr. Ellis'
substantive ~~office~~ appointment of
Sub Collector of Madras
The saving by this ar-
rangement had ~~letter~~ about
been ~~three~~ 800 Rs month
by Mr. Ellis is now
in Calcutta on special
duty, and unless the
Government of
India think fit to
make good to him the
loss ~~monthly~~
which otherwise he
~~would~~ will suffer by the abo-
lition of his office of
Special

Special Commissioner
the Government think this measure
it would be one of great
hardship - ~~Exemption~~ If Mr. Ellis had not
~~could that~~ In all proba- proceeded to Calcutta
- bility Mr. Ellis will be on this duty the Govt.
~~otherwise provided for~~ might have employed
~~promoted to an Collectorship~~ him as Acting Collector
Collectorship before many of a District -
months of the ensuing
official year expire, and
~~that~~ the full pay of
Special Commissioners
will thenceforward be
saved - Under these circumstances I am to recom-
7. The next point is = mend the continu-
the transfer of the duties = ance of the present
of assessment to the = arrangement -
Board of Revenue and
its Secretariat - The
Board are of opinion
that no saving could be
effected by this arrange-
= ment; and the Commissioners
consider

consider that "the ex-
= isting working of the
two should still be
entrusted to some one
responsible officer with
a separate establish-
= ment". The Board's
work is already suffi-
= ciently onerous, and
the Govt cannot ad-
vise any addition
being made to it -
8. The third point is
the transfer of the collect-
= ing duty to the Collector
of Madras. The Board
are adverse to this
measure. The commission-
= ers are of opinion that
"though it might be
attended with a small
saving of expense, it
would be productive
of

of much delay and
inconvenience to the
public, and would involve some difficulty
in maintaining the system
of secrecy prescribed
by the act. These difficulties were experienced
when the Sub Treasurer
was the collecting officer;
and it was in consequence
of this that the duty of
collection was transferred
to the Commissioners' offices.
The establishment
of the collectors of Madras
has recently been
invested with offices
to the duties properly
devolving on it, and
the Government do
not see what would
be gained

by

by adding to it the
number of additional Bill Collectors who
would certainly be
required to collect the
bills of the Income
Tax department.

9. The fourth point
is the abolition of the
Registrar and his office
and the conduct of fu-
ture fresh assessments
by keeping a piece of
accounts on their comple-
tion, within of a month
by salary. The Com-
missioners are of
opinion that it is ne-
cessary to retain the
services of a permanent
officer as an Assistant
and that this arrange-
ment is preferable
to that proposed

by

~~by the Supreme Go-~~
~~-vernment.~~ * ~~If at least~~
~~to the Govt of that the~~
~~simplest plan would~~
~~be to effect that end~~
~~altogether, & give~~
~~them a percentage on~~
~~what they bring in; but look-~~
~~-ing at the character of~~
~~the Govt and system~~
~~we fear, they think, be the~~
~~very essence of divine~~
~~& policy.~~

10. The next question is how far can the present Establishments be reduced. * ~~The~~ Govt have not been unmindful of economy since the first introduction of the Law, and it may ~~now~~ be supposed that the Law would have been ~~more~~ productive if more liberal Establishments had been

* By a recent arrangement, effecting a considerable saving, the offices of Secretary, Collr & Assessor have (previous to the receipt of the letter under reply) been united in the same person.

| | | |
|---|---|---|
| As per Tabular Statement submitted to Govt of India with letter 29th Augt 1862 No 1840 | | 3,639 |
| Add 2 Comicopolis at 15 Rs each Sanctd in Decr 1862 and reported to the Govt of India in the Statement of Sanctions out of Budget grants for that month item No 8 | 45. | |
| | | 3,684 |
| Deduct pay of Assessor Saved from Nov 1862 to 14th Nov 1862 No 2414 | 360. | |
| | | * 3,334. |

| | Present Establt | Proposed Establishment |
|---|---|---|
| Secretary Assessor Collector | 600. | 600. |
| Head Clerk | 70. | 70. |
| Accountant | 60. | 60. |
| Petition Clerk | 50. | 30. |
| English Do | 35. | 25. |
| Persian Writer | 30 | " |
| Record keeper | 25. | " |
| Head Writer | 60. | 50. |
| Writer | 30. | 25. |
| Do | 30 | " |
| Ledger Do | 25. | 25. |
| Bill Do | 25. | 25. |
| Shroff | 25. | 25. |
| Moochy | 10. | 10. |
| Duffadar | 10. | 10. |
| Peons | 84 | 70. |
| Comicopolis | 120 | 75. |
| 1 Do | " | 15. |
| | 1,334 | @ 1115. |

+ The successive reductions in the expense of the Income Tax Office sufficiently prove that they

11 The Presidency Establishment was first fixed at a sum exceeding Rs 6,000 monthly; but successive reductions have brought it down to its present amount Rs 3,334. The Commissioners now propose to make further reductions from the 1st March next, which will bring the charge down to Rupees 3,115, or omitting the Special Commissioners, to Rupees @ 1115 monthly which amounts to Rupees 13,380 per annum. The estimated collections of

of 1863/4 are ~~the~~
2 3/4 lacs
~~Rs. 2,60,000~~ so that
the Establishment
charges will be
5 per cent on the reve-
nue, which has
been moderately esti-
mated. Looking at
the nature of the
Law and the peo-
ple dealt with, the
Government think
this can hardly
be termed "Excessive".
There is in fact
but one white
paid officer in it viz.
the

the Secretary who is also
Collector and Assessor,
and receives Rs. 600 for
the three offices. This
may be deemed liberal salary
to be sure but
* it must be remembered that at
last the appointment is
temporary. ~~The Govt. do~~
~~not see any other means~~
~~in which economy is~~
~~practicable~~. Authority
has been granted for
the Presd. Establt. being
reduced, as proposed,
to Rs. 1115 per mensem
from 1st March next.
12.— As to the District
Estabts, the Bd. are
decidedly of opinion
that they cannot be
further reduced, if
any attempt to main-
tain the worth of the
Law in accordance with
the Law is to be made.
They

* and that its duties require
intelligence, judgment, zeal
and fidelity

● and beyond this the Govt.
do not see their way to any
reduction at present.—

They point out that "the ordinary revenue Establ^ts in this Pres^y have been already reduced to the lowest scale consistent with efficiency for the discharge of ordinary duties" and they "are of opinion that the additional provision which was made for the special work of the Income Tax is very moderate and essentially necessary".—

13. This additional provision amounts to a single clerk on 70 Rs. monthly in each of 18 Districts, to a clerk on 100 for the 19th (the Zamindary

and trading district of Madura) - 11 petty Sunnadahs and 28 peons - the two latter subsequents classes being employed in Zamindaries where Govt. have no revenue Establ^t. The total cost of this Establ^t is Rs. 1,168 p^r month or Rupees 20244 per annum, being less than 2 per cent on the expected revenue of 1863 - 4 which is 10¾ lacs. The Govt do not consider them "necessary" and they fail to see how any reduction is possible.—

14.— In conclusion I am desired to state that this Govt are

* are unable to recommend any reduction and they think it will be admitted that the levy of a tax of this nature with no other Stipend paid in the Tinnevelly Districts of this Presidency (one only excepted) than a single writer on Rupees 70 per mensem is enough to show that the closest economy has been practised and that the duty has been thrown as far as practicable on the ordinary Establishment

not in possession
of any information
as to the cost of work-
ing the Act in the
other Presidencies, and
to intimate that they
would be glad to re-
ceive any reports
which the Supe. Govt
may have on the
subject. It would
be a great advantage
if the Government
could be placed
in possession of the
experience of the
other Presidencies.

From Sec. Govt
5th July 1863.

Recpn by Dy Sec Dist 6
13 — Dft Income Tax Comrs

Revenue 1863 Dept.

Rec.d Govt. for 1 February.

Ans.d

To

The Secretary to the

Govt. of Bengal

Financial Dept.

Dated 5th February 1863.

Reporting the inability
of this Government to meet
with the suggestion of the Govt.
of India for further reductions
in the Income Tax establish-
ments of this Presidency.

1.55.