

(1) Number of pages 18(2) Date of repair 19-10-39(3) Initials of the Referencer GA

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No.	<u>607</u>	Press Mis.
Dated	<u>2-3-</u>	<u>1870.</u>

4

10/11

Not to be folded or roughly handled

(1)

*Proceedings of the Madras Government, Financial Department,
2nd March 1870.*

Read letter to the Government of India, Financial Department, dated 5th January 1870; No. 5,
forwarding the Civil Budget Estimates for the Madras Presidency for 1870-71.

ORDER THEREON, 2nd March 1870, No. 107.

The Government in forwarding the Budget remarked that they were about to abolish the grant-in-aid to Municipalities for Conservancy charges, and the item was, therefore, not entered.

2. It has been found impossible to pass the proposed Municipal Bill, which cancels these grants so early as was anticipated, and for the convenience of Municipal administration, and other reasons, it has now been determined to introduce the law on the 1st November 1870. Act X. of 1865 will consequently continue in force until that date, and it is necessary to provide for the payment of the State contribution granted by that Act. It has also been overlooked that this contribution is paid quarterly in arrears, and that consequently the payment for the last quarter of 1869-70 must also be provided for.

3. The following sums must, therefore, be entered as a charge in a Supplemental Budget:—

	RS.
State contribution for one-quarter of 1869-70	66,804
Do. half of 1870-71 on an estimated total of	
2,80,000	1,40,000
Total...	2,06,804

4. On the other hand the delay in the introduction of the law alters the amount of receipts from Municipalities on account of the Police, the whole cost of which under Act X. of 1865 is defrayed from this source, while in the Budget only fifty per cent. of the Police expenditure has been credited.

5. As the Municipal payments are made monthly in arrears, the continuation of the present Municipal Law, until the 1st November next, will give a receipt of half the Police expenditure for seven months beyond what was budgeted, or Rupees 78,750. This sum deducted from the grant of Rupees 2,06,804 now required shows that an additional net charge of Rupees 1,28,054 has to be budgeted for.

(True Extract.)

J. I. MINCHIN,
Acting Chief Secretary.

To the Accountant-General.

Exd. J. Wright.

Today

(2)

Financial Department

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following *Proc. of the*
Madras Govt. of 5 Jan'y. 1870
N. 10, forwarding Civil Budget
for the Presidency for 1870/71.

Order thereon N. 107 - 2 Mar 70

The Government in
forwarding the Budget
remarked that they were
about to abolish the grant
in aid to Municipalities
for Conservancy charges, and
the item was therefore not
inserted.

2. It has been found
impossible to pass the proposed
Municipal Bill, which
cancels these grants as early
as was anticipated, and
for the convenience of Mu-
nicipal Administration, and
other reasons, it has now
been determined to introduce
the

N
A.F.
M.M.

Govt. of Madras.
FINANCIAL.
THE ACCOUNTANT-GENERAL.
Dated March, 2nd.
Recd.
G. O., 2nd March 1870, No. 107.
MARCH.
No. 4.
Lessing instructions for the preparation of a
Supplemental Budget providing for the payment of
the State contribution to Municipalities, which was
not included in the Civil Budget for 1870-71.

the law on the 1st November 1870. Act X of 1865 will consequently continue in force until that date, and it is necessary to provide for the payment of the State contribution granted by that Act. It has also been overlooked that this contribution is paid quarterly in arrears, and that consequently the payment for the last quarter of 1869/70 must also be provided for.

3. The following sum must therefore be entered as a charge in a Supplemental Budget,

State contribution for one quarter of 1869/70	66,804
- do: - half of 1870/71 on an estimate	
Total of 2,80,000	1,40,000
Total	2,06,804

4. On the other hand the

③

Memorandum for orders.

The instructions of Government are requested for the disposal of the ^{Municipal} budget estimates of receipts and expenditure for 1870-71, which are now coming in for Govt. sanction. Doubt is caused by the uncertainty whether Act X of 1865 will be in force for the whole year, as it now appears, it certainly will for part of it.

2. The estimates are framed for the whole year as required by Act X of 1865; and it is now submitted that the best course at present is to sanction them in the usual way for the whole year (which must be done before the 1st

May); leaving any adjustments

(whether of taxation or of ~~the~~
receipts from other sources),
which may become necessary
in the event of the new act coming
into force during the year,
to be made afterwards in pro-
portion to the number of months

which may elapse before its
introduction. A draft order on

the Nelson municipal estimates
is, in accordance with this view,
herewith circulated.

3. Such an adjustment, which
would involve reduction of
assessments and probably
refunds of collections made
under Act X of 1865, is of course
not provided for in that Act
and it seems matter for dis-
cussion whether it is neces-
sary or advisable to make
express provision for it in the
new bill. There would appear
to be no difficulty as regards
the assessment and levy of

④
taxes under the new law
for a fractional portion of
the year; since its assessment
clauses are drafted precisely
like those of Act X of 1865,
which was introduced into
most towns on the 1st Nov^r.
1866. half a year's of the year's
taxes being levied without ob-
jection.

4. An adjustment of this
kind must be made whether
the introduction of the new
law is postponed till the
close of 1870-1, ^(i.e. till 1st April 1871) or not; for, as ~~the~~
a new date has been adopted
for the commencement of the
~~current~~ municipal year, either
1870-1, or 1871-2, will consist
of eleven months only. Such
a postponement, it is assumed
will not be thought of.

thus shown to be necessary
5. The adjustment would
be much simplified by the
introduction of the new law
at the end of the first half
year, i.e. on the 31st Nov. 1870;
~~and~~ I submit that this date
should be fixed upon, and a
clause inserted in the new act
(in lieu of the present section 6)
declaring that it shall come
into force on that date in all
towns to which Act of 1865 has
been extended, and that for
the purposes of taxation under the
new act, the five months from
Nov. 1870 to March 1871, (inclusive)
shall be taken to be a half year.
In consequence of the new date
of commencement, an official
year of eleven months cannot
be avoided; nor, therefore, a half

The new law is to be
introduced on the 1st Nov.
1870, & the five months
following are to be consi-
dered a half year for the
purposes of the act, but
 $\frac{5}{8}$ ^{the only} of the taxation due
for a half year is to be
charged on all rates in-
cluding & including. &c.

Mr.

it being $\frac{5}{8}$ of all rates
including & exclusive

(5)

year of less than six months
for five months, for instance.
The adjustment of the four
dog tax under the new schedule
C. by deducting one sixth, as
be extremely inconvenient; and
it would be more troublesome
still if the year were evenly divided.
The amounts fixed for the half
year do not seem to be so
much matters of principle
that there should be any serious
about changing them for a period
less than six months.

I do not quite agree to this
Mr.

approved.

6. If the course above suggested
be adopted, it will be neces-
sary that fresh sets of estimates
framed under the new law
for those five months should
be submitted and sanctioned,
but it will suffice to have
one report at the close of the

year, showing separately the collections and expenditures under Act X of 1865; so that the two instalments of the Govt. contribution, ^{to be drawn} for that period may be adjusted.

7. There is one not inconsiderable difficulty to be provided for. In most municipalities the tolls are let out on contract; and the contracts for the year are usually sold by auction before its commencement. If the new law be introduced during the currency of the contracts, the municipalities may find themselves in difficulties and be involved in litigation with the contractors. The Government cannot help them by resolving to permit

Probably the contractors could not recover any damages but they would doubtless try.

This is to be done.

(6)

the levy of tolls for the whole year, for in the first place the schedules of rates of toll in Act X of 1865 & in the new bill differ in one of the most paying items, viz: carts; and in the second the contracts will be for twelve while the year will have only eleven months. I submit that a circular order should be at once addressed to all municipal bodies, warning them that the new act will probably come into force shortly, & that it is advisable that they should either keep the collection of tolls in their own hands, or let the contracts for six months only. The latter course would probably be best for municipal interests.

8. The State contributions for three years from 1867-8 to 1869-70 (the two first years, actuals, the last year's estimate) are as follows.

	Rs.
1867-8	1,67,362
1868-9	2,50,482
1869-70	2,67,215

and the cost of the Municipal Police

	Rs.
1867-8	2,57,998
1868-9	2,55,371
1869-70	2,69,841

9. In the Provisional Budget no provision for State contributions in aid of municipal funds, has been made; and credit has been taken ^{only} for half the cost of the Municipal Police. The sum entered in the Budget as estimated Police receipts from Municipal and other funds is Rs 2,04,667 against 3,87,000 in

The last instalment of the State contribution for 1869-70 which falls due & is paid in the financial year 1870-71 ought to have been allowed for, but has apparently been overlooked.

⑦

in 1869-70. It is not clear how this estimate has been arrived at. It should appear ~~large~~ (unless some extraordinary decrease, not hinted at, in receipts from other sources has been allowed for) that half the cost of the municipal police has been taken to be ^{amount} Rs 1,82,333, which the figures given in the last paragraph show to be excessive. Again the Madras Municipality contributes will continue to contribute Rs 1,07,232 per annum for Police; and if this be deducted from 2,04,667 there remains Rs 97,435 as half the cost of the mofussil municipal police which, again is too little. It has already been

intimated to the Govern-
ment of India that a sup-
plemental budget will be
required with reference to
the new Municipal bill; but
until the date of introduc-
tion & the exact character of
the provisions of that enactment
shall be settled, it will be
impossible to calculate the
amount of the supplemental
provision necessary.

9. It may be assumed that
the State contribution for 1870-
71 if Act X of 1865 were in
force, would reach Rs 2,80,000
& the cost of the Police would
be Rs 2,70,000; or per mensem
respectively Rs 23,333, & Rs
22,500. There are no doubt
cases which if Act X of 1865

⑩ Assuming that the Police receipts
& the State contribution for April
1870, which falls within the mun.
year 1869-70 & the financial year
1870-1 will balance each other.

⑥
were to be in force for a portion
of the year only, and if this
were known, would tend soon
to increase, & thus to necessitate
an increase of, the amount
of the State contribution; but
neglecting these it would
appear, that for each
month in which Act X remains
in force, Govt. will have to
meet an unforeseen charge
of Rs 23,333, and will receive
a sum ~~less~~ of Rs 11,250 (being
the Police cost) not anticipated,
& that for each month in which
the new law as at present
framed is in force, there
will be an unforeseen receipt
of 10 per cent of the Police
cost or Rs 2,250. In addition
to a provision ~~to meet~~ for the cost

instalment and adjustment
of the State contribution for
1869-70 must be made.

Dec

Council

(8)

Municipal

Municipal Estimates

Provisional

1/2 contribution for 69/70 66,804

1/2 do for 70/71 140,000

2,06,804

From the full cost
of Police services, a half

78,750

1,28,054

Shows up order to

Ac't Genl. etc above app'd

M.

9

The delay in the introduction
of the law, alters the amount
of receipts from Municipalities
on account of the Police, the
whole cost of which under
Act X of 1865 is defrayed
from this source, while in
the Budget only 50 per cent
of the Police expenditure has
been credited.

As the Municipal
payments are made monthly
in arrears, the continuation
of the present Municipal
Law until the 1st November
next, will give a receipt
of half the Police expenditure
for seven months, beyond
what was budgeted, or
Rs 78,750. This sum de-
ducted from the grant
of Rs 2,06,804 now required
shows that an additional
net charge of Rs 1,28,054 has
to be budgeted for -

To the Account General - dep't 2⁶
- 4 6 spare copy

Municipal contribution

Out. of 1870 } **Summary.**

To Trif.

The Assistant General

Dated March **22** }
Recd. 1870, No. 103

Nos. 4.

Following instructions for the
preparation of a supplementary
Budget providing for the
payment of the State Contri-
bution to Municipalities,
which was not included
in the Civil Budget for
1870-71.