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MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 974. Press Mis.

77-79

Dated 12-7- 1873.

12/73

Not to be folded or roughly handled

Read the following papers :—

No. 77. From D. BARBOUR, Esq., Officiating Under Secretary to the Government of India, Financial Department, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Fort William, 27th March 1873, No. 2051.

The Accountant-General, Madras, having reported that the Madras Municipality is unable to pay the interest due in January last upon the loan which they have obtained from the Government, I am directed to request that, with the permission of His Excellency the Governor in Council, you will be good enough to ascertain and report whether this inability on the part of the Municipality is likely to recur.

Referred to the President, Madras Municipal Commission, for report.

FORT ST. GEORGE,
2nd April 1873.

(Signed) W. HUDLESTON,
Chief Secretary.

No. 78. From J. C. LOCH, Esq., President of the Municipal Commission, Madras, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Madras, 20th May 1873.

Referring to the letter to your address from the Officiating Under Secretary to the Government of India, Financial Department, No. 2051, dated 27th March 1873, forwarded to me for report, I have the honour to submit the following remarks.

2. The inability of this Municipality to pay the interest and Sinking Fund of the Water-supply Loan, obtained from the Government of India, which became due in January last, occurred before I assumed charge of this office, but from the inquiries I have made it would appear to have arisen from two causes : (*a*) the payment, in the first quarter of the year, of the municipal contribution on account of Hospitals, Dispensaries, Contagious Diseases' Act, and Vaccination for the last quarter of 1871-72, amounting to Rupees 13,190-8-0, for which no provision had been made in the Budget Estimate of 1872-73, and which ought to have been paid in the previous year ; and (*b*) a very large falling off in the outturn of the trade and Profession-tax for the first nine months of the official year, amounting to Rupees 40,000, when compared with the estimate for the year, and to Rupees 44,000 as against the actual receipts for the same period in 1871-72.

3. I do not anticipate that there will be a recurrence of the inability of the Municipality to meet the interest and Sinking Fund of the loan for the future, the Budget Estimate for the current year, which provides for their payment, having been apparently prepared with much care by my predecessor and the Commissioners. I would, however, respectfully beg to avail myself of this opportunity to bring to the notice of the Right Honourable the Governor in Council the great importance of relieving the Municipal Fund, with only its present resources to rely on, from the payment of these charges, and of enabling the Commissioners to provide for them by additional taxation as soon as the Water Works are completed, which they will be in a month or six weeks from the present time.

4. At the last General Meeting of the Commissioners a resolution was adopted, embodying certain proposals which, if they meet with the approval and sanction of this Government and of the Government of India, will have the effect of giving the Commissioners this power, and likewise of affording very material relief to the Municipality in respect of its past payments, and those yet to be made by it, on account of the interest on the loan during the construction of the works. The report of the proceedings of the meeting, containing a full explanation of the circumstances which led to the adoption of this resolution, will be before the Government in the course of a few days, and I venture to hope that the proposals of the Commissioners will meet with favourable consideration at their hands.

5. The letter from the Under Secretary to the Government of India is returned herewith.

No. 79. To the Secretary to the Government of India, Financial Department, dated Ootacamund, 12th July 1873, No. 974.

Referring to your letter of 27th March 1873, No. 2051, and to the Financial Resolution of the Government of India, No. 1219, dated 27th February 1869, granting a loan of 13 lakhs of Rupees to the Madras Town Municipality for the cost of the water-supply works, at six per cent. interest, including two per cent. to constitute a Sinking Fund, I am directed to submit, for the favourable consideration of the Government of India, the application of the Municipality for an additional loan of 13 lakhs on the same terms, as to the addition of the interest up to the present month being paid out of the loan, the completion of the works being only now about to be effected, and certain difficulties in connexion with the Act, which are about to be removed, having precluded the imposition of a special water-rate, which, however, could not in any case have been levied before the completion of the works.

2. The amount that has been actually paid on this account by the Municipality is Rupees 77,162, and the amounts due on 1st January and 1st July of the present year, but not yet paid, aggregate Rupees 72,763, so that the total amount paid and payable on account of the loan before any return to the Municipal funds is derivable from the works is Rupees 1,49,925. The income of the Municipality at present is under $5\frac{3}{4}$ lakhs, and it will readily be understood that so large a demand on account of a debt from which the Municipality has derived hitherto no return income is a very heavy drain on its limited sources. Now that the works are on the eve of completion, and that it will soon be possible to raise a special revenue from them, no difficulty is anticipated in providing for the future annual payment to Government, but it was with difficulty, and to the unavoidable neglect of other important objects, that the payment hitherto made was effected, and the amount now outstanding on account of the interest cannot be paid without serious inconvenience.

3. Under these circumstances, the Governor in Council confidently advocates the additional concession now sought, the more so as the whole amount of the loan will still be only $14\frac{1}{2}$ lakhs, while it appears that in the case of Calcutta the Government loan was so calculated as to allow of a sum of more than three lakhs being repaid out of it on account of interest before the works became remunerative, and that a further large grant of several lakhs of Rupees was made to the Municipality

Proceedings of the Madras Government, Financial Department,
12th July 1873.

for the works from the one per cent. Income-tax receipts in pure gift. It is also understood that the Bombay Municipality likewise received assistance from Government for a similar purpose far in excess of that which is now sought for Madras.

4. In making the original loan the Government of India noticed favourably the moderation of the demands of the Madras Municipality and the economy of their arrangements, and this Government have every confidence that the present request will meet with the favourable consideration of the Government of India.

5. I am to request the favour of an early reply as the subject presses for disposal.

(Signed) W. HUDLESTON,
Chief Secretary.

Exd. J. Wright.

1873.

FINANCIAL DEPARTMENT.

From The Chief Secretary to Government,
Madras.

To The Secretary to the Govt. of India,
Financial Department.

Dated 12th July 1873.

Received —

Enclosure —

JULY.
Nos. 71—73.

Madras Water-supply Works.—An application from the Corporation for an additional loan of 15 lakhs of Rupees to enable it to pay interest on the interest, &c., due up to the present month, on the amount originally borrowed on account of these works, forwarded for the favourable consideration of the Government of India.

No 2051—

From

The Chief Secretary to the Government
of Madras.

To

The Secretary to the Govt. of India,
Financial Department.

Sir,

I have the honor to state that the Government of Madras having reported that the Madras Municipality is unable to pay the interest due on 1st January last upon the loan which they have obtained from the Government, I am directed to request that with the permission of His Excellency the Governor in Council, you will be good enough to ascertain and report whether the inability on the part of the Municipality is likely to recur.

I have the honor to be,
Sir,
Your most obedient servant,

Fort William
The 27th March 1873

J. Scott Moncrieff
Offg Under Secy to the Govt
of India

27/3

G. No.

Municipal Commissioners' Office
Madras 20th May 1873

To

The Hon'ble H. Maddleston
Chief Secretary to Gov.t
Madras.

Sir,

Referring to the letter 6 your address from the Officiating Under Secretary to the Government of India, Financial Department, No. 2051, dated 27th March 1873, forwarded 6 me for report, I have the honour 6 submit the following remarks.

2nd The inability of this Municipality 6 pay the Interest and Sinking Fund of the Water Supply Loan, obtained from the Government of India, which became due in January last, occured before I assumed charge of this Office, but from the inquiries I have made it would appear 6 have arisen from two causes (a) The payment in the first quarter of the Year of the Municipal

Paid Rs. 1,12,812-3-0 Bills.

Rs. 1,12,812-3-0

Paid Rs. 1,12,812-3-0 Bills.

Rs. 1,12,812-3-0

Rs. 1,12,812-3-0

Rs. 1,12,812-3-0

Municipal Contribution on account of Hospitals, Dispensaries Contagious Diseases Act and Vaccination for the last quarter of 1871/72 amounting to Rs. 13,490.8.- for which no provision had been made in the Budget Estimate of 1872/73, and which ought to have been paid in the previous year, and (b) a very large falling off in the Out-turn of the Trade & Profession Tax for the first nine Months of the Official Year, amounting to Rs 4,000 when compared with the estimate for the Year, and to Rs 44,000 as against the actual receipts for the same period in 1871/72

3. I do not anticipate that there will be a recurrence of the inability of the Municipality to meet the Interest and Sinking Fund of the Loan for the future, the Budget Estimate for the current Year, which provides for their payment having been apparently prepared with much care by my predecessor and the Commissioners, I would however respectfully beg to avail myself of this opportunity to bring

bring to the notice of the Right Hon.ble the Governor in Council the great importance of relieving the Municipal Fund, with only its present resources to rely on, from the payment of these charges, and of enabling the Commissioners to provide for them by additional taxation as soon as the Water Works are completed, which they will be in a Month or Six weeks from the present time.

4. At the last General Meeting of the Commissioners a resolution was adopted embodying certain proposals which, if they met with the approval and sanction of this Govt and of the Govt of India, will have the effect of giving the Commissioners this power, and likewise of affording very material relief to the Municipality in respect of its past payments and those yet to be made by it, on account of the Interest on the Loan during the construction of the works. The Report of the Proceedings of the Meeting, containing a full explanation of the circumstances which led to the adoption of this resolution, will be before the Government in the course of a few days, and I venture to

to hope that the proposals of the Commissioners will meet with favourable consideration at their hands.

6 The letter from the Under Secretary to the Government of India is returned herewith.

I have the honor to be
Sir
Your most obedient Servant

Chas. Elliot.

President
Municipal Commission

Submitted to the Govt. of India for orders in the enclosed letter.

L.B.

1873
Financial Department
Mr. Pearse's letter dated 27th March 1873 forwarding Resolution of Government dated 27th February 1869 and Mr. Elliot's letter dated 29th March 1873.
S.L. 29/4

614
923.

Financial Department.

No. 974

To

The Secretary to the Government
of India,
Financial Department.

Sir,

Referring to your letter of 27th March 1873 No. 2051, and to the Financial Resolution of the Govt of India, No. 1249, dated 27th February 1869, granting a loan of 13 lacs of Rupees to the Madras Town Municipality for the cost of the Water Supply Works, at 6 per cent interest including 2 per cent to constitute a Sinking fund,

S.

6. I am directed to submit
viz
the for the favorable con-
6 sideration of the Govt.
Se of India the application
re of the Municipality
for an additional loan
of 1½ lac, on the same
terms, so as to allow
of the interest up to
the present month being
paid out of the loan —
the completion of the
works being only now
about to be effected —
and certain difficulties
in connection with the
Act which are about
to be removed, having
precluded

the imposition of a special rate, which however could not in any case have been levied before the completion of the works.

2. The amount that has been actually paid on this account by the Municipality is Rs 77,162, and the amounts due on 1st January and 1st July of the present year, but not yet paid, aggregate Rs 72,763 so that the total amount paid and payable on account of the loan before

before any returns to the Municipal funds is derivable from the works, is Rs 11,9,925.

The income of the Municipality at present is under 5 3/4 lacs, and it will readily be understood that so large a demand on account of a debt from which the Municipality has derived hitherto no returns income, is a very heavy drain on its limited resources. Now that the works are on the eve of completion, and that it will soon be possible

possible to raise a special revenue from them no difficulty is anticipated in providing for the future annual payment to govt, but it was on the difficulty, and to the unavoidable neglect of other important objects that the payment hereto made was of late and the amount now outstanding on account of the interest cannot be paid within one year.

3. Under these circumstances the

Superintendent Council
confidently ad-
vocating the addition of
concession now sought for
Rs. 5 more
Rs. 50 lacs to
Rs. 55 lacs
as the whole
amount of the loan will
still be only 14½ lacs
while Rs. 18 lacs
that in the case of
Calcutta the Govt
loan was so calculated
as to allow of a sum
of more than 3 lacs
being repaid out of it
on account of interest
before the works became
remunerative, and that
on four the large grant
of

of several lacs of Rupees was made to the Municipality for the works from the 1 per cent Income tax. receipts in pure gifts.

It is also understood that the Bombay Municipality likewise received assistance from Govt for a similar purpose, for in excess of that which is now sought for Madras.

Sir. In making the original loan the Govt of India noticed favorably the moderation of the demands of

of the Madras Municipality and the Secretary of their arrangements, and that I have every confidence that the Court will grant the request I will have to the Honorable to be done ground consideration for changing the of the Govt. of which has been [illegible] Sir,

I am to request the favor of an early reply as the subject requires for dispatch.

I have the honor to be Sir Your most obedient humble servant

[illegible]

Received 12th July 1873

18 *Department.*

No.

To

The Secretary to the
Government of

Department.

Dated 187 .

23-8-101

1813

Financial DEPARTMENT

From
The Chief Secretary to Government,
Fort Saint George,

To
The Secretary to the Court of Directors,
Financial Department.

Dated July 12 1813.

No. 974
Enclosure

Mad. 77-79

Mr. Secretary Walter Campbell Brooke. Sir
I do myself the honour to transmit for the
information of the Honble Court of Directors
a Statement of the Revenue collected
in the Ceded Districts during the
Fasly year 1222 corresponding with
the year 1812 of the Christian Æra
and to request that you will be pleased to lay
the same before the Honble Court
for the favourable Consideration
thereof. I have &c.