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MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1073-1074 Press / Mis. 229-230

Dated 26-6- 1874.

85/86

Not to be folded or roughly handled

Read the following papers:—

No. 229. From the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Vallam, 11th March 1874, No. 31.

I have the honour to forward, herewith, the Budget Estimates of receipts and expenditure of the Negapatam Municipality for the year 1874-75, in the forms prescribed in G.O., dated 27th October 1871, No. 1646.

2. From Statement I. it will be seen that the gross receipts of the Municipality have been estimated at Rupees 45,000, against Rupees 51,660 during the current year. The decrease is attributable partly to the abolition of the Professional tax during this year, and partly to a diminution in the income from other sources, excepting the House-tax and the Tolls. The Commissioners have estimated the income from the House-tax at Rupees 10,870, or Rupees 2,070 over the current year's estimate. The increase is attributed to the contemplated revision of the assessment which would appear to have been made very imperfectly. The Commissioners propose to dispense with the Professional tax for this year in accordance with the Order of Government, dated the 3rd June 1873, No. 767; but in order to make good the deficit in the receipts thereby caused, they request permission to levy tolls at double the present rates, *i.e.*, the maximum rates allowed by law, and have accordingly entered in their Budget an income of Rupees 21,000 under this head. I pointed out to the Commissioners in letter, dated 22nd January 1874, No. 14 (copy of which is enclosed), that the object of Government in abolishing the Professional tax is to lighten the pressure of local taxation, and that that object would be defeated if the tolls were to be levied at double the present rates, and I requested them to make up the deficit by reducing the expenditure. The Commissioners, however, state that they have made all possible reductions in the expenditure and that further reductions are impossible, and have desired* me to submit the Budget, as originally framed by them, for the orders of Government, which I have accordingly done. I must, however, state it as my opinion that, where the choice lies between continuing the Professional tax and increasing the rates of Tolls, the former alternative should be preferred. We do not know to what extent the increased rates of tolls may affect the traffic of the country, and, as this tax also falls on the traffic of the Negapatam Circle, the Local Fund Board may have cause for complaint. As regards the Professional tax there is at least the advantage of the people being accustomed to it.

* Letter from the Vice-President, dated 12th February 1874, No. 261, copy enclosed.

3. The only other item of receipt that calls for any remark is the sum of Rupees 4,450 entered under the head of Local Fund Contributions. Of this the amount of Rupees 1,450 is the increased contribution to the Municipality sanctioned by the Negapatam Local Fund Board for the maintenance of the Dispensary at Negapatam from 1874-75, and the remaining sum of Rupees 3,000 is for the maintenance of the Road No. 36. Although Government have expressed it as their opinion that no contribution ought to be given from the Local Funds on account of Road No. 36, the Commissioners think that they are entitled to the contribution, and have, in the accompanying letter of the Vice-President, requested

me to refer the matter again to Government. I do not think that the reasons adduced by the Commissioners are valid, and have submitted the matter for the consideration of Government through the Board of Revenue. I beg to enclose a copy of my letter to the Board on the subject.

4. The Commissioners propose to undertake only two new works during this year, viz., the construction of a market for which a sum of Rupees 5,200 has been allotted, and the improvement of the beach which is estimated to cost Rupees 2,000. With reference to the latter work, I beg to state that, as it is a long-standing complaint that the timber-yards and other buildings intervening between the sea and the beach road obstruct the sea-breeze and are a source of nuisance, the Commissioners want to keep the sea face of the town clear by removing these buildings. The lands on which most of them are situated are waste lands belonging to Government and rented out to private individuals; and the Commissioners desire to be put in possession of them together with certain other pieces of assessed lands (both Government and private) lying along the line of the road on the east. I shall do myself the honour of addressing Government shortly through the Board of Revenue on this subject.

5. Although it was the wish of Government, as expressed in paragraph 2 of the G.O., dated 3rd June 1873, No. 767, that no new project should be undertaken by the Commissioners before the water supply of the town is provided for, the Commissioners propose to construct the market first for the reasons stated in the accompanying copy of the Vice-President's letter, dated August 1873, No. 144. The work is estimated to cost Rupees 24,000, to meet the bulk of which a loan of Rupees 20,000 is asked for by them from Government to be repaid with interest in five annual instalments. The plan and the estimate of the market is herewith sent for the inspection of Government. The formal application prescribed by the rules for the loan will be submitted shortly. If, however, the continuance of the Professional tax or the increase in the rates of Tolls be disallowed, the execution of these works will have to be postponed till the finances of the Municipality are in a more flourishing condition and admit of such large expenditure.

From the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, to H. J. STOKES, Esq., Vice-President of the Municipal Commission, Negapatam, dated Vallam, 22nd January 1874, No. 14.

With reference to the Budget Estimates forwarded with your letter of the 19th December 1873, No. 231, I have the honour to request information as to why an increase under the head of Income from the Tax on Houses, &c., and a decrease under that of Registration of Carts, License fees, and Magisterial fines are expected.

2. Adverting to the proposal of the Commissioners to levy the tolls at the maximum rates allowed by the Municipal Act, I beg to refer you to the Proceedings of Government, dated 31st March 1871, No. 436, from which you will observe that Government will not at all listen to the proposal. The object of Government in abolishing the Professional tax was to reduce the amount of taxation, and this would certainly be defeated if the decrease in the income caused by the Professional tax is to be made good by increasing another and perhaps a more obnoxious one. I request, therefore, that you will ask the Commissioners to revise the Budget and reduce the expenditure.—*Vide* G.O., dated 3rd June 1873, No. 7671.

3. Referring to Statement II.-A, I observe that a lump sum of Rupees 10,300 has been entered for repairs to Communications. I beg to draw your attention to the Order of Government,

dated 28th May 1872, No. 682, Financial Department, that the details of this expenditure may be given in full in regard to this item, and that maintenance allowances may, as far as possible, be assigned for the principal thoroughfares.

4. In Statement II.-B, Grant III., fuller particulars as to the description of servants employed on the Dispensary Establishment and the montly remuneration of each should be given.

5. I further observe that no provision is made in the Budget for charges on account of a Hospital Assistant. It is very likely that a Hospital Assistant will be sent by the Surgeon-General as soon as a reference lately made by him is answered, and I think, therefore, some provision must be made for meeting that charge, unless the Commissioners have abandoned their plan of establishing a Dispensary at Nagore. While on this subject, I beg to remind you of my docket, No. 5, on letter from the Surgeon-General, dated 18th December 1873, No. 7664, and request an early reply thereto.

6. I return the statements and request that they may be revised and forwarded to me without delay.

From H. J. STOKES, Esq., Vice-President of the Municipal Commission, Negapatam, to the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, dated Negapatam, 12th February 1874, No. 261.

I have the honour to forward, herewith, a resolution of the Commission on the subject of the revisal of the Budget recommended in your letter, No. 14, dated 22nd January 1874. I really do not know in what directions reduction of expenditure can be made without seriously injuring the efficiency of the Municipality. If anything, more money ought to be spent on conservancy; and our roads are now in very bad condition and requiring repairs urgently. The towns-people would object very much to putting out our lights. These three items will cost Rupees 29,382. In other respects, I do not think this Municipality is extravagant. The Hospital and the Establishment must be kept up, and if there is to be no surplus for new works and improvements, but the charges are to be fixed, it would not be easy to prove the necessity of a body of Commissioners for the purpose of disbursing them. The Proceedings of the Government of India referred to by you are of the year 1871, and I think that since then the policy therein set forth has not been adhered to.

2. An increase is expected under the head of House-tax, because it is in contemplation to revise the assessments which have been very imperfectly made, and the result will probably be an increase approximating to that entered in the Budget.

3. The estimate of repairs to roads enclosed herein is only an approximation. Repairs are undertaken as soon as their necessity becomes apparent in each case, and can only be foreseen generally.

4. A list of the dispensary servants is enclosed.

5. No provision is made in the Budget for the Nagore Hospital, because it was uncertain whether under the new rules a medical subordinate could be appointed whose salary the Municipality could afford. The necessity for a dispensary in Nagore still however exists, and if a Dresser can be sent there to be subordinate to the Apothecary in Negapatam, it is anticipated that his salary could be met from unexpended balance of the sums provided for 1874-75 for New Works and Repairs. The amount this year provided for the Nagore Branch Hospital was Rupees 1,200. This amount remains unexpended.

EXTRACT from the Proceedings of the Municipal Commissioners, Negapatam, 10th February 1874.

"Letter from the President returning the Budget for 1874-75 for revision.

"Resolved that the Commissioners do not see their way to carry on the necessary work of the Commission if the amount of the Budget is reduced; they, therefore, hope the President will forward on the Budget as already prepared. They have already reduced expenditure as much as they were able, after a careful consideration by a Sub-Committee. The sum allotted for New Works is only Rupees 7,200, of which Rupees 2,200 is savings. The work on which this is to be expended, viz., the beach improvement and the market, are urgently needed. The only other tax besides

Tolls which could be increased is the House-tax, to the increase of which the Native Commissioners have a strong objection."

NAGORE,
12th February 1874. (Signed) H. J. STOKES,
Vice-President.

LIST of Dispensary Servants entered in Statement II.-B, Grant III.

Particulars.	Salary per mensem. RS.	A.	P.	Salary per annum. RS.
One Purveyor...	10	0	0	120
One Nurse	10	0	0	120
One Ward Cooly	6	8	0	78
One Cook	5	0	0	60
One Toty, Male	5	0	0	60
One Toty, Female	3	0	0	36
One Dhoby...	2	0	0	24
Total ...	41	8	0	498

NEGAPATAM,
12th February 1874. (Signed) H. J. STOKES,
Vice-President.

NEGAPATAM MUNICIPAL COMMISSION.

ESTIMATE.—*Repairs and Reforming Metal Roads in Negapatam and Nagore for the Year* 1874-75.

MEASUREMENTS. Length.	Breadth.	Height.	Cubical contents.	Designation of Work.	Rate. RS.	A.	P.	Per.	Amount. RS.	A.	P.
Feet.	Feet.	Feet.									
2,300	18	¼	476	Six yards Permal Covil Road, 1st mile... ...	2	4	0	6 yards.	1,071	0	0
3,450	18	¼	575	,, Permal Covil Road, 2nd mile... ...	2	6	0	,,	1,365	10	0
3,300	18	¼	550	,, Bazaar Road, 1st mile	2	4	0	,,	1,237	8	0
3,350	18	¼	558	,, Powder Magazine Road, 2nd mile	2	6	0	,,	1,325	4	0
3,100	18	¼	516	,, Durgah Road, Nagore, 5th mile	2	12	0	,,	1,419	0	0
2,300	18	¼	476	,, Road No. 36, 1st mile	2	4	0	,,	1,071	0	0
3,400	18	¼	567	,, Road No. 36, 2nd mile	2	6	0	,,	1,346	10	0
3,350	18	¼	558	,, Road No. 36, 4th mile	2	10	0	,,	1,464	12	0
				Total ...	...			...	10,300	12	0
				Particulars of Charges.							
				Quarrying, loading and unloading	0	7	0	,,			
				Laying metal complete ...	0	5	6	,,			
				Railway fare from Tanjore.	1	4	0	,,			
				Cartage to first mile ...	0	3	6	,,			
				Total ...	2	4	0				

NEGAPATAM,
12th February 1874, (Signed) H. J. STOKES,
Vice-President.

From H. J. STOKES, Esq., Vice-President of the Municipal Commission, Negapatam, to the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, dated Negapatam, 1st December 1873, No. 217.

In forwarding a copy of a resolution passed at the last meeting of the Municipal Commissioners, I have the honour to address you on the subject of the Local Fund Grant towards the maintenance of Road No. 36 in this Municipality.

2. Before the receipt of the resolution of Government the Local Fund Board, of which I am Vice-President, had already increased the grant for this road for 1874-75 from Rupees 1,200 to Rupees 3,000; one member (who was the only member present who did not also belong to the Negapatam Municipal Board) objecting on the grounds now taken by Government. I shall state the reasons why the Municipality thinks these grounds to be untenable, in the hope that, when the Government have the question clearly before them, their opinion may be modified.

3. The Government observe that the whole expenditure on Communications amounted to only Rupees 8,600, or about Rupees 1,200 less than the income from Tolls; and are of opinion, therefore, that this Commission should cease to receive aid from Local Funds, particularly as Negapatam is a depôt for sea-borne trade, and the tolls thus fall on the traffic of a wide area beyond the town.

4. These three arguments can, I think, be answered satisfactorily. You will observe that the amount provided in the Budget for repairs was Rupees 9,360, and had this been expended it would have been nearly what we actually realized by tolls. But instead of this Rupees 5,362 only were spent on repairs. The reason of this was that my *locum-tenens*, Mr. Happell, treated the roads in a manner which differed from that which had been in vogue up to his arrival. He found them in pretty good order; and thinking, I presume, that they needed little repair restricted expenditure on them. In the months of April, May, and June, I find from the ledger that Rupees 2,605-5-0 were spent on road repairs. Mr. Happell arrived in July; and from that month till the following January, after which I resumed charge, Rupees 2,225-2-6 only was expended on this account. During my absence also (as part of the same policy) the permanent road cooly establishment was reduced from Rupees 224 to Rupees 150 per mensem, and the consequence was that the roads were considerably impaired, and enhanced expenditure afterwards necessitated. This is the reason of the actual figure being so much less than the Budget; and it was not so because the amount budgeted for was not required. The amount (Rupees 5,862) spent on repairs does not include the road cooly establishment, on which Rupees 2,150 were expended within the year. This amount appears under "Other items," but has been expended on the roads; and by far the greater part of it on Road No. 36; so that it is fairly debitable along with the repairs against the income from tolls, supposing the latter applicable exclusively for road purposes. If this figure be added we have an actual expenditure of Rupees 8,012 on repairs of roads (to which a share of the Overseer's salary should be added) against Rupees 9,876 received from tolls. The cost of lighting, too, and of watering (the latter of which is so essential on our roads in the hot weather to prevent the laterite being blown away) should be taken into account in any estimate of the expenditure on a road.

5. But there is no reason to suppose that the income derived from tolls is to be applied exclusively or mainly to expenditure on roads. The Municipal Act (Section 38) authorizes tolls to be levied "for the purposes of the Act;" and the funds required for the purposes of the Act may be raised from all or any one or more of the sources named in the Section. So that it is clearly not intended by the Act that the income derived from tolls should be applied mainly to roads; but on the contrary such income may be the sole source of funds for all the expenses of the Municipality; nor has Government ever laid down that the income from tolls was to be spent mainly on roads. On the contrary for five years after this Municipality had begun to collect tolls, the Government sanctioned the full grant of Rupees 4,990 towards the maintenance of Road No. 36; and did not consider that, because the full income from tolls was not spent on roads, this was any reason for decreasing the grant. The Commissioners are of opinion that the tolls, as the other rates and taxes, are applicable for the general purposes of the Act; and look to an increase in them as

one of the means which may be used to fill up the deficit which will arise from the abolition of the Professional tax.

6. As to Negapatam being a depôt for sea-borne trade, and the tolls thus falling on the traffic of a wide area beyond the town, the Commissioners do not think that this represents the true state of the case. It may be observed generally that the tolls in every town fall on the traffic of a wide area beyond the town ; but that inland this area surrounds the town on all sides ; whereas in a seaport half the area is cut away. The Government probably think that the goods brought to Negapatam for export give it an advantage over inland towns. Our chief export is paddy and rice, and the great bulk of this is brought into the town by rail, and consequently pays no toll. It is questionable also whether if all the goods brought in for export did pay toll, this would give a seaport town any great advantage over an inland one. For the latter is equally a distributing centre ; and distributes by means of vehicles which have to pay toll on entering before they can return from it with their loads of produce ; whereas a seaport town has not the same advantage of carts entering to return with produce, because it distributes mainly by ships, which pay no toll. That these arguments are not illusory is best shown by a comparison of the average amount of tolls collected for the last three years at the same rates as in this Municipality in Tanjore and Combaconum, towns of nearly equal population—

Tanjore (population 52,356) collected Rupees 1,567 per mensem.
Combaconum (population 43,162) collected Rupees 1,257 per mensem.
Negapatam (population 48,689) collected Rupees 836 per mensem.

7. I have above endeavoured to answer the arguments of the Government Resolution in favour of stopping the Local Fund contribution, and will proceed to show why the Municipality thinks itself entitled to this contribution.

8. Road No. 36, extending for six miles from the west gate to the Karikal frontier, is peculiar in two ways. It is extremely expensive, and a great part of it is not in a town. It is made of sand veneered over with a coating of six inches of laterite. This metalling has to be brought by rail from Tanjore, and costs Rupees 2-8-3 per cubic yard. We estimate that on an average to keep up the roads, as they should be kept up, would cost a thousand rupees a mile per annum, and we have about twelve miles of road in the Negapatam Municipality. A laterite road of this kind requires constant attention, as if once allowed to deteriorate its destruction follows rapidly ; and hence the necessity of keeping up a permanent road establishment. Of the six miles of Road No. 36 about two miles and a-half do not pass any houses, but are in fact district road connecting separate towns (Nagore, Velipoliem, Negapatam) and not passing through income-yielding places.

9. The road is an important railway-feeder, and carries more traffic than any single road of its length in the district. It is a much better and more expensive road than would be required for purely municipal purposes, particularly as the trade from Nagore is of small amount in the wet weather. At other times a sand road, such as those all over the district, would suffice ; and will have to suffice, I think, if the Government withdraw the Local Fund contribution. The metal road, particularly after the abolition of the Professional tax, will be beyond the means of the Municipality.

10. The large amount of betel-nut imported yearly at Nagore passes to the railway for distribution to the district and elsewhere, and the salt from Vedaraniem is carried to the north and west of the district along this road, but neither pays any toll ; the one entering by sea and the other by the canal.

11. This question was before the Government (though not perhaps as prominently as now) in 1867, and their Proceedings, Nos. 295 and 414, dated the 11th and 27th of May of that year, fully recognise that this road is a railway-feeder and as such not properly maintainable from Municipal Funds. The Commission remains of the same opinion ; and is confident that, if the facts are placed before Government, it will not appear that there is no just cause for complaint as to the insufficiency of the Local Fund Grant. If, however, allowed to collect tolls from carts leaving the railway yard and from salt boats at a rate calculated on their capacity compared with that of carts

and to have a share of the Port Fund, the Municipality will be content to give up claims to aid from the Local Fund Board.

From the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, to J. GROSE, Esq., Secretary to the Board of Revenue, dated Vallam, 11th March 1874, No. 55.

I have the honour to forward, for the orders of Government, copy of a letter from the Vice-President of the Negapatam Municipality regarding the contribution payable to the Commissioners by the Local Fund of the Negapatam Circle for the maintenance of that portion of Road No. 36 which lies within the limits of the Municipality.

2. In order to enable the Board fully to understand this subject a reference to the correspondence which has already taken place is necessary.

3. Under the old classification of roads into Imperial and Local, this road was placed in the former class and maintained out of Imperial Funds. Soon after the introduction of the Municipal Act into the town of Negapatam, the Commissioners agreed to take charge of the portion of the road lying within municipal limits provided the maintenance allowance hitherto allotted to it were paid to them ; and Government acceded to this request, and directed that, as the road was a railway-feeder, the allowance shall be paid out of the District Road-cess.

4. The amount of this allowance was after some correspondence fixed at Rupees 4,990, and the Commissioners continued to receive it till the year 1871. In the beginning of that year, Local Fund Boards were organized and the District Road-cess was incorporated with the Land-cess and placed at their disposal. In that year, however, being the first in the Local Fund administration, the previously-existing arrangements with regard to the maintenance of roads were allowed to continue ; but when the Budget of the Negapatam Circle for the year 1872-73 was under preparation, the question as to the propriety of granting the allowance was discussed, and it was settled that the Commissioners ought to receive henceforth only Rupees 1,200.

5. The Commissioners considered, however, the reduced allowance was totally inadequate and represented that it ought to be increased. The matter came again under the consideration of the Local Fund Board, and it was decided that the contribution ought to be raised to Rupees 3,000. Provision has accordingly been made for this sum in the Budget submitted for the year 1874-75. One of the members present at the meeting, Mr. O'Shaughnessy, the Range Officer, however, dissented from this decision, and was of opinion that the Commissioners were entitled to no contribution at all on account of Road No. 36.

6. Previous to this, the inadequacy of the Local Fund contribution was noticed in the report of the Negapatam Municipality for the year 1872-73, and Government in reviewing this report remarked as follows :—

"Regarding the decrease in the Local Fund contribution for roads from Rupees 4,990 formerly paid by Government to Rupees 1,200, the Vice-President reports that the Commissioners consider the amount altogether insufficient. The Government observe, however, that the whole expenditure on Communications including a proportionate share of the cost of Public Works Establishment amounted to Rupees 8,680, or about Rupees 1,200 less than the income from Tolls, and, under these circumstances, they are of opinion that not only the Commissioners have no just cause for complaint, but that the Local Fund contribution for roads should cease altogether ; Negapatam being in fact a depôt for sea-borne trade, and the tolls on the traffic falling on a wide area beyond the town."

7. As the resolution of the Local Fund Board fixing the contribution at Rupees 3,000 was passed before the above Order of Government was received, I communicated it to them in view to their modifying their resolution if they thought proper in accordance with the views of Government. The Local Fund Board simply passed a resolution, in reply, stating that "they understand that this question is at present under reference from the Negapatam Municipality to Government." The reference alluded to is contained in the letter of the Vice-President (copy of which I now

forward), and it is clear that the Local Fund Board agree with the Commissioners and adhere to their former resolution. It should, however, be observed that all the members present except one when the resolution was passed were also Municipal Commissioners, and that *that* gentleman dissented from the decision.

8. In his present letter Mr. Stokes, on behalf of the Commissioners, requests a reconsideration of the opinion expressed by Government in the order above referred to for the following reasons :—

1*st*.—In estimating the expenditure on roads account should be taken of the road cooly establishment, the Overseer's salary, the lighting and watering. Moreover the expenditure on roads in the year 1872-73 was small, not because a small amount only was needed, but because the repair of roads was considered by the then Vice-President as of secondary importance.

2*ndly*.—There is nothing in the Act to show that it is the intention of the Legislature that the whole of the income from tolls should be expended on roads alone; on the other hand, from Section 38 it would appear that it may be expended on any of the purposes of the Act. Government themselves have been paying the contribution for five years since the establishment of the Municipality, although the entire income from tolls was not expended on communications alone.

3*rdly*.—It is true that Negapatam is a depôt for sea-borne trade, but it is not true that on this account it is in a better position in regard to tolls than other inland towns of the same size and population. In fact, a seaport is at a disadvantage in this respect, and at Negapatam the principal traffic is carried on by Railway and the salt brought down by the Canal pays no toll to the Municipality.

4*thly*.—The maintenance of Road No. 36 is very expensive and requires an allowance of nearly Rupees 1,000 a-mile.

9. These arguments do not seem to establish the right of the Commissioners to the contribution from Local Funds which they have applied for. Mr. Stokes has, doubtless, conclusively shown that the income from tolls derived by the Negapatam Municipality is much less than the income derived from the same source by other towns of about the same size and population, and that the maintenance of the road is very expensive ; but this does not amount to proving that any deficit in their income should be made good by a contribution from Local Funds. There is nothing in the Act, it is true, which lays down imperatively that the income from tolls should be expended on roads alone, but it is evidently only reasonable that each particular class of taxpayers should have their particular requirements attended to out of the tax they pay before it is applied for other purposes. Mr. Stokes observes that Government have been paying the maintenance for five years after the Municipality was formed. But the reason for this is to be found in the distinction made by the old and new Municipal Act regarding the liability of the Commissioners to maintain roads situated within the limits of their town. Under Section 11 of the old Act all thoroughfares, except such as were private property or were repaired and kept under the control of Government, were to be considered the property of the Commissioners and to be maintained from Municipal Funds Road No. 36 was at the time under the control of the Government, and when the Commissioners undertook to have charge of it, they stipulated with Government that the maintenance allowance allotted to it should be paid to them, and this was allowed in G.O., dated 11th May 1867, No. 1438, Public Works Department. Under Section 13 of the new Act, however, all public streets, which term includes all the roads and thoroughfares, are to be considered the property of the Commissioners, and if it is desired to exempt any road from the operation of the Act, it should be done by a Government Notification. It, therefore, clearly follows that the maintenance of the roads situated within the Municipality to the extent of their means is now a duty cast upon them by law, and no contribution is, therefore, claimable by them on this account, save under the very exceptional circumstances contemplated in Section 27 of the Local Funds Act.

10. The only ground on which the assistance of the Local Fund Board can at all be claimed by the Municipality for Road No. 36 is that the traffic of the circle passes over the road in question, but it is clear that it is this traffic that pays the toll, and it cannot be said that the amount of this tax is less than the sum required for keeping the road in good order.

Proceedings of the Madras Government, Financial Department,
26th June 1874.

11. It must also be observed that no contribution is paid by the Commissioners to the Local Fund Board towards maintaining the roads outside the limits of the Municipality, and no toll is levied by the Local Fund Board on traffic leaving the town.

12. Mr. Stokes states that, if allowed to collect tolls from carts leaving the railway yards and from salt boats at a rate calculated on their capacity compared with that of carts and to have a share of the Port Fund, the Municipality will be content to give up claims to aid from the Local Fund Board. This proposal is clearly untenable. To levy a toll on carts leaving the railway yards which are situated within the limits of the Municipality will be altogether contrary to the provisions of the Municipal Act, and before the Commissioners put in a claim for levying a toll on salt boats or to have a share in the Port Fund, they will have to undertake the maintenance of the salt canal and the improvement of the Negapatam harbour, and if they do so, they will find that their financial position will not be bettered by the arrangement.

13. Though I cannot admit that the Commissioners have any *claim* to aid from Local Funds on account of Road No. 36, still as the road extends to nearly six miles within the Municipality and passes through a portion of the town which does not pay much in the way of taxes to the Commissioners, and as the Local Fund Board have already agreed to pay Rupees 3,000 per annum, and looking to the present reduced income of the Municipality I would not have objected, but I have just now learned that the Commissioners, in order to make good the deficit caused in their income by the abolition of the Professional tax as ordered by Government with the view of lightening the pressure of local taxation, propose to levy the tolls for the coming year at double the present rates, or, in other words, at the maximum rates allowed by law. This must have the effect of raising the amount of tax paid by the traffic of the circle when entering the town to double the present amount. Under these circumstances, I cannot recommend that the claim of the Commissioners should be allowed.

14. As this matter concerns both the Local Fund Board and the Municipality, I have made this reference through the Board of Revenue, instead of direct to Government, as I originally intended.

From C. W. W. MARTIN, Esq., Vice-President of the Municipal Commission, Negapatam, to the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, dated Negapatam, August 1873, No. 144.

I have the honour to request that you will lay before Government the accompanying resolution of the Negapatam Municipal Commissioners concerning the market which they wish to build.

2. The original proposition was to spend Rupees 12,000 on a market, but, when the requirements of a Municipality containing 50,000 inhabitants were fully considered, a plan such as that enclosed was found to be necessary, and the cost is estimated at Rupees 18,800, or Rupees 24,330 according as the building is brick-in-mud or brick-in-chunam.

3. The present resolution adopts the more expensive because the more lasting material, and asks for a Government loan of Rupees 20,000 to be paid with interest in five years, to supplement the Rupees 6,000 which they had set apart this year, and of which Rupees 1,600 odd have been expended in purchasing and levelling the houses on the selected site.

4. The Commissioners have requested me to state that they considered carefully the suggestion of Government that the market-project should be postponed to that of the water supply, but that, as it appeared plain to them that both projects must be executed out of loans, they have determined that it is more advisable to proceed first with the remunerative project of the market, with the expectation of obtaining such a profit as will make the interest on the larger loan necessary for the water supply fall more lightly upon them. They also think that their experience justifies them in calculating that the preliminaries to the adoption of a water-supply scheme, and to the commencement of operations after its adoption, are sufficiently numerous to make it certain that a demand for funds on account of the water supply will not be made on them for nearly three years. They think it undoubted that the market will, meanwhile, have become a profitable concern. And that, by economy and foresight, they will be able, in the fourth and fifth years, to

provide for the payment of instalments on the new loan for the water supply, as well as for the two last instalments for the market.

5. It may have escaped the notice of Government that particular attention is being constantly given to the improvement of the water in Negapatam. The Municipality own a steam-pump which is at work the greater part of the year emptying tanks, and Municipal Funds are liberally employed in cleansing the empty tanks ; this must have greatly improved the quality of the water, and the wants of the people having been thus to some extent attended to in that respect the Commissioners wish now to improve the food supply by getting it to flow through a properly-regulated market.

6. Mr. Commissioner Smith has made the following calculations regarding the actual charges which will fall on the Municipality in connexion with the market and the receipts which may be expected from the market :—

1st Instalment on loan	Rs. 4,000	+	interest twelve months	on Rs.	20,000	=	Rs. 5,000
2nd ,, ,, ,,	4,000	+	,, ,,	on ,,	16,000	=	,, 4,800
3rd ,, ,, ,,	4,000	+	,, ,,	on ,,	12,000	=	,, 4,600
4th ,, ,, ,,	4,000	+	,, ,,	on ,,	8,000	=	,, 4,400
5th ,, ,, ,,	4,000	+	,, ,,	on ,,	4,000	=	,, 4,200
					Total charges in connexion with proposed loan ...		24,000

Basing the calculations on rents and fees at a lower rate than those now paid by tradesmen in other parts of the town, the receipts from the market should be :—

	Rs.	Rs.
Rental of sixty-eight Stalls, measuring 10′ × 10′ at 2 Rupees each per mensem, 2 × 12 × 68...		1,632
Fees from Vegetable Pandals (4 measuring 72′ × 21′ each), at Rupees 80 per mensem		960
Fees derived from Meat Stalls, measuring 181′ × 48′, at Rupees 50 per mensem		600
Total ...		3,192

Deduct Estimated Cost of Establishment.

	Rs.	Rs.
1 Sergeant	30	
1 Conicopillay	20	
1 Conicopillay...	10	
2 Peons	14	
4 Sweepers	20	
Contingencies	6	
	100	1,200
Balance ...		1,992

7. This leaves Rupees 16,000 odd to be provided from the Municipal Funds of the next five years. The figures upon which this result is obtained are believed to be well within the mark, and the cost of establishment is probably above what is required.

8. If this calculation can be at all depended on, the Municipality will, at the end of five years, be in possession of a property in this market paying a clear profit of over eight per cent. after paying all charges on account of establishment and upkeep, and the Commissioners submit most respectfully that such a profit will be an important addition to the funds of the Municipality.

Proceedings of the Madras Government, Financial Department,
26th June 1874.

Extract from the Proceedings of the Municipal Commissioners, Negapatam, dated 12th August 1873.

"Proposed by Mr. F. Oliver that the extent of accommodation to be provided in the new market be considered and settled.

"The Commissioners decide that it is desirable to build a solid edifice in brick and chunam. An application will be made to Government for a loan of Rupees 20,000 (twenty thousand) to be repaid with interest in five years."

(Signed) C. W. W. MARTIN,
Vice-President.

Abstract Estimate, Tanjore District, Negapatam Taluq.

Work.—Constructing a Public Market for the Negapatam Town.

Quantity.	Description of Materials.	Rate. Rs. A. P.	Item.	Amount. Rs. A. P.
105,253	Cubic feet of brick-in-clay	0 1 9	Cubic feet.	11,512 0 9
58,786	Square feet of plastering	1 8 0	Sq. feet.	881 12 7
28,824	Square feet of roofing	16 0 0	Do.	4,608 8 0
341½	Cubic feet of country wood	1 4 0	Cubic feet.	427 5 6
68	Doors with iron work, complete ...	12 0 0	Each.	816 0 0
2	Do. do.	30 0 0	Do.	60 0 0
2	Do. do.	20 0 0	Do.	40 0 0
1,862	Cubic yards of earthwork	0 1 0	Cubic yard.	116 7 0
2	Wells	100 0 0	Each.	200 0 0
	Scaffolding and Sundries	... ...	.....	137 14 2
	Total Estimate ...	.....	.....	18,800 0 0

(Signed) C. W. W. MARTIN,
Vice-President.

Abstract Estimate, Tanjore District, Negapatam Taluq.

Work.—Constructing a Public Market for the Negapatam Town.

Quantity.	Description of Materials.	Rate. Rs. A. P.	Item.	Amount. Rs. A. P.
105,253	Cubic feet of brick-in-chunam	0 2 6	Cubic feet.	16,414 8 0
58,786	Square feet of plastering	2 0 0	Sq. feet.	1,175 11 6
28,824	Do. of roofing	16 0 0	Do.	4,608 8 0
341½	Cubic feet of country wood	1 4 0	Cubic feet.	427 5 6
68	Doors with iron work, complete ...	12 0 0	Each.	816 0 0
2	Do. do.	30 0 0	Do.	60 0 0
2	Do. do.	20 0 0	Do.	40 0 0
1,862	Cubic yards of earthwork	0 1 0	Cubic yard.	116 7 0
2	Wells	100 0 0	Each.	200 0 0
	Scaffolding and Sundries	2 0 0	Cwt.	471 8 0
	Total Estimate ...	.....	.....	24,330 0 0

(Signed) C. W. W. MARTIN,
Vice-President.

No. 229-A. From the Hon. D. ARBUTHNOTT, President of the Municipal Commissions, Tanjore District, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Vedarniem, 26th May 1874, No. 75.

As promised in my letter of the 11th March 1874, No. 31, I have the honour to forward, herewith, a formal application from the Municipal Commissioners of Negapatam for the loan of 20,000 Rupees required for the construction of a market in that town.

No. 230. MINUTE by the Hon. J. D. SIM, C.S.I., dated 2nd May 1874.

The Commissioners had an income in 1873-74, the year just ended, of Rupees 51,660, of which Rupees 6,000 were a balance from the previous year, and Rupees 14,000 were derived from the Professional tax.

2. In the current year they estimate their income at Rupees 45,000. Their opening balance is only Rupees 2,700, and the Professional tax, if wholly discontinued, will entail a loss of Rupees 13,300, and a loss of Rupees 5,170 is anticipated in other items, the entire deficit being thus Rupees 21,770. On the other hand the Commissioners purpose revising the valuation of house property said to be very imperfect, and thus to gain Rupees 2,070; they wish to raise their tolls to the maximum, thereby adding Rupees 11,100 to their revenue; they claim an additional grant for roads, &c., from the Local Fund Board of Rupees 1,830, and expect Rupees 110 from petty sources. The increase is thus Rupees 15,110 against the deficit of Rupees 21,770, the net result being that the Commissioners, if the Budget is accepted, will have an income in 1874-75 less by Rupees 6,660 than they had in 1873-74.

3. They have framed their expenditure accordingly. The charge for New Works is Rupees 7,200, of which Rupees 5,200 is for a new market. The Commissioners, I think, show clearly that this is a very desirable improvement and that it will be fairly remunerative. I think, however, that it should be executed by means of a loan, and this item may therefore be omitted, as interest on the loan will not fall due in the current year. The other items of the Budget are not susceptible of reduction, and the expenditure of the year—in other words the revenue to be raised—will then be Rupees 39,800, or Rupees 11,860 less than that of last year.

4. There can be no objection to the revision of the valuation of house property, but the proposal to double the tolls seems to me quite out of the question. Negapatam is the port of the Tanjore District, and has only about twelve miles of road to keep up. All the roads leading to it are kept up by the Local Fund Boards, and if higher tolls can be levied, without injury to trade, the difference should in simple equity go to the Local Fund Board, which has to make and maintain the many miles of road which converge at Negapatam. As it is, the Commissioners raise a very large portion of their revenue from this source. If their wish be complied with, they will collect fifty per cent. more by tolls than by all their other taxes, leaving the Local Fund Board to bear all the expense of the roads they toll. Retaining the tolls at

	RS.
House-tax	10,870
Taxes on vehicles...	2,700
Fees	1,400
	14,970
Tolls	9,900

their present rate, the receipts will fall below the expenditure by Rupees 5,900, and I see no way of making the deficiency good except by raising the House-tax, now at the low rate of four per cent., or partially retaining the Professional tax. The Native Commissioners object to the former, but I would leave the Commissioners to choose. Even if the whole deficit be made good by partially retaining the Professional tax, there will still be a relief from taxation to the extent of Rupees 6,000. I prefer this arrangement which will relieve the poorer classes far more sensibly than any other.

5. As regards the contribution for Road No. 36 from the Local Fund Board the Commissioners should state how much they realize from the toll on that road, and how much it costs them for maintenance.

(Signed) J. D. SIM.

No. 231. MINUTE by the Right Hon. the PRESIDENT, dated 6th May 1874.

The actual expenditure in this Municipality for 1872-73 was only Rupees 43,230, *i.e.*, less than their proposed expenditure for 1874-75 by Rupees 1,770. Anyone who has seen Negapatam must conclude that this expenditure is (to say the least) sufficient. And as they can spend according to the present Budget more this year than they spent in 1873-74, I certainly would not allow them to levy a Profession-tax. Without the proposed increase from tolls, they would have (supposing the rest of the Budget to remain as it is) only Rupees 33,900 to spend for 1874-75. But, on the other hand, the proposed market ought in this and in other such cases as Mr. Sim observes, to be paid for by loan, and therefore Rupees 5,200 will disappear from the expenditure side. There is, therefore, no absolute necessity even for the proposed increase of tolls; for it is impossible to act on the theory that these Municipalities are to go on increasing their expenditure and taxation year by year, or even that they must necessarily spend as much in any given year as they spent in the last. Still less is there any necessity for increasing the House-tax, or retaining partially the Profession-tax, which are the alternatives proposed by Mr. Sim, who expresses a preference for the latter course. I would, however, allow them to increase their tolls, but only by such a rate of increase as would provide for the expenditure of Rupees 45,000 as proposed in the Budget, *less* the sum of Rupees 5,200 on account of the market (which, being provided for by loan, will entail no charge in the current year). In other words the only change which I would propose in the Budget is the reduction of the amount to be levied in tolls by Rupees 5,200, and the corresponding disappearance of this sum from the head of "New Works" on the expenditure side.

2. I think that experience has shown that a toll, which I look upon as the form taken in this Presidency by a tax upon goods entering the town, is the most convenient and productive, as well as the least unpopular form of Municipal taxation. In Upper India by far the greater part of the Municipal income is levied by means of a tax of this description, which is there called an "*Octroi*," the only difference between that tax and "Tolls" being that the first is a tax upon goods, the second upon their conveyance; and without this tax, I do not know how the Municipalities of those Provinces would be able to provide for their needs. I,

therefore, think that we should encourage, whenever occasion offers, this kind of Municipal taxation as compared with other kinds.

3. I would allow no contribution from the Local Fund Board.

4. I would sanction the proposal to apply for a loan for the new market.

5. As I shall probably be otherwise in a minority in regard to the proposal to increase the Profession-tax, I request that the vote of the Commander-in-Chief may be taken on these papers.

(Signed) HOBART.

No. 232. MINUTE by the Hon. J. D. SIM, C.S.I., dated 12th May 1874.

The papers must of course go to His Excellency the Commander-in-Chief as desired by His Lordship.

2. In his Minute His Lordship accepts the estimate of expenditure as reduced by me, viz., Rupees 39,800. The income of the Municipality—supposing that, as His Lordship proposes, the House-tax remains at its present rate and the Profession-tax is wholly abolished—will be only Rupees 30,030; so that to make good the difference it will be necessary, on His Lordship's plan, to increase the rate of tolls so that they should yield Rupees 19,670 instead of, as they now do, Rupees 9,900.

3. Negapatam is the port of the Tanjore District, and is a place of rising importance. Its sea-borne trade in 1872-73 was valued at Rupees 58,61,612, which is, I submit, quite enough to show that the tolls levied really are in a great measure transit duties and so far opposed to the declared policy of the Supreme Government. But even if they can be increased without injuriously affecting trade, I submit that such increase rightfully belongs to the Local Fund Board, who have to make and maintain all the roads which are thus tolled. I do not see how we can call our tolls an *Octroi*, the distinctive feature of the latter being that it is levied on articles introduced into a town for local consumption, whereas our tolls are levied on everything that enters, and in a seaport town like Negapatam many commodities must of necessity pay toll which enter the town merely to reach the shipping which conveys them away. In respect to all such commodities tolls are manifestly transit duties and not an "*Octroi.*" This latter description of tax will shortly come under consideration on its merits, and I need not therefore discuss it here. I am by no means averse to Municipalities levying tolls and applying the proceeds to municipal purposes, but I consider that the claims of the Local Fund Boards must also be considered as the expense of the roads tolled falls entirely on them, and that a Municipality should not be allowed to monopolize this kind of taxation. In Negapatam an income of Rupees 9,900 is, in my opinion, as much as the Municipality should, in justice to other interests, be allowed to raise and appropriate from this source to their own purposes.

	Rs.
Imports	19,52,860
Exports	39,08,750

4. With these remarks I leave the question at issue to the decision of His Excellency the Commander-in-Chief.

(Signed) J. D. SIM.

No. 233. MINUTE by His Excellency the COMMANDER-IN-CHIEF, dated 25th May 1874.

The Budget Estimates of sundry Municipalities have been sent to me in all of which the continuance or discontinuance of the Profession-tax has been the point at issue.

2. I think when orders were issued directing the immediate and absolute abolition of the Profession-tax a somewhat too drastic remedy was applied to over-taxation, and that places in which so large a proportion of revenue (as at Negapatam for instance) was raised from this source, the abolition should have been prospective and gradual. It is quite clear that failing this source of revenue some other must be either created or enlarged. I cannot but think that a Profession-tax applied only to the wealthier classes would be preferable to the very large increase in Tolls recommended. This latter must take the shape of a tax on the agricultural produce of the surrounding districts falling mainly on the already sufficiently taxed ryot, whilst the former will touch only the well-to-do townspeople—a class singularly free from taxation.

3. I am of opinion that whatever our scheme of taxation may be, it should be of a nature to place in the hands of Municipal Commissioners ample funds for the prosecution of sanitary measures such as drainage works, water supply, and conservancy, as well as for the maintenance of roads and lighting. Much as the people were opposed to municipal taxation originally, I believe they are now fully aware of the benefits derived from it. I would not cripple the Commissioners in the useful work they have in hand.

4. At Negapatam I do not think funds will be available for the above purposes unless resort be had to a modified Profession-tax and a revision of the House-tax.

(Signed) FRED. P. HAINES.

No. 234. MINUTE by the Right Hon. the PRESIDENT, dated 29th May 1874.

With reference to the Minute of His Excellency the Commander-in-Chief, I must remark that no "orders were issued directing the immediate and absolute abolition of the Profession-tax;" nor was it ever intended to direct the abolition of the tax as a rule to which there should be no exception. On the contrary, in places where the tax formed a very unusually large proportion of the municipal income the Commissioners were authorized to retain it. In the present case the tax yielded more than one-fourth of the income; but I think I have shown that there is really no necessity for supplying its place, whether by retaining the Profession-tax or by an increase in the rate of Tolls. It must be remembered that it is not proposed to restore the Profession-tax in its integrity, but only as it affects the higher classes. So that in reality the deficiency caused by the abolition of the Profession-tax will not be supplied. In other words the proposed retention of the tax will not even affect the (as I consider) unnecessary purpose which it has in view.

2. I should add that in advocating tolls as the most convenient and popular form of municipal taxation, I have always done so on the understanding that some method should be adopted of exempting transit trade, as has been done in the North-West

Provinces and could be done here. In this case, however (as I have said) I do not think that any increase of tolls is required.

3. With respect to Tolls, I would further observe that I consider them a form of taxation preferable to Profession-tax, because they are far more productive to the revenue in proportion to the annoyance or injury which they cause to the taxpayer. *Cæteris paribus* it is better to tax the upper and wealthier classes than the poor. But in all countries and places it has been found absolutely necessary to depend for a very large proportion of the revenue upon the taxation of the poorer class. The reason is that to obtain an equal amount of revenue from the wealthier class it would be necessary to impose a rate of taxation which would be simply intolerable—which would indeed amount to confiscation. If Municipalities are not to be allowed to impose taxes of which the rate is low and the payers numerous and comparatively poor, but must confine taxation to the few and rich, they will be compelled to do that which is done nowhere else, and which must infallibly lead to their extinction. I have made these remarks (with reference to a suggestion of His Excellency the Commander-in-Chief) because I do not wish it to be understood that in advocating an "*Octroi*" (or "tolls") I am losing sight of the just claims of the poor.

(Signed) HOBART.

P.S.—I should wish the subject to be reconsidered with reference to this Minute.

No. 235. MINUTE by the Hon. W. ROBINSON, C.S.I., dated 1st June 1874.

Mr. Sim has so fully analyzed the financial position of the Negapatam Municipality and the effect of the proposed suspension of the Professional tax that I need only state in a few words why I entirely agree with his conclusion that the Professional tax should not be abandoned as things now are.

2. Negapatam is a wealthy and advancing commercial seaport town and a terminal Station of an extensive railway system. It is therefore a station not only greatly needing useful—indeed indispensable—expenditure and development, but at the same time it contains a population well able to afford it, if only the wealthy commercial and professional classes are required still to contribute—as the law provides and the immemorial political and financial policy of the country sanctions—their quota to the common well being of their city. This the continuance of the Professional tax will secure. Its abolition will have the effect of discouraging and arresting the efforts of those locally responsible for the good of the place. The President of the Municipal Commission favours the retention. All that is desired is to maintain the existing financial arrangement and expenditure, without disturbing the legal incidence of taxation: and this is possible by the proposed arrangement.

3. If the tax be abandoned, increased taxation seems to be indispensable. It is proposed to levy it partly by increasing the tax on house property by revising the existing valuation. This course is legitimate at any time if the valuations are lower than they should be; but it is to be regretted that it is necessary to do so to recoup losses to be incurred by the relief of the wealthy professional classes who now contribute to the extent of Rupees 14,000 and will in future pay nothing.

4. The other alternative—that approved by His Lordship—is to increase the rate of Tolls by about fifty per cent. I submit that there are the gravest objections to this course. The Municipality of Negapatam—a terminal station and export harbour of a wealthy and rich district—now levies Rupees 10,000—a sum equal to two-thirds of the Town income properly so called from rates on houses, vehicles, &c., say Rupees 15,000, raised in the main by a transit duty on all goods brought thither by roads—maintained at the expense of the rural classes under the Road Fund Law—for shipment. Tolls levied at Negapatam are in fact in the main a *quasi*-tax on the sea-borne trade of the harbour, and are a serious and I believe an unjustifiable burden on general trade. To enhance this impost were, I believe, wrong in principle, at variance with the policy of the empire, and prejudicial to trade. I venture to think that the entire abolition of Tolls were more consistent with the interests of the country.

5. I must observe that these Municipal Tolls,—levied as they are indiscriminately on all traffic in transit,—are wholly distinct from an *Octroi*, which is levied at differential rates on a few specified articles of local consumption. The two forms of taxation must not, I submit, be confounded with each other either as regards their principle, character or incidence. *Octroi* (or town duties) is a well-known form of taxation elsewhere, which it may be worthy of consideration here on its own merits; but neither directly nor indirectly is *octroi* sanctioned by the law as it now stands, and we cannot substitute the one for the other. I venture further to suggest that as the whole subject of the levy of tolls has been relegated to the Board of Revenue and Local Boards for report, no action in the direction of their enhancement should be taken anywhere until the subject is before Government in a comprehensive form.

6. The market loan should be obtained: and the contribution of the Local Fund Boards to roads within the town should cease so long as tolls are levied.

7. I am unable altogether to follow the calculation as to the sufficiency of means of this Municipality if the Professional tax be suspended.

8. I gather that Rupees 39,800 are avowedly indispensable, even if one important work be transferred to loan account (the above does not provide for interest, &c.) The remaining income—if the Professional tax be suspended and Tolls left as they are and the House-tax increased—would, I gather, be about Rupees 33,900, leaving a deficit of nearly Rupees 6,000. If the House-tax also remain as it is, the deficit may be some Rupees 8,000.

9. If this be so it seems to me that, irrespective of other reasons, a case is fully made out for following the precedent of retaining the Professional tax as has been done in several other Municipalities, where improvements &c., are less urgently needed than in this flourishing and wealthy town.

10. Considerable loss will no doubt be incurred by relieving the poorer classes, but I submit that the sound principle will still be retained—that the well-to-do mercantile classes shall contribute a very moderate quota to the public income in accordance with the immemorial political economy of the country and the existing law. And in this town they can do so with exceptional ease under the proposed modification of the tax.

11. The whole matter is so fully argued in Mr. Wilson's speech in the Legislative Council of India in 1860 that I venture to think that nothing more need be said in justification of its retention.

(Signed) W. ROBINSON.

No. 236. MINUTE by His Excellency the COMMANDER-IN-CHIEF, dated 4th June 1874.

I am evidently in error in assuming that the orders issued on the subject of the Profession-tax directed its "immediate and absolute abolition in all cases." The fact that in all cases of Municipal Budgets referred to me this subject of the retention or abolition of the Profession-tax being the point of contention, has led me to write in the above sense in error. This I regret, but I am of opinion still that Negapatam is one of the places in which the abolition should be gradual and prospective.

4th June 1874. FRED. P. HAINES.

No. 237. ORDER THEREON, 26th June 1874, No. 1073.

The Budget Estimates of the Negapatam Municipality for 1874-75 are compared below with those for 1873-74:—

RECEIPTS.	1873-74.	1874-75.
	RS.	RS.
Balance	6,000	2,700
Surplus Pound Fund ...	250	270
Rates on Houses	8,800	10,870
Tax on Arts	14,000	700
Tax on Vehicles	1,400	1,400
Registration of Carts	1,700	1,300
Tolls	9,900	21,000
Fees	1,600	1,400
Fines	900	214
Endowment receipts	4,080	196
Contribution from Local Funds—		
Roads	1,200	3,000
Hospitals	1,420	1,450
Miscellaneous	410	500
Total ...	51,660	45,000

EXPENDITURE.	1873-74.	1874-75.
	RS.	RS.
Public Works.		
New Works—		
Communications	...	...
Miscellaneous	11,760	7,200
Repairs—		
Communications	7,200	10,300
Miscellaneous	350	350
Establishment	2,904	2,976
Tools and Plant	100	100
Educational—		
Salary Grants	950	...
Result Grants	700	650
Inspection	350	350
Sanitation—		
Dispensary	4,900	3,188
Vaccination	200	200
Registration of Births, &c.	444	444
Conservancy	14,660	12,414
Miscellaneous—		
Lighting	3,280	3,692
Markets	...	...
Watering Streets, &c. ...	222	300
Supervision and Management	3,640	2,836
Total ...	51,660	45,000

2. The estimated income of the Negapatam Municipality for 1873-74 was Rupees 51,660, of which Rupees 6,000 was the balance from the previous year, and Rupees 14,000 the receipts from the Professional tax.

3. For 1874-75 they estimate their income at Rupees 45,000. The opening balance is only Rupees 2,700; the Professional tax if wholly discontinued will entail a loss of Rupees 13,300, and a decrease of Rupees 5,170 is anticipated in other items, the entire decrease being thus Rupees 21,770. On the other hand, the Commissioners propose revising the valuation of house property which is said to be very imperfect, and thus to gain Rupees 2,070. They wish to raise the tolls to the maximum and anticipate an increase of Rupees 11,100 to their revenue from this source; they claim an additional grant for roads, &c., from the Local Fund Board of Rupees

1,830, and expect an increase of Rupees 110 from petty sources. The total increase is thus Rupees 15,110, against a decrease of Rupees 21,770, the net result being that in the Budget as submitted the estimated income for 1874-75 is less by Rupees 6,660 than that for 1873-74, and the expenditure has been adjusted accordingly, so as not to exceed Rupees 45,000.

4. In forwarding the Budget, however, the President expresses a strong opinion against the proposed increase in the rate of the tolls, and remarks that if the choice lies between that measure and continuing the Profession-tax he would prefer the latter. In this view the Government are disposed to concur, and the estimated income from tolls must consequently be reduced by one-half. In their Order of to-day's date, No. 1072, the Government have declined to allow any contribution for roads from Local Funds, and the item of Rupees 3,000 on this account must also be struck out reducing the total income to Rupees 31,500.

5. As already remarked the budgeted expenditure is Rupees 6,660 below that for 1873-74, and, after a careful examination of the various items, the Government do not consider that any reduction is feasible beyond the transfer to loan funds of the sum of Rupees 5,200 assigned for the construction of the market. The expenditure side of the Budget will then stand at Rupees 39,800, or Rupees 8,300 in excess of the income as above reduced. To make good this deficiency the Government resolve to authorize the Commissioners to continue to levy the Profession-tax except as regards the sixth, seventh, and eighth classes specified in Schedule B of the Act.

6. The Commissioners have shown clearly that the erection of a market is a desirable improvement and that it will probably be fairly remunerative, but, as above stated, the Government consider that the full amount required should be obtained by means of a loan, and the application received with the President's letter dated 26th May 1874, will be returned for revision accordingly. The Government would also observe that, as the income from Surplus Pound Funds is not vested in the Commissioners by law, it should not be offered as part of the security for the loan. The revised application may be at once published in the District Gazette by the Collector, and after the expiry of one month from the date of publication the President will move the Government to make the loan under the provisions of Rule VI. (*a*) of the Loan Rules published on the 13th October 1873. In the meantime the Government of India will be requested to place the sum of Rupees 25,000 at the disposal of this Government for the purpose.

(Signed) D. F. CARMICHAEL,
Acting Chief Secretary.

No. 238. To the Secretary to the Government of India, Financial Department, dated Ootacamund, 26th June 1874, No. 1074.

Adverting to the last paragraph of the accompanying Proceedings of this Government, dated 26th June 1874, approving of a loan being obtained for the construction of a market by the Negapatam Municipality, I am directed to request that you will move His Excellency the Governor-General in Council to place the sum of Rupees 25,000 at the disposal of this Government so that they may be in

a position to make the necessary loan under the provisions of Rule VI. (*a*) of the Loan Rules immediately on the expiry of one month from the date of the publication of the revised application called for.

(Signed) D. F. CARMICHAEL,
Acting Chief Secretary.

Exd. J. Wright.

Govt. of Madras

FINANCIAL.

To

THE PRESIDENT OF THE
MUNICIPAL COMMISSION,
Negapatam,
&c., &c., &c.

Dated June, 26th.

Recd. Rud.

G.O., *26th June* 1874, *No.* 1073.

JUNE.
Nos. 229—238.

Negapatam Municipality.—Orders passed on the Budget Estimates of this Municipality for 1874-75 and application made to the Government of India for the sum of Rupees 25,000 being placed at the disposal of the Madras Government to be granted to the Municipality as a loan for the construction of a market.

FINANCIAL DEPARTMENT.

No. 1074.

FROM

THE HON. D. F. CARMICHAEL,
Acting Chief Secretary to the Government of Fort St. George,

To

THE SECRETARY TO THE GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

SIR,

Adverting to the last paragraph of the accompanying Proceedings of this Government, dated 26th June 1874, approving of a loan being obtained for the construction of a market by the Negapatam Municipality, I am directed to request that you will move His Excellency the Governor-General in Council to place the sum of Rupees 25,000 at the disposal of this Government so that they may be in a position to make the necessary loan under the provisions of Rule VI. (*a*) of the Loan Rules immediately on the expiry of one month from the date of the publication of the revised application called for.

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

OOTACAMUND,
26th June 1874.

Acting Chief Secretary.

Exd. J. Wright.

1874.

FINANCIAL DEPARTMENT.

From

The Acting Secretary to Government,
Fort St. George,

To

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

Dated 26th June 1874.

Read.

No. 1074.

Enclosure.

Negapatam Municipality.—Copy of Proceedings of this Government forwarded with an application that the sum of Rupees 25,000 may be placed at the disposal of the Madras Government in order to be granted to the Negapatam Municipality as a loan for the construction of a market.



President's office
Vadarnium 26th May 1874.

No 75

From,

The Honorable D. Arbuthnott
President of the Municipalities
Tanjore District.

To,

The Honorable C. F. Carmichael
Chief Secretary to Government
Fort St. George.

Sir,

As promised in my letter of the 11th March 1874 No. 31 I have the honor to forward herewith a formal application from the Municipal Commissioners of Negapatam for the loan of 25,000 Rupees required for the construction of a Market in that town

I have the honor to be,
Sir
Your most Obdt Servant
D Arbuthnott
President

No 231-237

1874 March 18th
From
The President
Municipal Com.r
Negapatam
To
Chief Secretary to Govt.
Fort St. George
Dated 26th May 1874
Recd 28th do
No 1140
Forwarding the Municipal Commissioners Proceedings
Applications for the Loan
Submitted for the Loan
Recd. 2nd June
Returned by the Municipality

No 229 M.

Municipal Commissioner's office

No. 261 Negapatam 12th February 1874

29

To

The President

Municipal Commission, Negapatam

Sir,

I have the honor to forward herewith a resolution of the Commission on the subject of the revisal of the Budget recommended in your letter No 14 dated 22nd January 1874. I really do not know in what directions reduction of expenditure can be made without seriously injuring the efficiency of the Municipality. If any thing, more money ought to be spent on conservancy, and our roads are now in very bad condition and requiring repairs urgently. The townspeople would object very much to putting out our lights. These three items will cost Rupees 29.382. In other respects, I do not think this Municipality is extravagant. The Hospital and the

Establishment

establishment must be kept up, and if there is to be no surplus for new works and improvements, but the charges are to be fixed it would not be easy to prove the necessity of a body of Commissioners for the purpose of disbursing them. The proceedings of the Government of India referred to by you are of the year 1871, and I think that since then the policy therein set forth has not been adhered to.

2. An increase is expected under the head of house-tax, because it is in contemplation to revise the assessments which have been very imperfectly made and the result will probably be an increase approximating to that entered in the Budget.

3. The estimate of repairs to roads enclosed herein is only an approximation. Repairs are undertaken as soon as their necessity becomes apparent in each case, and can only be foreseen generally.

31

4. A list of the Dispensary servants is enclosed.

5. No provision is made in the Budget for the Nagore Hospital, because it was uncertain whether under the new rules a medical subordinate could be appointed whose salary the Municipality could afford. The necessity for a dispensary in Nagore still however exists, and if a dresser can be sent there to be subordinate to the Apothecary in Negapatam, it is anticipated that his salary could be met from unexpended balance of the sums provided for 1874-75 for new works and repairs. The amount this year provided for Nagore branch hospital was Rs 1200. This amount remains unexpended.

I.

I have the honour to be
Sir
your most obt. Servant

|Signed| A. J. Stokes.
Vice President.

|True Copy|

A. H. Nuttall
President.

9

Extract from the Proceedings of the
Municipal Commissioners Negapatam
10th February 1876.

"Letter from the President re-
turning the Budget for 1876-77 for revision"

"Resolved that the Commissioners
do not see their way to carry on the ne-
cessary work of the Commission if the amount
of the Budget is reduced; they therefore
hope the President will forward on the budget
as already prepared. They have already
reduced expenditure as much as they were
able, after a careful consideration by a
Sub Committee. The sum allotted for
new works is only Rs 7,200 of which Rs
2,200 is savings. The work on which this
is to be expended, namely the beach im-
provement and the market are urgently
needed. The only other tax, besides
tolls, which could be increased is the
house-tax, the increase of which

the

the native Commissioner have a strong objection"

[Signed] H. J. Stokes
Vice President

[True Extract]

Negn
In. Commrs. Office
12th Feby 1876

[Signed] H. J. Stokes
Vice President

[True copy]

A. K. Rathmell
President

List of Dispensary Servants Entered in Statement 10

II B Grant III

35

No	Particulars	Salary per Annum	Salary per Annum
1	Surveyor	10 " "	120 " "
1	Nurse	10 " "	120 " "
1	Ward Cooly	6 8 "	78 " "
1	Cook	5 " "	60 " "
1	Sottie, Male	5 " "	60 " "
1	Sottie, Female	3 " "	36 " "
1	Dhoby	2 " "	24 " "
	Total Rupees	41 8 "	498 " "

Negapatam
Municipal Comrs. Office
12th Feby 1876

[Signed] H. J. Stokes.
Vice President

[True copy]

A. K. Rathmell
President

Negapatam Municipal Commission

Estimate — Repairs and Reforming Metal roads in Negapatam and Nagúr for the year 1874–75.

37

Measurements			Cubical Contents	Designation of work	Rate	Per	Amount
Length	Feet Breadth	Feet Depth					
Fet.							
2.300	18	1/4	476	6 yds Perumal Coil road 1st Mile	2 4 "	6 yard	1071 " "
3450	18	1/4	575	" —— do —— do 2 Mile	2 6 "	do	1365 10 "
3300	18	1/4	550	" Bazar Road —— 1st Mile	2 4 "	do	1237 8 "
3350	18	1/4	558	" Cowdi Chagerpuo do 2 Mile	2 6 "	do	1325 4 "
3100	18	1/4	516	" Durgah road Nagur 5 " Do	2 12 "	do	1419 " "
2300	18	1/4	476	" Road Do 36 —— 1st Mile	2 4 "	do	1071 " "
3400	18	1/4	567	—— do —— 2d do	2 6 "	do	1346 10 "
3350	18	1/4	558	—— do —— 4th do	2 10 "	do	1464 12 "

Total Rupees — 10.300 12 "

Particulars of charges

Quarrying, loading, unloading	"	7 "	6 yds —
Laying Metal complete	"	5 6	do —
Railway fare from Tanjore	1	4 "	do —
Cartage 6/ 1st Mile	"	3 6	do —

Negapatam 12th February 1874

Jatab 24 "

(Signed) H. J. Stokes
Vice President

(True copy)

D. K. Cathcart

President

1874 Department

Enclosure No. 3 in a letter

From The President
Munl. Comn
Negapatam

To The Chief Secretary to Govt
Fort St. George
Madras

Dated 11th March 1874

No 31.

Copy of the Vice Presidents
letter dt 12th February 1874 No
261 with 3 enclosures.

7f. 5586/74

12

No. 217 Municipal Commissioner's Office
Negapatam 1st December 1873

39/1

From
The Vice President
Municipal Commission
Negapatam

To
The President
Municipal Commission
Tanjore District

Sir

In forwarding a copy of a resolution passed at the last meeting of the Municipal Commission I have the honor to address you on the subject of the Local Fund grant towards the maintenance of Road No. 36 in this Municipality —

2 Before the receipt of the resolution of Government the Local Fund Board, of which I am Vice President, had already increased the grant for this road for 1874-75 from Rupees 1200 to Rs. 3000; one member (who was the only member present who did not also belong to the Negapatam Municipal Board) objecting on the grounds now taken by Government. I shall state the reasons why the Municipality thinks

thinks there grounds to be untenable, in the hope that when the Government have the question clearly before them their opinion may be modified —

3 The Government observe that the whole expenditure on communications amounted to only Rupees 8600 or about Rupees 1200 less than the income from tolls; and are of opinion therefore that this Commission should cease to receive aid from Local Funds, particularly as Rezapatam is a depôt for sea borne trade, and the tolls thus fall on the traffic of a wide area beyond the town —

4 These three arguments can I think be answered satisfactorily. You will observe that the amount provided in the Budget for repairs was Rupees 9360, and had this been expended it would have been nearly what we actually realized by tolls. But instead of this Rs. 5862 only was spent on repairs. The reason of this was

was that my locum tenens, Mr. Hassell, treated the roads in a manner which differed from that which had been in vogue up to his arrival. He found them in pretty good order; and thinking, I presume, that they needed little repair restricted expenditure on them. In the months of April, May and June, I find from the Ledger, that Rupees 2605-5-0, was spent on road repairs. Mr. Hassell arrived in July; and from that month till the following January, after which I resumed charge,

∴ Rupees 2225-2-6 only was expended on this account. During my absence also (as part of the same policy) the permanent road establishment was reduced from Rupees 224 to Rs. 150 per mensem, and the consequence was that the roads were considerably impaired; and enhanced expenditure afterwards necessitated. This is the reason of the actual figure being so much less than the budget

budget; and it was not so because the amount budgeted for was not required. The amount (Rs. 562) spent on repairs does not include the road only establishment, on which Rupees 2150 was expended within the year. This amount appears under "other Items," but has been expended on the roads, and by far the greater part of it on Road No. 36, so that it is fairly debitable along with the repairs against the income from Tolls, supposing the latter applicable exclusively for road purposes. If this figure be added we have an actual expenditure of Rupees 8012 on repairs of roads (to which a share of the Overseers Salary should be added) against Rupees 9876 received from Tolls. The cost of lighting too, and of watering (the latter of which is so essential on our roads in the hot weather to prevent the latrite being blown away) should be taken into account in any estimate of the expenditure on a road.

But

43/44

5 But there is no reason to suppose that the income derived from tolls is to be applied exclusively or mainly to expenditure on roads. The Municipal Act (Section 38) authorizes tolls to be levied "for the purposes of the Act"; and the funds required for the purposes of the Act may be raised from all or any one or more of the sources named in the Section. So that it is clearly not intended by the Act that the income derived from tolls should be applied mainly to roads; but on the contrary such income may be the sole source of funds for all the expenses of the Municipality nor has Government ever laid down that the income from tolls was to be spent mainly on roads. On the contrary for five years after this Municipality had begun to collect tolls, the Government sanctioned the full grant of Rupees 4990 towards the maintenance of Road No. 36; and did not consider that

because

because the full income from tolls was not spent on roads, this was any reason for decreasing the grant. The Commissioners are of opinion that the tolls, as the other rates and taxes, are applicable for the general purposes of the Act; and look to an increase in them as one of the means which may be used to fill up the deficit which will arise from the abolition of the professional tax.

6 As to Nezapatam being a depôt for sea borne trade, and the tolls thus falling on the traffic of a wide area beyond the town, the Commissioners do not think that this represents the true state of the case. It may be observed generally that the tolls in every town fall on the traffic of a wide area beyond the town, but that inland

inland this area surrounds the town on all sides; whereas in a sea port half the area is cut away. The Government probably think that the goods brought to Nezapatam for export give it an advantage over inland towns. Our chief export is paddy and rice, and the great bulk of this is brought into the town by rail, and consequently pays no toll. It is questionable also whether if all the goods brought in for export did pay toll, this would give a sea port town any great advantage over an inland one; for the latter is equally a distributing centre; and distributes by means of vehicles which have to pay toll on entering before they can return from it with their loads of produce; whereas a sea port town has not the same advantage of carts entering to return with produce, because it distributes mainly by ships, which pay no toll. That these arguments

arguments are not illusory is best shown by a comparison of the average amount of tolls collected for the last three years at the same rates as in this Municipality in Tanjore and Combaconum, towns of nearly equal population.

Tanjore (population 52356) collected Rs. 1567 per annum
Combaconum (do — 43162) —— " 1257 —
Negapatam (do — 48689) —— " 836 —

7 I have above endeavoured to answer the arguments of the Government Resolution in favour of stopping the Local Fund contribution, and will proceed to show why the Municipality thinks itself entitled to this contribution —

8 Road No. 36 extending for six miles from the west gate to the Karikal frontier, is peculiar in two ways. It is extremely expensive, and a great part of

16
47

of it is not in a town. It is made of sand rendered over with a coating of six inches of laterite. This metalling has to be brought by rail from Tanjore, and costs Rupees 2-8-3 per cubic yard. We estimate that on an average to keep up the road, as they should be kept up, would cost a thousand rupees a mile per annum and we have about twelve miles of road in the Negapatam Municipality. A laterite road of this kind requires constant attention, as if once allowed to deteriorate its destruction follows rapidly; and hence the necessity of keeping up a permanent road establishment. Of the six miles of Road No. 36 about two miles and a half do not pass any houses, but are in fact district road connecting separate towns (Nagore, Velipolium, Negapatam) and not passing through income yielding places —

The

9 The road is an important railway feeder, and carries more traffic than any single road of its length in the district. It is a much better and more expensive road than would be required for purely municipal purposes, particularly as the trade from Nagore is of small amount in the wet weather. At other times a sand road, such as those all over the district, would suffice; and will have to suffice, I think, if the Government withdraw the Local Fund contribution. The metal road, particularly after the abolition of the professional tax, will be beyond the means of the Municipality —

10 The large amount of betel nut imported yearly at Nagore passes to the railway for distribution to the district and elsewhere, and the salt from Vedaranium is carried to the north and west of the district along this road

149/17

road but neither pays any toll, the one entering by sea and the other by the Canal —

11 This question was before the Government though not perhaps as prominently as now) in 1867, and their proceedings Nos 295 and 414, dated the 11th and 27th of May of that year fully recognize that this road is a railway feeder and as such not properly maintainable from Municipal funds. The Commissioner remains of the same opinion, and is confident that if the facts are placed before Government, it will not appear that there is no just cause for complaint as to the insufficiency of the Local Fund grant. If however allowed to collect tolls from carts leaving the railway yard and from salt boats at a rate calculated on their capacity compared with that of carts and to have a share of the Port fund, the Municipality will be content to give up

up claims to aid from the Local Trust Board—

Thank You

Signed/ H. J. Stokes
Vice President

(True Copy)

S. K. Cathcott
President

51/1

1874. Department.

Enclosure No 4.

In a letter

From

The President
Municipal Commissions
Tanjore District

To

The Chief Secretary
to Government
Madras.

Dated 11th March 1874
Recd 13 March 1874

No 31.

Printed with
Rds Proceedings
27 March 1874 No 91

G.O. No. 1073 dated 24/6/74

Copy of letter from the Vice President Municipal Commission Negapatam dated 1st December 1873 No 217.

Fl. S-86/74

18

No 55. Vellam 11th March 1874

53

To

The Secretary
to the Board of Revenue
Madras

Sir

I have the honor to forward for the orders of Government copy of a letter from the Vice President of the Negapatam Municipality regarding the contribution payable to the Commissioners by the Local Fund Board of the Negapatam circle for the maintenance of that portion of Road No 36 which lies within the limits of the Municipality —

2 In order to enable the Board fully to understand this subject a reference to the correspondence which has already taken place is necessary —

3 Under the old classification of roads into

into imperial and Local, this road was placed in the former class and maintained out of Imperial funds. Soon after the introduction of the Municipal Act into the town of Vizagapatam, the Commissioners agreed to take charge of the portion of the road lying within municipal limits provided the maintenance allowance hitherto allotted to it were paid to them; and Government acceded to this request and directed that, as the road was a Railway feeder, the allowance should be paid out of the District Road cess—

4 The amount of this allowance was after some correspondence fixed at Rs. 4990, and the Commissioners continued to receive it till the year 1871. In the beginning of that year, Local Fund Boards were organized and the district Road cess was

was incorporated with the land cess and placed at their disposal. In that year, however, being the first in the Local Fund administration, the previously existing arrangements with regard to the maintenance of Roads were allowed to continue; but when the Budget of the Vizagapatam circle for the year 1872-73 was under preparation, the question as to the propriety of granting the allowance was discussed, and it was settled that the commissioners ought to receive henceforth only Rupees 1200—

5 The Commissioners considered however the reduced allowance was totally inadequate and represented that it ought to be increased. The matter came again under

under the consideration of the Local Fund Board, and it was decided that the contribution ought to be raised to Rs. 3000. Provision has accordingly been made for this sum in the Budget submitted for the year 1874-75. One of the members present at the meeting Mr. A Shaughnessy, the Range Officer, however, dissented from this decision and was of opinion that the Commissioners were entitled to no contribution at all on account of Road No. 36—

6 Previous to this, the inadequacy of the Local Fund contribution was noticed in the report of the Nagapatam Municipality for the year 1872-73, and Government

Government in reviewing this report remarked as follows—

"Regarding the decrease in the Local Fund contribution for roads from Rupees 4990 formerly paid by Government to Rupees 1200, the Vice President reports that the Commissioners consider the amount altogether insufficient. The Government observe, however, that the whole expenditure on communications, including a proportionate share of the cost of Public Works establishment amounted to Rupees 8680 or about Rupees 1200 less than the income from tolls, and, under these circumstances, they are of opinion that not only the commissioners have no

no just cause for complaint, but that the Local Fund contribution for roads should cease altogether; Vizagapatam being in fact a depot for sea-borne trade, and the tolls on the traffic falling on a wide area beyond the town".

7 As the resolution of the Local Fund Board fixing the contribution at Rs. 3000 was passed before the above order of Government was received, I communicated it to them in view to their modifying their resolution if they thought proper in accordance with the views of Government. The Local Fund Board simply passed a resolution in reply stating that "they understand that this question is at present under reference from the Vizagapatam Municipality to Government". "The reference alluded to is contained in the letter of the Vice President copy of which I now forward and it is clear that the Local Fund Board agree with the Commissioners and adhere to their former resolution. It should however be observed that all the members present except one when the resolution was passed were also Municipal Commissioners and that that Gentleman dissented from the decision —

8 In his present letter Mr. Stokes on behalf of the Commissioners requests a reconsideration of the opinion expressed by Government in the order above referred to

21 59

to for the following reasons:—

1st In estimating the expenditure on roads, account should be taken of the road cooly establishment, the overseers salary, the lighting and watering. Moreover the expenditure on roads in the year 1872-73 was small not because a small amount only was needed, but because the repair of roads was considered by the then Vice President as of secondary importance—

2ndly There is nothing in the act to show that it is the intention of the legislature that the whole of the income from tolls should be expended on roads alone, on the other hand from section 38 it would appear that it may be expended on any of the purposes of the act. Government themselves have been paying the contributions for 5 years since

Since the establishment of the municipality although the entire income from tolls was not expended on communications alone

3dly It is true that Negapatam is a depôt for sea-borne trade but it is not true that on this account it is in a better position in regard to tolls than other inland towns of the same size and population. In fact, a sea port is at a disadvantage in this respect and at Negapatam the principal traffic is carried on by Railway and the salt brought down by the Canal pays no toll to the municipality

4th The maintenance of Road no 36 is very expensive and requires an allowance of nearly Rs 1000 a mile

5. These arguments do not seem to establish the right of the Commissioners to

to the Contribution from Local Funds which they have applied for. Mr Stokes has doubtless conclusively shewn that the income from tolls derived by the Negapatam Municipality is much less than the income derived from the same source by other towns of about the same size and population, and that the maintenance of the road is very Expensive, but this does not amount to proving that any deficit in their income should be made good by a Contribution from Local Funds. There is nothing in the Act, it is true, which lays down imperatively that the income from tolls should be Expended on roads alone, but it is evidently only reasonable that Each particular class of tax-payers should have their particular requirements attended to out of the tax they pay before it is

applied for other purposes. Mr Stokes observes that Government have been paying the maintenance for 5 years after the Municipality was formed. But the reason for this is the fomed in the distinction made by the old and new Municipal Act regarding the liability of the Commissioners to maintain roads situated within the limits of their town. Under Section 11 of the old Act all thorough-fares Except such as were private property or were repaired and kept under the Control of Government were to be considered the property of the Commissioners and to be maintained from Municipal Funds. Road no 36 was at the time under the Control of the Government and when the Commissioners undertook to have charge of it, they stipulated with Government that the maintenance allowance

allotted to it should be paid to them and this was allowed in G. O dated 11th May/07 no 1438. P. W. Dept. Under section 13 of the new Act, however, all public Streets which terms includes all the roads and thorough-fares are to be considered the property of the Commissioners, and if it is desired to exempt any road from the operation of the Act, it should be done by a Govt notification. It therefor clearly follows that the maintenance of the roads situated within the municipality to the extent of their mean is now a duty Cast upon them by law: and no Contribution is therefor claimable by them on this account save under the very Exceptional circumstances Contemplated in Section 27 of the Local Funds Act

10. The only ground on which the Assistance of the Local Fund Board can

Can at all be claimed by the municipality for Road no 36 is that the Traffic of the Circle passes over the road in question but it is clear that it is this traffic that pays the toll and it can not be said that the amount of this tax is less than the sum required for keeping the road in good order.

11. It must also be observed that no Contribution is paid by the Commissioners to the Local Fund Board towards maintaining the roads out side the limits of the municipality and no toll is levied by the Local Fund Board on traffic leaving the town

12 Mr Stokes states that if allowed to Collect tolls from Carts leaving the Railway yards and from Salt boats at a rate — Calculated on their Capacity Compared with that of Carts and to have a share of

the Port Fund the Municipality will be content to give up claims to aid from the Local Fund Board. This proposal is clearly untenable. To levy a toll on Carts leaving the Railway yards which are situated within the limits of the Municipality will be altogether Contrary to the provisions of the Municipal Act and before the Commissioners put in a claim for levying a toll on Salt boats or to have a Share in the Port Fund they will have to undertake the maintenance of the Salt Canal and the improvement of the Negapatam harbour and if they do so. they will find that their financial position will not be bettered by the arrangement.

13. Though I Can not admit that the Commissioners have any <u>claim</u> to aid from Local Funds on account of road no 36

Still as the road Extends to nearly 6 miles within the Municipality and passes through a portion of the town which does not pay much in the way of taxes to the Commissioners and as the Local Fund Board have already agreed to pay Rs 3000 per annum and looking to the present reduced income of the Municipality I would not have objected but I have just now learned that the Commissioners in order to make good the deficit Caused in their income by the abolition of the Professional Tax as ordered by Government with the view of lightening the pressure of local taxation propose to levy the tolls for the Coming year at double the present rates, or in other words, at the maximum rates allowed by law. This must have the effect of raising the amount of tax paid by the Traffic of the Circle when entering the town to double the present amount. Under these Circumstances

I Can not recommend that the claim of the Commissioners should be allowed

As this matter Concerns both the Local Fund Board and the Municipality I have made this reference through the Board of Revenue instead of direct to Government as I originally intended

I have the honorable

Sir

Your most obedt Servt

(Signed) D Arbuthnott

President

(True Copy)

D Arbuthnott

President

1874. Department.

Enclosure No 5
In a letter

From

The President
Municipal Commissioners
Tanjore District

To

The Chief Secretary
to Government
Madras.

Dated 10th March 1874
Recd " 13 "

No 31.

Rate with
Proceedings
13 March 74
No 691

Copy of Local Fund Board
President's letter dated 11th
March 1874 No 55.
F.C. 586/74

Municipal Commissioners
Office Negapatam August
1873.

No 144.

From

C. W. W. Martin Esqr
Vice President Municipal Commrs
Negapatam

To

The Honble D. Arbuthnot
President Municipal Commrs
Tanjore District

Sir,

I have the honor to request that you will lay before Government the accompanying resolution of the Negapatam Municipal Commissioners concerning the market which they wish to build.

2. The original proposition was to spend Rs 12,000 on a market but when the requirements of a Municipality containing 50,000 inhabitants were fully considered a plan such as that enclosed was found to be necessary and the cost is estimated at Rs 18,800 or Rs 24,330 according as the building is brick in mud or brick in Chunam.

3. The present resolution adopts the

the more expensive because the more lasting material and askes for a Government loan of Rs 20,000 to be paid with interest in five years, to Supplement the Rs 6,000 which they had set apart this year and of which Rs 1600 add have been expended in purchasing and levelling the houses on the Selected Site.

4. The Commissioners have requested me to state that they considered carefully the Suggestion of Government that the market project should be postponed to that of the water Supply, but that as it appeared plain to them that both projects must be executed out of loans they have determined that it is more advisable to proceed first with the remunerative project of the market with the expectation of obtaining such a profit as will make the interest on the larger loan necessary for the water Supply fall more lightly upon

upon them. They also think that their experience justifies them in calculating that the preliminaries to the adoption of a water Supply Scheme and to the commencement of operations after its adoption are sufficiently numerous to make it certain that a demand for funds on account of the water Supply will not be made on them for nearly three years. They think it undoubted that the market will meanwhile have become a profitable concern. And that by economy and foresight they will be able in the fourth and fifth years to provide for the payment of instalments on the new loan for the water Supply as well as for the two last instalments for the market.

5. It may have escaped the notice of Government that particular attention is being constantly given to the improvement of the water in Nagapatam. The Municipality own a Steam pump which is at work the greater part of the year emptying tanks

and

and Municipal Funds. are liberally employed in cleansing the empty tanks; this must have greatly improved the quality of the water and the wants of the people having been thus to some extent — attended to in that respect the Commissioners wish now to improve the food supply by getting it to flow through a properly regulated market.

6. Mr. Commissioner Smith has made the following calculations regarding the actual charges which will fall on the Municipality in connection with the market and the receipts which may be expected from the market;

1st Instalment on loan	Rs 4000	+ interest 12 mos	on Rs 24,000	=	Rs 5760
2nd	Do	Do	Rs 4000	+	Do	Do	on Rs 16,000	=	Rs 4800
3rd	Do	Do	Rs 4000	+	Do	Do	on Rs 12000	=	Rs 4560
4th	Do	Do	Rs 4000	+	Do	Do	on Rs 8000	=	Rs 4320
5th	Do	Do	Rs 4000	+	Do	Do	on Rs 4000	=	Rs 4200

Total charges in connection with proposed loan Rs 24,000.

Basing —

Basing the calculations on rents and fees at a lower rate than those now paid by tradesman in other parts of the town, the receipts from the market should be, —

Rental of 68 Stalls measuring
10×10 at 2 Rs each per Mensem.
2×12×68 ——— Rs 1632 — —

Fees from vegitable Pandals
(4 measuring 72'×21' each)
at Rs 80 per mensem ——— Rs 960 — —

Fees derived from meat
Stalls measuring 181×48
at Rs 50 per mensem ——— Rs 600 — —

Total Rs 3192 — —

Deduct estimated cost of establishment.

1. Sergeant	Rs	30	
1. Conicapilly	"	20	
1. Do	"	10	
2. Peons	"	14	
4. Sweepers	"	20	
Contingencies		6	
		100	1200 — —

Balance 1,992 — —

This

This leaves Rs 16,000 odd to be provided from the Municipal Funds of the next five years. The figures upon which this result is obtained are believed to be well within the mark and the cost of establishment is probably above what is required.

8. If this calculation can be at all depended on the Municipality will, at the end of five years, be in possession of a property in this market paying a clear profit of over eight per cent after paying all charges on account of establishment and upkeep and the Commissioners submit most respectfully that such a profit will be an important addition to the funds of the Municipality.

I have &c

[Signed] C. W. W. Martin
Vice President

[True Copy]

A. Arbuthnott
President

W/29

Extract from the Proceedings of the Municipal Commissioners, Negapatam, dated 12th August 1873.

"Proposed by Mr. F. Oliver that the extent of accommodation to be provided in the new market be considered and settled."

"The Commissioners decide that it is desirable to build a solid edifice in brick and Chunam. An application will be made to Government for a loan of Rs 20,000 (Twenty Thousand) to be repaid with interest in five years."

[Signed] C. W. W. Martin
Vice President

[True Extract] A. Arbuthnott

President

29/80

Abstract Estimate,

Tanjore District

Negapatam Taluq.

Work — Constructing a Public Market for the Negapatam Town.

Quantity	Description of materials	Rate Rs.	as.	p.	Item	Amount Rs.	as.	p.
115,253	Cubic feet of brick in clay.	"	1	9	C. ft	11,512	"	9.
58,786	Sqre feet of plastering	1	8	"	Sqre	881	12	7
28,824	Sqre feet of roofing	16	"	"	Do	4608	8	"
341. 7/8	Cubic feet of Country wood	1	4	"	C ft	427	5	6
68	Doors with iron work complete	12	"	"	Each	816	"	"
2	Do ——— Do ———	30	"	"	"	60	"	"
2	Do ——— Do ———	20	"	"	"	40	"	"
1862	Cubic Yards of Earthwork	"	1	"	C Yd	116	7	"
2	Wells	100	"	"	Each	200	"	"
	Scaffolding & Sundries	"	"	"	"	137	14	2
	Total Estimate Rupees					18,800	"	"

[Signed] C. W. W Martin
Vice President

(True Copy)

D K Cuthewell
President

Abstract Estimate 51/ 31

Tanjore District

Negapatam Taluq.

Work. Constructing a Public Market for the Negapatam Town.

Quantity	Description of materials	Rate	Item	Amount.
105253	Cubic feet of Brick in Chunam	" 2 6	Cft.	1644 8 "
58736	Sqre feet of Plastering	2 " "	Dº.	1175 11 6
28824	Sqre feet of Roofing	16 " "	Dº.	4608 8 "
341 7/8	Cubic feet of Country wood	1 4 "	Cft.	427 5 6
68	Doors with iron work complete	12 " "	Each	816 " "
2.	Dº. Dº.	30 " "	"	60 " "
2.	Dº. Dº.	20 " "	"	40 " "
1862	Cubic yards of Earth work	" 1 "	Cyd.	116 7 "
2	Wells	100 " "	Each	200 " "
	Scaffolding and Sundries	2 " "	cwt	471 8 "
		Total Estimate Rs		24330 " "

/Signed/ C. W. W. Martin
Vice President

/True Copy./

S. K. Bathwott

President

1874 Department

Enclosure No 6 in a letter

From the President
Munl Comrs
Negapatam

To
The Chief Secretary to Govt.
Fort-Saint-George
Madras

Dated 11th March 1874

No 31.

Copy of the Vice Presidents
letter of August 1874 No 144
with 2 Estimates & 1 Plan
regarding the erection of a
Market at Negapatam

Pros 26th June 1879 in L 229 —

P. 586/74

Statement I. Revenues and Receipts of the Municipal Fund
of Negapatam during the official year 1874/75.

		1874-75			Probable Receipts for 1873-74.
		Details of minor heads		Total of major heads	
		Rs	As P	Rs As P	
1	Balance brought forward			2700 " "	8124 " "
	(a) Municipal Fund	2700 " "			
	(b) Endowments	" " "			
2	Assignments and allotments by Govt.			270 " "	270 " "
	(a) Surplus Pound Fund	270 " "			
	(b) Ferry Rent	" " "			
	(c) Fishery Rent	" " "			
		Arrear / Current			
		Rs As / Rs As			
				36.884 " "	34.100 " "
3	Rates and Taxes &c				
	(a) Rates on Houses &c (Sec 40)	300 " "	10570 " "	10870 " "	
	(b) Taxes on articles (Sec 57)	700 " "	" " "	700 " "	
	(c) Taxes on Vehicles &c (Sec 63)	" " "	1400 " "	1400 " "	
	(d) Registration of Carts (Sec 75)	" " "	1300 " "	1300 " "	
	(e) Tolls (Sec 77)	" " "	21.000 " "	21.000 " "	
	(f) Fees (Sections 106, 123, 125, 130, 131, 136, bye laws & Schedule A	" " "	1400 " "	1400 " "	
	(g) Magisterial fines.	" " "	214 " "	214 " "	
4	Fees on Schools & Training Institutions	" " "	" " "	" " "	
5	Endowments & Sundry Contributions and donations			196 " "	2564 " "
	(a) Hospital Interest on funded Capital	— 196 " "			
	Appropriation from funded Capital	" " "			

(b) Chowltries	"	"	"				
(c) Educational	"	"	"				
(d) Miscellaneous	"	"	"				
6. Contributions from Local Fund				4450	"	2615	
(a) For public Works							
Communications	3000	"	"				
School buildings	"	"	"				
(b) Educational							
For training Schools	"	"	"				
(c) Miscellaneous							
Hospital	1450	"	"				
7 Miscellaneous				500	"	1677	
(a) Rent on Municipal market	"	"	"				
(b) Rent & fees in Muni. Slaughter houses	"	"	"				
(c) Sale of Licenses (Sec 98)	400	"	"				
(d) Private Scavenging	"	"	"				
(e) Sale of Materials & Boats & Carts	"	"	"				
(f) Arrears	50	"	"				
(g) Rent on Municipal land	50	"	"				
8. Advances recovered	"	"	"				
Total	45.000	"	"	45.000	"	49350	

Note to Statement I

1. House and land rates are levied at 4 per cent
2. Taxes on Vehicles &c are levied at the maximum rate in Schedule C
3. Carts are registered at the maximum rates in Section 75
4. Tolls are levied at the maximum rates of Schedule D.
5. License fees are levied at the rates sanctioned in G.O. No 179 dated 20th February 1867 and G.O. No 1041 dated 25th August 1868

Statement showing the Actuals for 1867-68 and the Budget Estimate for 1868-69 of the Municipal Commissioners for the City of Madras

Name of Institutions	1	2	3	4	5	6	7	8	9	10	11	12	13
	Amount of Assessed Property	Amount of Taxes	Charges for Collection	Contributions & donations of Funds	Interest on Deposits from Cantonments	Interest on Investments	Miscellaneous Receipts	Total Receipts under Heads 1 to 7	Amount allotted for Public Works	Amount allotted for Public Institutions	Grand Charges (Abstract II & III)	Total Charges (Column 3rd)	Balance
1. Hospitals & Dispensaries	4896	"	"	"	"	"	"	"	"	"	"	"	"
2. Education	"	"	"	"	"	"	"	"	"	"	"	"	"
3. Miscellaneous	"	"	"	"	"	"	"	"	"	"	"	"	"

Statement II

Expenditure from the Municipal Fund of the Town of Negapatam for the official year 1874-75.

	1874-75. Detail (minor heads)		1874-75. Total (major heads)		Probable expenditure of 1875-76	
	Rs	A P	Rs	A P		
Grant I (Public Works)						
1. New Works			7200	" "	7800	"
(a) Communications	"	" "				
(b) Educational	"	" "				
(c) Sanitary & Miscellaneous	7200	" "				
2. Repairs			10650	" "	8000	" "
(a) Communications	10300	" "				
(b) Educational	"	" "				
(c) Sanitary & Miscellaneous	350	" "				
3. Establishment	2976	" "	2976	" "	3300	" "
4. Tools & Plant, Contingencies	100	" "	100	" "	150	" "
5. Contribution to Local Fund	"	" "	"	" "	"	
Total Grant I	20926	" "	20926	" "	19250	"
Grant II (Education)						
1. Training Schools	"	" "				
(a) Establishment	"	" "				
(b) Contingencies	"	" "				
2. Municipal Schools	"	" "				
(a) Establishment	"	" "				
(b) Contingencies	"	" "				
3. Salary Grants	"	" "				
4. Result Grants	650	" "	650	" "		
5. Contributions to Local Fund for Educational Inspector	350	" "	350	" "	2740	" "
6. Miscellaneous	"	" "	"	" "		
Total Grant II	1000	" "	1000	" "	2740	" "

Grant III. Sanitation & Medical Services					3188	" " 3967 " "
1. Hospitals and Dispensaries						
(a) Establishment	2238	" "				
(b) Medicines & Supplies	500	" "				
(c) Diet of patients	250	" "				
(d) Sundries and Contingencies	200	" "			200	" " 230 " "
2. Vaccination						
(a) Results fees	200	" "				
(b) Contingencies	"	" "			444	" " 444 " "
3. Register of Births and Deaths						
(a) Establishment	444	" "				
(b) Contingencies	"	" "			12414	" " 12236 " "
4. Conservancy						
(a) Establishment	4650	" "				
(b) Sanitary Service						
12 Carts with bullocks for removing rubbish at 315 Rs per annum	3780 Rs					
11 Pair of bullocks for removing night soil @ 165 Rs per annum	1980		5760	" "		
(c) Cleaning of tanks wells and drains	1800	" "				
(d) Rent for latrine site	54	" "				
(e) Killing snakes and dogs	150	" "				
Total Grant III	16246	" "	16246	" "	16877	" "
Grant IV Miscellaneous Municipal Purposes.					3692	" " 4073 " "
1 Lighting						
(a) Establishment	780	" "				
(b) Contingencies oil &c	2912	" "				
2 Markets	"	" "				
(a) Establishment	"	" "				
(b) Contingencies	"	" "				
3 Choultries	"	" "				
(a) Establishment	"	" "				
(b) Contingencies	"	" "				
(c) Feeding Travellers	"	" "				
4. Watering Streets and Planting avenues	300	" "	300	" "	350	" "
Total Grant IV	3992	" "	3992	" "	4423	" "

Grant V Superintendence & Management								
1. Office				2466	..	..	3000	
(a) Establishments	2436	..	..					
(b) Contingencies	30	..	..					
2. Miscellaneous				370	..	..	360	
(a) Printing forms	170	..	..					
(b) Stationery	50	..	..					
(c) Auditor's allowance	150	..	..					
Total Grant V	2836	..	..	2836	..	..	3360	
Advance recoverable	..	..	..					
Refunds other than Current taxes	..	..	..					
Grand Total Expenditure	45000	..	..	45000	..	..	46630	
Balance								
(a) Municipal Funds								
(b) Endowments								
Total	45000	..	..	45000	..	..	46630	

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Statement II A

Detail of allotment for Expenditure on the public Works estimated to Cost Rs 100 or upwards.

Part I New Works.

Project	Amount of Estimate	Cost Expenditure	Expenditure in 1874/75	Remarks
(a) Communications	..	..	..	
1.				
2.				
3.				
4.				
Petty works & Reserve	..	..	..	
Total	..	..	..	
(b) Educational	..	..	..	
1				
2				
3				
Petty works & Reserve				
Total	..	..	..	
(c) Sanitary & Miscellaneous				
1 Market	..	3800	5200	
2 Beach improvement	..	..	2000	
3.	..	..	..	
Petty works & Reserve	..	..	..	
Total	..	3800	7200	
Grand Total	..	..	7200	

Part II Repairs

(a) Communications	10,300	Road - 36 Perennial Coal road, bazaar road, Powder magazine road, Durga Road Sub Collectors Cutchery road, are about 12 miles in length.
1.		
2.		
3.		
Petty repairs & Reserve		
Total	10,300	
(b) Educational		
1		
2		
3		
Petty repairs & Reserve	"	
Total	"	
(c) Sanitary & Miscellaneous		
1 Dust boxes	150	
2 Latrines	200	
3	"	
Petty repairs & Reserve	"	
Total	350	
Grand Total	10,650	

Statement II B. 95

Detail of Municipal Establishment

	No	Salary per mensem	Salaries per annum	Total for heads
Grant I Public Works				2976
Overseers	1	25 " "	300 " "	
Maistries	1	20 " "	240 " "	
Road Coolies	46	203 " "	2436 " "	
Total	48	248 " "	2976 " "	
Grant II Education				"
1 Training Schools	"	" " "	" " "	
Masters	"	" " "	" " "	
Clerks	"	" " "	" " "	
Servants	"	" " "	" " "	
Total	"	" " "	" " "	
2 Municipal Schools				"
Masters	"	" " "	" " "	
Clerks	"	" " "	" " "	
Servants	"	" " "	" " "	
Total	"	" " "	" " "	
Grant III Sanitation and Medical Services				2238
1 Hospital & Dispensaries				
Medical Subordinates	1	145 " "	1740 " "	
Servants	7	41 8 "	498 " "	
Total	8	186 8 "	2238 " "	
2 Vaccination				"
Vaccinators	2	Results fee.		
Peons	"	" " "		
Total	2	" " "	" " "	

3. Registration						
Registrars	3	37	" "	444	" "	
Peons	"	"	" "	"	" "	
Total	3	37	" "	444	" "	
4. Conservancy						4620
Overseers	3	102	" "	1224	" "	
Conservancy	"	"	" "	"	" "	
Peons	4	28	" "	336	" "	
Scavengers	"	"	" "	"	" "	
Dotties	43	213	8 "	2562	" "	
Watchmen	5	24	" "	288	" "	
Serang	1	20	" "	240	" "	
Total	56	387	8 "	4650	" "	
Expant IV Miscellaneous Purposes						
1. Lighting						780
Inadalegies	13	65	" "	780	" "	
Total	13	65	" "	780	" "	
2. Markets						
Superintendent	"	"	" "	"	" "	
Servants	"	"	" "	"	" "	
Total	"	"	" "	"	" "	
Expant V Superintendence & Management						
1. Office						2436
Manager	1	85	" "	1020	" "	
Clerks	3	50	" "	600	" "	
Accountants	"	"	" "	"	" "	
Peons	3	21	" "	252	" "	
Tax Collectors	4	40	" "	480	" "	
Munshi	1	7	" "	84	" "	
Total	12	203	" "	2436	" "	

D K Lathwott

President

1874 Department.

Enclosure No 1

In a letter

From

The President

Municipal Commissioners

Tanjore District

To

The Chief Secretary to

Government, Madras.

Dated 11th March 1874

Rect 13th ditto

No 31.

From 26th June 1874 to 22nd

Statement shewing the Budget Estimate of Receipts & Expenditure of the Negapatam Municipality for the year 1874-75.

Pr. 586/74

101 5

Tanjore Presidents office

Vellam 22nd January 1874.

No 14.

From

The Honorable D. Arbuthnott

President. Municipal Commission

Negapatam

To

The Vice President

Municipal Commission

Negapatam

Sir,

With reference to the Budget estimate forwarded with your letter of the 19th December 1873 No 231. I have the honor to request information as to why an increase under the head of income from the tax on houses &c and a decrease under that of Registration of Carts, license fees and magisterial fines are expected.

2. Adverting to the proposal of the Commissioners to levy the tolls at the maximum rates allowed by the Municipal Act, I beg to refer

refer you to the Proceedings of Government dated 31st March 1871 No 486 from which you will observe that Government will not at all listen to the proposal. The object of Government in abolishing the Professional Tax was to reduce the amount of taxation, and this would certainly be defeated if the decrease in the income caused by the Professional Tax is to be made good by increasing another and perhaps a more obnoxious one.

I request therefore that you will ask the Commissioners to revise the Budget and reduce the expenditure. (Vide G. O. dated 3rd June 1873 No 7671).

3. Referring to Statement II. A. I observe that a lump sum of Rs 10,300 has been entered for repairs to Communications. I beg to draw your attention to the order of Government dated 29th May 1872 No 632 Financial Department, that the details of this expenditure may be given in full in regard to this item and

and that maintenance allowances may as far as possible be assigned for the principal thorough fares.

4. In Statement II B Grant III, fuller particulars as to the description of servants employed on the Dispensary Establishment and the monthly remuneration of each should be given.

5. I further observe that no provision is made in the Budget for charges on account of a Hospital assistant. It is very likely that a Hospital Assistant will be sent by the Surgeon General as soon as a reference lately made by him is answered; and I think, therefore some provision must be made for meeting that charge unless the Commissioners have abandoned their plan of establishing a dispensary at Nagar. While on this subject, I beg to remind you of my

my docket No 5 on letter from the Surgeon
General dated 18th December 1873 No 7664 and
request an early reply thereto.

6. I return the statements and
request that they may be revised and for-
-warded to me without delay.

I have the honor to be
Sir
your most obt Servant
Lt. D. Arbuthnott.
President.

[Same Copy]

D Arbuthnott
President.

Print 3 June/73 Nos 5-6-01
—"— 29/10/73 —"— 239-240.
—"— 28 Nov/72 —"— 93-94

1874 Department

Enclosure No 2 in a letter

From The President
Municipal Comr
Negapatam

To The Chief Secretary to Govt.
Fort Saint George
Madras

Dated 11th March 1874

No. 31

Copy of the President's letter
of 22nd January 1874 No. 14.

Prov. 26 June 74 No 229

Ft. 5-86/74

107/ 1

Tanjore Presidents office
Vallam 11th March 1874.

No. 31

229

From

The Honorable D. Arbuthnott
President Municipal Commissioners, Tanjore District

To

The Honorable D. F. Carmichael
Acting Chief Secretary to Government
Fort Saint George, Madras

Sir,

I have the honor to forward herewith the Budget Estimates of Receipts and Expenditure of the Negapatam Municipality for the year 1874-75, in the forms prescribed in Government Order dated 27th October 1871 No 1646.

2. From Statement I it will be seen that the gross Receipts of the Municipality have been estimated at Rs 46.000, a gainst Rs 51.660 during the current year. The decrease is attributable partly to the abolition of the Professional Tax during this year and partly to

to a diminution in the income from other sources excepting the House Tax and the Tolls. The Commissioners have estimated the income from the House Tax at Rs 10,870 or Rs 2,070 over the current year's estimate. The increase is attributed to the contemplated revision of the assessment which would appear to have been made very imperfectly. The Commissioners propose to dispense with the Professional Tax for this year in accordance with the order of Government dated 3rd June 1873 No 767; but in order to make good the deficit in the receipts thereby caused, they request permission to levy tolls at double the present rates, i.e. the maximum rates allowed by law and have accordingly entered in their Budget an income of Rs 21,000 under this head. I pointed out to the Commissioners in letter dated 22nd January 1874 No 14 (copy of which is enclosed) that the object of Government in abolishing the Professional Tax is to lighten the pressure of local taxation, and that that object would be defeated if the tolls were to be levied at double the present rates and I requested them to make up the deficit by reducing the expenditure. The Commissioners however state that they have made all possible reductions in the expenditure and that further reductions are impossible, and have desired me to submit the budget as originally framed by them for the orders of Government which I have accordingly done. I must however state it as my opinion that where the choice lies between continuing the Professional Tax and increasing the rates of Tolls, the former alternative should be preferred. We do not know to what extent the increased rates of tolls may affect the traffic of the country, and as this tax also falls

x Letter from the Vice President dated 12th February 1874 No 261. Copy Enclosed

falls on the traffic of the Negapatam Circle, the Local Fund Board may have cause for complaint. As regards the Professional Tax there is at least the advantage of the people being accustomed to it.

3. The only other item of receipt that calls for any remark is the sum of Rs 4450 entered under the head of Local Fund contributions; of this the amount of Rs 1450 is the increased contribution to the Municipality sanctioned by the Negapatam Local Fund Board for the maintenance of the Dispensary at Negapatam from 1874-75; and the remaining sum of Rs 3,000 is for the maintenance of the road No 36. Although Government have expressed it as their opinion that no contribution ought to be given from the Local Funds on account of road No 36, the Commissioners think that they are entitled to the contribution and have in the accompanying

letter of the Vice President requested me to refer the matter again to Government. I do not think that the reasons adduced by the Commissioners are valid and have submitted the matter for the consideration of Government through the Board of Revenue. I beg to enclose a copy of my letter to the Board on the subject.

4. The Commissioners propose to undertake only two new works during this year, viz^z. the construction of a market for which a sum of Rs 5,200 has been allotted and the improvement of the beach which is estimated to cost Rs 2,000. With reference to the latter work I beg to state that as it is a long standing complaint that the timber yards and other buildings intervening between the sea and the beach road obstruct the sea breeze and are a source of nuisance, the Commissioners want to keep the sea face of the town clear

clear by removing the buildings. The lands on which most of these are situated are waste lands belonging to Government and rented out to private individuals, and the Commissioners desire to be put in possession of them together with certain other pieces of assessed lands (both Government and private) lying along the line of the road on the east. I shall do myself the honor of addressing Government shortly through the Board of Revenue on this subject.

5. Although it was the wish of Government as expressed in para 2 of the Government Order dated 3rd June 1873 No 767 that no new project should be undertaken by the Commissioners before the water supply of the town is provided for, the Commissioners propose to construct the market first for the

4

the reasons stated in the accompanying copy of the Vice Presidents letter dated – August 1873 44

The work is estimated to cost Rs 24,000 to meet the bulk of which a loan of Rs 20,000 is asked for by them from Government to be repaid with interest in five annual instalments. The plan and the estimate of the market is herewith sent for the inspection of Government. The formal application prescribed by the rules for the loan will be submitted shortly. If however, the continuance of the Professional Tax or the increase in the rates of Tolls be disallowed, the execution of these works will have to be postponed till the finances of the Municipality are in a more flourishing condition and admit of such large expenditure.

I have the honor to be, Sir,
your most obt. Servant
J K Cullenoth
President.

Dated 26th June 1874

1874 Mail Despatched

From

The President
Municipal Commission
Negapatam

To

The Chief Secretary to Govt.
Fort St. George
Madras

Dated 11th } March 1874
Rec'd 12 }

No 31 Enc. 6

No 586

Submitting the Budget Estimate of Receipts & expenditure of the Negapatam Municipality for the year 1874-75.

Rec'd 10th March 1874

Answered

No 230.—

115 37

Budget of the Negapatam Municipality for 1874/5

The Comrs had an income in 1873/4 - the year just Ended - of Rs 57.660 - of which Rs 6000 were a balance from the previous year & Rs 14.000 were derived from the Professional Tax.

In the current year they estimate their income at Rs 45.000 - Their demand balance only 2700 & the [illegible]

was [illegible] that the Jail Drill

Jany - if thirty Rs continued rate
entail a loss of Rs 13.300 - and
a loss of Rs 5170 is anticipated
from other items - the entire deficit
being thus Rs 21.770 - On the other
hand the Cmr. forbears reducing
the valuation of House Property
said to be very underrated - and
thus to gain Rs 2070 - they wish
to raise their Tax to the maximum
thereby adding Rs 11.100 to their income -
They claim an additional grant for
Roads from the L. F. Board of

Rs 1830 - and extent Rs 110 from
Petty sources - The increase is thus
Rs 15.110 against the deficit
of Rs 21.770 - the net result
being that the Cmr.s of the
Budget is accepted with have
an income in 1874/5 less by
Rs 6.660 than they had in 1873/4.
They have planned their
expenditure accordingly.
The charge for their works is Rs 7200 -
of which Rs 5200 is for an
new Market. The Cmr.s think
them clearly that this is a very

Wild means that the Jungle

desirable investment. I
think it will be fairly remu-
nerative - I think however that
it should be ascertained by means
of a loan - and this item may
therefore be omitted - as interest
on the loan will be met from
in the current year. The other
items of the Budget are subject
to the reduction - & the
expenditure of the year - in
other words the revenue Rs raised
will then be Rs 39.800. or Rs 11800
less than that of last year.

39/179

7/ There can be no objection to the
principle of the valuation of Under
Security - but the Municipal to
decide the title seems to me quite
out of the question - Very a portion
is the fruit of the Tampin District.
and has only about 12 ~~acres~~ kilos
of land to back it. All the
land leading to it are kept
up by the Local Fund Boards.
and if higher title can be
created - without the inquiry to

trade, the difference should
in simple Equity go to the Road
Board which has to
make & maintain the
many miles of road which
converge at Kyafutaura. As
it is, the Cmrs. raise a very large
portion of their
revenue from
this source.
If their link
be completed both, they will abut

Hawk Tax.	10.870	
Vargan Vehicles.	2700	
Fees ——	1400	
	14.970	
Tolls	9.900	

of course by tolls thus by also thus
other taxes - leaving the L. F. Board
to bear all the Expenses of the
roads they tolls - Retaining the
Tolls at their present rate, the
receipts will fall below the
Expenditure by Rs 5.9.00
and I see no way of making
the deficiency good except by
raising the Hawk Tax - into
at the low rate of 4 f. cent
or partially retaining thus
Protection at Tax. 76 Native
Cmrs

Cond^r of it & the former. but
I would leave the Cond^r to decide.
Even if the whole deficit be
made good by partially retaining
the Profession Tax, there will still
be a relief from taxation to
the Extent of 600/- I prefer the
arrangement which will allow
the former Chiefs for time being
to remain as they are.

The Legislative Contribution
for work No 36 from the L. F. Dpt.
the Cond^r should state how much
they realise from the title in that Dpt &
what it will be then for maintenance.

S. O. & L. 1073.74.

S. O. S.
2/5

123

No B No 232

No 2./

The Revenue must of course
go to H. E. the Com^r will keep
as decided by His Lordship.

In his minute his
Lordship accepts the esti-
mate of Expenditure as revised
by me - viz Rs 39.800/- The Re-
venue of the Municipality -
I suppose that, as his Lordship
professes, the Hon^ble Jay remains at

is a place of rising importance.
Sea borne
Imports trade in 1872/3 was valued
Imports — 1952860 } at Rs 58.61.612 -
Exports — 3908750 } which is I submit,
quite enough to show that
the tolls levied really are in
a great measure a transit
duties - and to form a portion of
the declared policy of the Govt
pt. But even if they could
be increased without
in principle a blocking trade I
do think that such increase is

its present rate & the
Govt: Jury is shortly
abolished, while the duty Rs
30.030. so that to make good
the difference it will be necessary - or his Excellency
plan to increase the rate,
of Tolls so that they should
yield Rs 19 870 - instead
of, as they now do, Rs 9900.

Ratnagherry is the port
of the Ratnagherry District - and

right fully belong to the Local Board. who have to make & maintain all the roads which are thus titled. I do not see how we can call an Octroi - the distinctive feature of the latter being that it is levied on articles introduced into a town for local consumption. Whereas on Tolls levied on any thing that enters, and on the Levant town like Kapodistria

2/ in any commodities must. of necessity be first taken to land on to the town Nearly to wharf which conveys the / his property which carries it subject to. them away - In respect to Tolls also. not commodities Tolls are manifestly a tax on it "octroi". This distinction I set on the description of Tax while shortly come under consideration on its merits & I need not then -

means what the purpose

therefore Directs it here.

I can by no means assent
to Municipalities levying
Tolls, and applying the proceeds
to Municipal purposes - but
I consider that the claims
of the Local Road Boards must
also be considered - as the
Existence of the Roads titled
falls entirely on them - and
that a Municipality should

not be allowed to levy tolls
this kind of taxation. the Legislature can in some of Bridges
it is my opinion
on Roads as the Municipality
Municipality should, in justice to
other interests be allowed to
raise & appropriate Revenue
this source - Other our purposes -

With these remarks
I leave the Question at issue
to the decision of H.E. the
Gov. in Chief.

I do Sir 12/5

B No. 231.

No 230-232

S.O. No. 1073-74.

No. 231.

Jujapatam Municipality

orders are requested on the following points

1) Is the Profession tax to be disallowed in toto? In the budget for 1873-74 the receipts from that tax were estimated at Rs 14 000 out of a total income of Rs 51660. The expenditure shown in the estimates for 1874-75 is Rs 45 000 against Rs 51660 and the Commissioner thinks inability to realize the

Is the proposal to double the rates of toll to be sanctioned?

It is only by this means that the Municipality

The actual expenditure in this Municipality for 1872-3 was only Rs 43230. 1. 2. less than the estimated expenditure for 1874-5. Rs 1760. They are also keeping down establishment and their contention is that the establishment is sufficient. And on the contrary (2) ending 31st March last, was less than they spent in 1872-3, I contend that I should be allowed to levy a Profession tax. WLL

be available for the expenditure above-mentioned if the profession tax be disallowed. The President states that if the two Boards recommend the retention of the profession tax.

3/ Is a contribution from the Local Fund Board for roads to be allowed. Its cessation was directed in the order revising the Budget for 1872-73. The arguments for and against are fully stated in the printed Boards Proceedings pub. ups. - the Board of Revenue agree with the President and think that the contribution should not be allowed. It is to be noted however that the President would not have objected to the contribution if the two proposed local Boards, they would have only (supplying the rest of the Budget Grants as it is) only Rs 33900 to spend for 1874-5. But, on the other hand, proposed Market Rs 5200 paid in lieu (and in like cases) an Municipal increasing item of Receipt (see separate paper) 1873-74 1874-75

	1873-74	1874-75
Balance	6000	2700
Surplus Local Fund	250	270
Rates on Houses	8800	10870
Tax on arts	14000	700
Tax on Vehicles	1400	1400
Registration of Carts	1700	1300
Tolls	9900	21000
Fees	1600	1400
Fines	900	214
Endowment receipts	4080	196
Contribution from Local Funds		3000
Roads	1200	1450
Hospitals	1420	500
Miscellaneous	410	
	51660	45000

Expenditure

	1873-74	1874-75
Public Works		
New Works { Communications	11760	7200
New Works { Miscellaneous		
Repairs { Communications	7200	10300
Repairs { Miscellaneous	350	350
Establishment	2904	2976
Tools & Plant	100	100
	22314	20926
Education	950	
Salary Grants	700	650
Result Grants	350	350
Inspection		
Sanitation	4900	3188
Dispensary	200	200
Vaccination	444	444
Registration of Births &c	14660	12414
Conservancy	3280	3692
Miscellaneous { Lighting		
Miscellaneous { Markets	222	300
Miscellaneous { Watering Streets &c		
Superintendence & Management	3640	2836
	51660	45000

Is the application for a loan of Rs 20000 for the erection of a Market to be sanctioned?

H.T.-

The estimated increase under Rates on House is due to a proposed revision of assessment.

If both be continued at last years rates and the contribution from Local Funds disallowed there would then be a Decrease of Rs 20160 of which however Rs 9060 would be independent of the abolition of the Profession Tax, thus

Decrease in		
Opening balance	= Rs	3300
Appropriation from Budt Capital		3960
Repetation of Carts		400
Fees		200
Local Fund Contribution		1200
		9060

The decrease under Fees is due to the abolition of the Profession Tax.

As the Budget stands there is a decrease of Rs 6660 which the Commissioners propose to adjust as follows

Decrease under		
Head Office - Miscellaneous	Rs	4560
Salary Grants		950
Benefit Grants		50
Dispensary		172
Conservancy		2246
Supervision		804
		10322
To which increases		
Road repairs	3100	
P.W. Establishment	72	
Lighting	412	
Watering Streets	78	3662
	Rs	6660

Received 29/5 Dated 29/5

Notification
Municipality
Income for Year

Before taking
steps to levy the
Rates to be remitted
by the Government
in the Estimate
Comparative statement
of the Budget of
1873/4 & 1874/5.

S.O. dd. 10/3-74.

Dot.
28/4

Submitted
JL
1/5

Recirculated with
further Minute &
H.E. the Governor. JL

135
43

X and taxation

expenditure, year by year
even that they cannot
correspond exactly
in any two years as they
must in the last. Still
the step is there any necessity
for increasing the
house-tax, or retaining
particularly the Profession
tax, which are the
alternatives proposed
? Revising also Expresses
a preference for the latter
course. I cannot, however, allow
them to increase these
Rates, but only by such
a rate of increase as
would provide for
the expenditure of Rs 4500

as proposed in the Budget,
by the sum of Rs 5200
on account of the works
hitherto provided for
by loan will entail no
charge in the current
year. In other words
the only charge which
I would propose in the
Budget is the reduction
of the amount to be
borrowed in Tolls
by Rs 5200, and the
corresponding diminution
of this sum from the head
of "new works" on
the Expenditure side.

I think that experience
has shown that a Toll-road
Work open on the farm
taken in the Residency
by a tax of one pound
sterling the [illegible] ~~about~~ in the
most convenient &
productive, & as well
as the least unpopular
form, Municipal
Taxation. In Upper
India, & for the greater
part of the opposite
Peninsula is come in
kind by means of
a tax of this description.
I think I can [illegible]

No 231

which is there called an 'octroi' -
the only difference between
that tax and 'Tolls' being
that the first is a tax
upon goods, the second
upon them carriage: and
without this tax I do
not know how they would
be able to provide for
their need. Likewise
~~I recommended that~~
~~the octroi should be~~
~~abolished~~
~~and that~~ I think that
in short encouragement should
accrue [illegible] that kind
of municipal taxation as
compared with those
kinds.
I would also recommend
from the Local Fund
Board.

I would similar appeal to the
Governor to apply for
a loan for the same market.
As I shall probably be
absent in a minority
in regard to the Professions
tax, I request that this
note of my dissent
in writing be taken
on these papers.

Robert

Aug 6/74

Copy sent Aug 6

231

No 233

139

No 233

Negapatam Municipality.

The Budget estimates
of many Municipalities
have been sent to
me in all of which the
continuance or discon-
tinuance of the Pro-
fession tax has been
the point at issue -
I think (when orders
have issued directing
the immediate and
absolute abolition of
the Profession tax a
somewhat too drastic
remedy has been applied
to our taxation - and)
that places in which
so large a proportion of

Omit if not
included with proposi-
tion that Municipalities
must be allowed as a minimum

of Revenue (as at
Nagapatam for instance)
was raised from the
Source the Abolition
should have been
prospective and
Gradual. It is quite
clear that by taking the
Source of Revenue
some other must be
either Created or en-
-larged. I cannot but
think that a Profession
tax applied only to the
Local Upper Classes would
be preferable to the very
large increase in
Tolls recommended.
This latter must take
the shape of a tax on the
Agricultural

80
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Agricultural produce
of the surrounding district,
falling mainly on the
already sufficiently
taxed Ryot, whilst
the former will touch
only the well to do
Town people & class
Unequally free from
taxation -

I am of opinion
that whatever new scheme
of taxation may be,
it should be of a nature
to place in the hands
of Municipal Commrs
ample funds for the
the Introduction of Sanitary
Measures such as Drain-
-age works, water supply
and

and Conservancy, as well as for the Maintenance of Roads & lighting - much as the People have objected to Municipal Taxation originally, I believe they are now fully aware of the benefits derived from it - I would not dispute the Correctness in the useful work they have in hand -

As Regards Town I do not think Funds will be available for the above purposes unless it is had to a modified Professional tax and a revision of the House tax.

I have &c
Alex. Haines

Attorney General 25th May 1874

S. Bot. No. 1075. 74.

B No. 234

Inspection Newcastle -

143

Write reporting Visit Newcastle
Ft. Ha Commander in Chief Inspect
remark that two orders were issued
"directing the immediate & absolute
" abolition of the Professional tax": the
~~command~~ Nor was it
our intended to direct the
abolition of the tax as a whole
but that it should be exempted
from payment in the country, in
places where the tax
proved a very unusually large

proposition of the Municipal Council
to levy a tax of 1/4 % of the income, but I think
I have shown that there is really
no necessity for resorting to
that measure, either by retaining the
Professorship, or by taking
it into the rate of taxation. It must
be remembered that it is not
proposed to restore the Professor-
ship in its integrity: but only in
respect to the higher classes: - so that
in reality the proposed abolition of the
Professorship will not be nearly
so great. In the event of the
proposed retention of the tax for which
will not even effect the (as I consider)
unnecessary purpose which it has
in view -
I should add, that in advocating
both or the most economical &

respecting some of the unconstitutional taxation, I have always deemed it understandingly that some method should be adopted of exempting timber land, as has been done in the N. E. Provinces, & could be done here.. In this way, however (as Mann said) I do not think that any increase of votes is required.

Yours

May 29/74

P.S.

I shd. like to hear with the refused-the reconsidered, with respect to this Matter

With respect to votes, I need not allude

observe that I consider them as form of taxation perfectly Unobjectionable, because they are for mere productive & the revenue in proportion to the average of injury which they cause & the temptation. Calculations, it is better to base the assessment on valuation closer than the known. But in all counties where it has been found absolutely necessary to depend for a very large proportion of the revenue upon

the taxation of the poorer class.
The reason is that the collection
of such amount of revenue from the
wealthier class, it will be necessary
to impose a rate of taxation
which would be amply retributive, —
which would indeed amount to
confiscation. If Municipalities
are not to be allowed taxes to
impose taxes of which the rate is
low and the payers numerous
& unfortunate poor — but must

compel taxation to the fact &
rich, — they will be doing that which
compelled to do that which is
done nowhere else, and which must
inevitably lead to their extinction.
I have under these remarks, (with
reference to a suggestion of H. E. the
Commander in Chief) become
I do not wish it to be understood
that in advocating the an [losing] option
(or 'veto') I am [illegible] of the
of the post-classes of the poor.

ff

B N° 234-b

234-b

I have nothing to add
to what I have already written
on this subject. L. D. Shin

3075

N°236-A
N° 236

I am decidedly in error in ~~stating~~ assuming
that the orders issued on the subject of the Profession
Tax directed its "immediate and absolute abolition
-tion in all cases. The fact that in all cases of Munici-
-pal Budgets referred to the distribution of the retention
or abolition of the Profession being the point
of contention, has led me to write in the above sense
in error. Thus I regret but I am of opinion still that
Negapatam is one of the places in which the abolition
should be practised & not otherwise -

H.W.

4-6-74-

S.S.G.L. 1873-74.

B N° 235-a

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B N° 235

Mr Swin has so
fully analysed the
financial position
of the Negapatam Munici
-cipality and the effect
of the proposed suspension
of the Professional tax
that I need only state
in a few words why I
entirely agree with his
Conclusion that the
Professional tax should
not be abandoned as
things now are.

Negapatam is a
wealthy & advancing
Commercial Sea-port
town and the terminal
place of an Extensive
Railway

Railway system.
It is therefore a duty
not only greatly needing
useful - worked undertakings -
increased expenditure
and development
but at the same time
it contains a population
well able to afford
it, if only the wealthy
commercial & professional
classes are required
to contribute
- as the law provides
and the municipal
political & financial
policy of the Country
Sanctions - their quota
to the common well-being
of their city. This the
Continuance of the
Professional tax will
secure. Its abolition
will have the effect
of discouraging
and arresting the
Efforts of those locally
responsible for the good
of the place. The President
of the Municipal Commission
favours the retention
All that is desired
is to maintain the
existing financial
arrangement and
expenditure without
disturbing the legal
incidence of taxation
and this is possible if the proposed
act. If the tax be
abandoned, increased
taxation seems to be
indispensable. It is
proposed to levy it
partly by increasing
the tax on House-property
by revising the Valuations
This course is legitimate
at any time if the
valuations are lower
than they should be
- but it is to be
regretted

regretted that it is
necessary to do so
to recoup losses to be
incurred by the relief
of the wealthy professional
classes who now contribute
to the extent of 14,000 & will in future pay nothing

The 5th Alternative
- that appended by
His Lordship - is to
increase the rate of
Tolls by about 50 per Cent
I submit that there
are the gravest objections
to this course. The
Municipality of
Negapatam - a terminal
Station and Export
& Import
harbours, now levies
Rs: 10,000 - a sum equal
to 2/3rds of the Town income
property so called Rs 15,000 -
- in the main by a transit
duty on all goods brought
thither

from Octroi & Houses & Vehicle &c, duty

by Roads - maintained
at the expense of the
rural classes under
the Road Cess Law - for
Shipment. Tolls levied
at Negapatam are in
fact in the main a Land
tax on the Sea borne trade
of the harbour and are
a serious and I believe
an unjustifiable burden
on General trade. To
Enhance this import
more I believe wrong
at variance with the policy of the Empire
in principle, and
prejudicial to trade.
I venture to think that
their abolition were
more consistent with
the interests of the
Country.

I must observe
that these Municipal
Tolls proved as they
are

are indiscriminately on all traffic in transit are wholly distinct from an Octroi which is levied at differential rates on a few specified articles of local Consumption. The[se] two forms of taxation must not, I submit, be confounded with Each Other Either as regards their principle characters or incidence. Octroi (or town dues) is a well-known form of taxation elsewhere which may be worthy of consideration here on its own merits; but neither directly nor indirectly is it sanctioned by the Law as it now stands and we cannot substitute the one for the

the Other. I venture further to suggest that as the whole subject of the levy of Tolls has been relegated to the Board of Revenue and Local Boards for report, no action in the direction of the enhancement should be taken anywhere until the Subject is before Government in a Comprehensive form.

The market loans should be obtained and the Contributions of the Local Fund Boards to roads within the Town should cease so long as tolls are levied.

11/5 [illegible]

I am unable altogether to follow the calculations as to the sufficiency of means of the Municipality if

of the Professional tax
be suspended.

I gather that Rs: 39,800
are avowedly indispensable,
Even if the ~~advancements~~ important works
be transferred to loan
account, (the above does
not provide for interest &c.)
The remaining income,
if the Professional tax
be suspended and
Toll left as they are
and the House-tax
increased, would,
I gather, be about Rs. 33,900
leaving a deficit of
nearly Rs. 6000. If the
House-tax also remains
as it is, the deficit
may become Rs: 8000.

If this be so it seems
to me that, ~~irrespective of other reasons,~~
a case is fully
made out for following
the precedent of retaining the

the Professional tax as
has been done in several
other Municipalities, where
improvements &c are less
urgently needed than
in this flourishing and
wealthy town.

Considerable loss
will no doubt be incurred
by relieving the poorer classes,
but I submit that the
sound principle will
still be retained - that
the well-to-do mercantile
classes shall contribute
a very moderate quota
to the public income in
accordance with the
immemorial political
Economy of this Country
and the Straits Land.
And, in this Town, they
can do so with exceptional
Ease under the proposed
modification

modifications of the tax.

The whole matter is so fully argued in Mr. Wilson's speech in the Legislative Council of India in 1860 that I venture to think that nothing more need be said in anticipation of its discussion.

S. 1/6 Robinson

S. O. 1073. 1874.

Financial Despatch
Govt. of Madras
No. 2300 25th
Transmitting Papers.

33
16/

Financial Department

PROCEEDINGS of the MADRAS GOVERNMENT.

Read also the following Minutes:-

By the Hon: J. D. Sim dy 3d May 1874.
" Rt Hon: the Govr dy 6 May 1874
" Hon: J. D. Sim dy 12 May 1874
" H. E. Comr in Chief dy 25 May 1874
" Rt Hon: the Govr dy 29 May 1874
" Hon: W. Robinson dy 1 June 1874
" H. E. Comr in Chief dy 1 June 1874.

Read the following letters from the President of the Municl Commrs, Negapatam, dy. 11th March and 26th May 1874, Nos 31 and 75.

Order thereon, Dated: 26th June 1874 & 1073

The Budget Estimates of the Negapatam Municipality for 1874-75, are compared below with those for 1873-74

Receipts

	1873-74 Rs	1874-75 Rs
Balance	6,000	2,700
Surplus Pound Fund	250	270
Rates on Houses	8,800	10,870
Tax on Arts	11,000	700
Tax on Vehicles	1,400	1,400
Registration of Carts	1,700	1,300
Tolls	9,900	21,000
Fees	1,600	1,400
Fines	900	214
Endowment receipts	4,080	196
Contributions from Local Funds.		
Roads	1,200	3,000
Hospitals	1,420	1,450
Miscellaneous	410	500
Total	51,660	45,000

13/6

Govt 24/6

Expenditure

	1873-74 Rs	1874-75 Rs
Public Works		
New Works { Common		
New Works { Miscellaneous	11,760	7,200
Repairs { Common	7,200	10,300
Repairs { Miscellaneous	350	350
Establishment	2,904	2,976
Tools & Plant.	100	100
	22,314	20,926
Educational		
Salary Grants	950	"
Result Grants	700	650
Inspection	350	350
Sanitation		
Dispensary	4,900	3,188
Vaccination	200	200
Regn. of births &c	444	444
Conservancy.	14,660	12,414
Miscellaneous		
Lighting	3,280	3,692
Markets	"	"
Watering streets, &c,	222	300
Supervision & Management	3,640	2,836
Total	51,660	45,000

The

The estimated income of the Nagapatam Municipality for 1873-74 was Rs 54,660 of which Rs 6,000 was the balance from the previous year and Rs 14,000, the receipts from the Professional tax.

For 1874-75 they estimate their income at Rs 45000 The opening balance is only Rs 2,700, the professional tax if wholly discontinued will entail a loss of Rs 13,300, and a decrease of Rs 5,170 is anticipated in other items, the entire decrease being thus Rs 21,770. On the other hand the Commissioners propose revising the valuation of house property which is said to be very imperfect, and thus to gain Rs 2,070. They wish to raise the tolls to and anticipate an increase ~~thereby adding~~ from this source of Rs 11,100 to their revenue: they claim an additional grant for roads, &c, from the Local Fund Board of Rs 1830, and expect an increase of Rs 110 from

Note
The increase in tolls appears to be due in part to anticipated increase in traffic. -
JL

Note
The question having been submitted separately through the Board of Revenue a separate order is passed ~~up~~.
JL

from petty sources. The total increase is thus Rs 15,110 — against a decrease of Rs 21,770, the net result being that in the budget as submitted the estimated income for 1874-75 is less by Rs 6,660 — than that for 1873-74, and the expenditure has been adjusted accordingly. &c not to exceed Rs 45,000.

In forwarding the budget, however, the President expresses a strong opinion against the proposed increase in the rate of the tolls and remarks that if the choice lies between that measure and continuing the Professional tax he would prefer the latter. In this view the Govt are disposed to concur, and the estimated income from tolls must consequently be reduced by one half. In their Order of to-day's date, No 1072, the Govt have declined to allow any contribution for roads from Local Funds, and the item

item of Rs 3,000 on this account must also be struck out reducing the total income to Rs 31,500.

As already remarked the budgetted expenditure is Rs 6,660 below that for 1873-74, and after a careful examination of the various items, the Govt do not consider that any reduction is feasible beyond the transfer to loan funds of the sum of Rs 5,200 assigned for the construction of the market. The expenditure side of the budget will then stand at Rs 39,800 or Rs 8,300 in excess of the income as above reduced. To make good this deficiency the Govt resolve to authorize the Commissioners to continue to levy the Profession tax except as regards the 6th, 7th & 8th classes specified in Schedule B of the Act.

The

The Commissioners have shown clearly that the erection of a market is a desirable improvement and that it will probably be fairly remunerative, but, as above stated, the Govt consider that the full amount required should be obtained by means of a loan, and the application received with the President's letter of 6th May 1874 will be returned for revision accordingly. The revised application may be at once published in the District Gazette by the Collector, and after the expiry of one month from the date of publication the President will move the Govt to make the loan under the provisions of Rule XI (a) of the Loan Rules published on the 13th October 1873. In the meantime

The Govt would also observe that as the income from surplus bond funds is not vested in the Commissioners it should not be offered as part of the security for the loan

meantime the Govt of India will be requested to place the sum of Rs 25,000 at the disposal of this Govt for the purpose.

JL
12/6

Pres[d]t Municipal Com[rs] Rangoon
" Board of Revenue
" Revenue department
" Public Works department
" Accountant-General
" Surgeon General Indian Med[l] Dep[t]
" Sanitary Commissioner
" Director of Public Instruction
" Pres[d]t of the L.F. Board, Tavoy

100 - 2 Lo Es - 0 mulling
Estimate 10 -
16 - The same in clothing
the seven Members -

Copies of Ltr 26/7/74
with the Minutes enclosed.

169 56 F.

Financial Department.

No. 1074.

To

The Secretary to the Government
of India,
Financial Department.

Sir,

Adverting to the last para of the accompanying Proceedings of this Govt. dy. 26 June 1874, ~~to~~ ——, approving of a loan being obtained for the construction of a market by the Nagapatam Municipality, I am directed to request that you will move His Excellency the Governor General in Council to place the sum of Rs 25,000 at the disposal of this Govt. so that they may be in a position to make the necessary loan under the provisions of Rule VI (a) of the Loan Rules immediately

Manager
to send a copy of the Proceedings with the Minutes pass & the Letter of Advice with the Letter of

Govt. of 1874 Madras.

To

The Secretary to the Government of India,
Financial Department.

Dated 26 June 1874, No. 1074
Recd.

Nos. 229-238

Sanctioning a loan of Rs 25,000 to the Municipality of Nagapatam for the construction of a market.

Ordered that the Budget Estimate of this expenditure for 1874-75 and a Bill for the amount be submitted for the sanction of Council.

Ordered also that the Municipality of Nagapatam be informed that the Government are prepared to advance the sum of Rs 25,000 for the construction of a market on the following conditions:

1st That the loan be repaid in 20 annual instalments with interest at 6 per cent per annum.

2nd That the Municipality do execute a bond for the repayment of the loan and interest in favour of the Secretary of State for India in Council.

3rd That the Municipality do provide to the satisfaction of the Collector of the District the necessary security for the repayment of the loan and interest.

4th That the Municipality do pay all charges connected with the execution of the bond.

Budget Estimate of Nagapatam Municipality for 1874-75.

Read No. 1-

c12/5
a 26/6

immediately on the ex-
piry of one month from
the date of the publica-
tion of the revised appli-
cation called for.

H.
12/6.

{ Ostracammund
20th June 1874

1874 Finl. Department.

No. 1074

To

The Secretary to the
Government of
Finl. Department.

Dated 26th June 1874.

229 - 238.

Negapatam Municipality

Copy of Pros: of this Govt.
forwarded
with an application
made to the Govt. of India
that for the sum of Rs: 25000
being maybe placed at the disposal
of the Madras Govt. in order to be
granted to the Negapatam Municipality
as a loan for the con-
-struction of a market-