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M.R.O. 1—77,006—8-6-51.

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(2) Date of repair 30.7.40

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 1798-1799 Press / Mis.

182-185

Dated 21-10- 1876.

8/9

Not to be folded or roughly handled

Proceedings of the Madras Government, Financial Department,
21st October 1874.

No. 183. Read the following letter from E. F. HARRISON, Esq., Officiating Secretary to the Government of India, Financial Department, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort St. George, dated Fort William, 26th August 1874, No. 5196 :—

I have the honor to acknowledge the receipt of your letter, No. 1074, dated the 26th June 1874, and its enclosures, asking for an advance of Rupees 25,000 to be given to the Negapatam Municipality as a loan for the construction of a market in that town.

2. In reply, I am directed to state that the Honorable the President in Council has authorized the amount to be placed at the disposal of the Government of Madras. It should, however, be made a condition of the loan to the Municipality that the taxation of the town must be maintained, till the loan is paid off, at a figure to meet all legitimate current expenditure, including interest on the loan.

3. I am also to state that the action of the Government of Madras in forcing the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works does not seem to be judicious.

Copies of paragraphs 1 and 2 of the above letter forwarded to the Comptroller-General for information, and to the Accountant-General, Madras, for information and guidance.

2. Copy of correspondence also forwarded to the Department of Revenue, Agriculture, and Commerce, for information.

No. 184. ORDER THEREON, 21st October 1874, No. 1798.

Ordered that the following letter be addressed to the Government of India.

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

No. 185. To the Secretary to the Government of India, Financial Department, dated Ootacamund, 21st October 1874, No. 1799.

In acknowledging receipt of your letter, dated 26th August 1874, No. 5196, I am directed, with reference to paragraph 3, to invite attention to the extract from the Proceedings of the Municipal Commissioners, Negapatam, dated 10th February 1874, embodied with the Proceedings of Government forwarded with my letter, dated 26th June 1874.

2. From this it will be seen that of the sum of Rupees 7,200, allotted by the Commissioners for New Works, that is "for the beach improvement and the market," only Rupees 2,200 came from savings. In the budget as passed the allotment for New Works, that is for the beach improvement, was Rupees 2,000, and consequently it is only in respect of the insignificant sum of Rupees 200 that it can be said that this Government "forced the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works."

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

Exd. J. Wright.

Govt. of Madras.

FINANCIAL.

To

THE SECRETARY TO THE
GOVERNMENT OF INDIA,
FINANCIAL DEPARTMENT.

Dated October, 21st.

Read.

G.O., 21st October 1874, *No.* 1799.

OCTOBER.
Nos. 183—185.

Negapatam Municipality.—Explanation offered to the Government of India in reference to its remark, in connexion with the sanction of a loan of 25,000 Rupees to the Municipality, that the action of the Madras Government in forcing the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works does not seem to be judicious.

Issue submitted with reference to the remarks of H. E. the Governor on letter from Govt of Madras 26th August 1874 No 519 G3

The concluding para of the letter in question refers to the Govt of Madras "forcing the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works"

It does not follow that the whole balance was "saved for outlay on permanent works" It may have been intended for current expenditure

The Govt of State

The concluding para of the letter in question refers to the Govt of Madras "forcing the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works"

In the budget as originally submitted Rs 7200 were allotted to "new works" from this the Govt struck off Rs 5200 and directed that the amount should be raised by means of a loan.

The allotment for new works thus remained at Rs 2000 or Rs 700 below the opening balance of Rs 2700 which is the only item of the Municipal assets which can be considered a saving.

As all new works must be more or less of a permanent nature it appears that Rs 700 is the full amount of savings which the Govt directed Rs

devoted to current expenditure.

There are two remarks contained in the correspondence referred to the Govt of India - either of which, when read by itself, might have given rise to the opinion expressed in the letter under consideration

First: In the proceedings of the Municipal Commissioner 3/00 4 Feb 1874 it is stated "The sum allotted for these works is only Rs 7200 of which Rs 2200 is savings" Assuming that the Rs 2200 of savings were devoted to the works for which a loan is now asked, and not to the back improvement which was allowed to stand, it cannot be said with respect to Rs 2000 of this amount that it was devoted to current expenditure. and not merely transferred to the other works of a permanent nature originally provided for from current income.

Secondly: In his letter No 144 Mr. Martin remarks that the Municipal resolution asks for a transfer [illegible] works to current expenditure. I think in order to explain the use of the word "injudicious" action —

19/9

& supplements the Rs 6000 which they had left apart this year and of which Rs 1600 have been expended ---". From this the Govt of India may have concluded that a sum of Rs 4400 had been saved for appropriation to the same work this year - but from the resolution previously quoted it is apparent that the Municipality themselves considered that they had saved only Rs 2200, and that Rs 5000 had been devoted to new works from the current income - Rs 2000 of this having been allowed to stand only Rs 200 of savings have been devoted to current expenditure of the estimate of the Municipality is taken.

Although it is important that the Govt of India would have made the remark contained in the 3d para of their letter if they had not been under a misapprehension as to the extent of the action deprecated by them - yet as the remark is not absolutely incorrect it is submitted that no good would result from replying to it.

15/9

dup 3/11

Financial DEPARTMENT. 7

No. 1799

To

The Secretary to the Government
of India,
Financial DEPARTMENT.

Sir,

I have the honour to acknowledging receipt of your letter dated 26th August 1874, No 5196, I am directed with reference to para 3 to invite attention to the extract from the Proceedings of the Municipal Commissioners, Negapatam dated 10th February 1874 embodied with the Proceedings of Govt forwarded with my letter dated 26th June 1874.

2. From this it will be seen that of the sum of Rs 7,200, allotted by the Commissioners for new

The mistake lies in this. the Comrs raised & said they had raised 2000 Rs for the market - & in their Budget they included Rs 5200 for it - but the Budget was one in which strike was - and it is doubtful whether the Budget ultimately sanctioned will have any bearing for the work.

S. O. L.

C to J Rec'd

Rec 1799/74 - 2 Enc

Govt "for the beach improvement & the market"

New Works only Rs 2,200 came from savings. In the budget as passed the allotment for New Works was Rs 2,000 and consequently it is only in respect of the insignificant sum of Rs 200 that it can be said that this Govt "forced the Municipality to devote to current expenditure a sum they had saved for outlay on permanent works."

H.
24/9

Mr Carter will reply on the Port-Off. at Calle. the question is not the amount but the principle - and the Port-Off. has done right in drawing attention (contrary to my own details) to what I consider an error - Local Govts & their memoranda are not to dictate to this Govt "; and then [illegible] Municipal papers

H 14/10

Stamp
Received
21st October 1874.
10 - Letters
10 Enclosures

I do not see how I can understand the Hyderabad Port Officer's draft, (with the words struck out) I have written to him to request him to constitute a complete answer, & to take charge of the enclosures

No. 5196

No.

To The Chief Secretary to the Government of Madras.

Fail Department Sir,

I have the honor to acknowledge the receipt of your letter No 1074 dated the 26th June 1874 with enclosures, asking for an advance of Rupees 25,000 to be given to the Nagapatam Municipality as a loan for the construction of a market in that town.

2 In reply, I am directed to state that the Honble the President in Council has authorised the amount to be placed at the disposal of the Government of Madras. It is to however, be made a condition of the loan to the Municipality that the taxation of the town must be maintained, till the loan is paid off, at a figure to meet all legitimate current expenditure, including interest on the loan.

3. I am also to state that the action of

Fail 1874 DEPARTMENT.

No. 1799

To

The Secretary to the
Government of Madras
Fail Department.

Dated 21 May 1874.

Sir

I have the honor to forward herewith, for the information of the Madras Government, a letter from the Chairman of the Municipality of Negapatam, dated 23rd May 1874, with its enclosures, applying for the sanction of Government to the raising of a loan of Rupees 25,000 for the construction of a Municipal Market in that town.

2 I have to request that you will move the Madras Government to favour me with an early reply.

I have &c

Chairman Municipality
Negapatam

Letter from Chairman Municipality Negapatam dated 23rd May 1874 with enclosures, applying for the sanction of Government to the raising of a loan of Rupees 25,000 for the construction of a Municipal Market in that town.

Forwarded for information and orders.

We sent a copy to the Govt but Lim

Default 1 & 2

This will entail an annual taxation of Rs 2,500 and is in excess of Rs 2,000 - if this year annual recurring expenditure is taken as a standard - JL

C 2519 R 19/8

C

of the Government of Madras in forcing the Municipality to devote to current expenditure a sum they had saved for outlay on permanent work does not seem to be judicious.

This has reply of the Govt of India to Govt of Madras

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

Fort William
The 26 August
1874

Sd/ Richard Temple

Sd/ Secy to the Govt of India

Copies of paras 1 & 2 of the above letter forwarded to the Comptroller General for information & to the Accountant General Madras for information & guidance.

Copy of correspondence also forwarded to the Depart of Rev Agriculture & Commerce for information.

Sd/ 23/8

Enclosed.

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If we can have a good answer, I think we shd. press it.

A mem^d. in explan^n. as regards the last para: of the letter of the G. I. - sh^d. be prepared & sent in circ^n. by the Finance Dept.

We [illegible] had no intention of applying saved money to "current expenditure". - [illegible]

Financial 1874 Dept.
From
Mayor of Bombay
Finl. Dept.
No. 5796.
Dated 25th August 1874
Recd. 22nd Septr. 1874
[illegible]
Ordered 21st Oct. 1874 No. 1798

Replies to letter asking for an advance of Rs 25,000 to be given to the Corporation of Municipality as a loan for the purpose of [illegible] of that [illegible]

Wrote [illegible]

X It is a mere abstract nothing. - Who is to decide what is "legitimate current expenditure"? I would [illegible] ~~recorded~~ advise that the following [illegible] ~~[illegible]~~ letter be addressed to the G. of I. of [illegible] facility

See also Mez file

~~The condition prescribed in para 2 will be borne in mind when the revised application for the loan [illegible] received.~~ X

[illegible]
3/9

It seems to contain a principle of [illegible]
The views of the Govt. of India need not be communicated to the Municipality - [illegible] - ~~[illegible]~~