M.R.O. 1—77,006—8-6-31.

(1) Number of pages 66

(2) Date of repair 3.6.40

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No.	572	Press Mis.
64-69		64-69
Dated	11-4-	18 74.

33/34

Not to be folded or roughly handled

No. 64. Read the following letter from J. F. PRICE, Esq., Acting President of the Municipal Commission, Salem, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Salem, 16th January 1874, No. 120:—

In submitting the Budget Estimate of the Salem Municipality for the year 1874-75, I have the honour to offer the following explanatory observations:—

1. RECEIPTS—*Balance Rupees* 1,000.—This sum is so small and may be so easily deranged by comparatively trifling calls as to invite no remark.

2. *Assignments, &c., (d) Grants-in-aid, Rupees* 1,030.—This sum remains the same as last year (Rupees 966) *plus* Rupees 60, the half salary of an additional master for the Salem Caste Girls' School, submitted for sanction on the 11th September 1873.

(*e.*) *Medical Officer.*—Here there is an increase of Rupees 150, the salary of the Native Surgeon having been raised on promotion from Rupees 150 to 200 under date 12th May 1873, and the twenty-five per cent. being, therefore, computed at the new rate.

3. The abolition of the Trades tax having caused a sudden loss to the Municipality of between Rupees 8,000 and 9,000 per annum, it was necessary to provide some substitute, as it would be utterly impossible to attempt to reduce the general expenditure by that amount without bringing the whole municipal system in this town to a dead-lock.

Minor savings were effected wherever possible, as in Public Works, Sanitary and Miscellaneous, Conservancy Establishment, &c., but still a considerable deficit was found to exist which could only be met by increased taxation, and after much deliberation, in which I am happy to be able to record that several of the Native Commissioners took an active part, it was finally resolved to raise the required sum under the two following heads:—

(*a.*) House-tax to be raised from 5 to $7\frac{1}{2}$ per cent. (Section 41);

(*d.*) Registration of carts to be increased to maximum rate allowed by the Act (Section 75);

conclusions to which it is hoped the sanction of Government will be accorded.

4. *Contributions from Local Funds.*—As suggested by Government in their Order, No. 377, of 20th March last, these items have all been arranged in consultation with the Local Fund Board and so entered.

5. EXPENDITURE—*Public Works.*—As intimated in paragraph 3 *supra*, certain reductions have been made under this head, principally in road repairs, and the sum allowed for the proposed new market at Shevapett.

6. *Education.*—Certain of the smaller schools under the control of the Municipality being worked on the Salary instead of the Results Grant system, these have been shown as a separate item (Rupees 720) instead of being included as heretofore under head 1, which now, therefore, refers only to Middle-class Schools receiving aid from Government as well as from the Municipality.

7. *Sanitation.*—The gross total under this head has been reduced by Rupees 600, whilst at the same time the salary of a female vaccinator has been provided for, the change having been effected principally by a redistribution and slight

reduction of the menial Conservancy Establishment, which, however, will not, it is believed, impair its efficiency.

8. *Miscellaneous* 1.—There is a slight increase in this charge, for as the streets are improved and straightened a corresponding increase must necessarily take place in the cost of lighting.

9. The remaining items in the Budget continue unchanged.

No. 65. MINUTE by the Hon. W. ROBINSON, C.S.I., dated 6th March 1874.

I must withhold my consent to this Budget.

2. The abolition of one tax—a thoroughly sound Indian tax—has necessitated enhancements of two very searching taxes—the House-tax and Wheel-tax—for the Commissioners have found that otherwise the business of the Municipality would be seriously affected. The balance of taxation has thus been unduly disturbed.

3. The proposed savings are of an objectionable character. The Commissioners collect wheel-tax and tolls to the amount of 12,800 Rupees, and propose to expend on Communications little more than one-third—saving where expenditure is most justified by the character of the taxation. The Conservancy so much needed in a town like Salem is also reduced by Rupees 1,520.

	RS.
Wheel-tax	1,600
Tolls	10,850
Total ...	12,450
New Works	900
Repairs	2,500
Total ...	3,400

4. I think that the Professional tax should stand, and the enhancements be disallowed.

(Signed) W. ROBINSON.

No. 66. MINUTE by the Right Honourable the PRESIDENT, dated 11th March 1874.

I submit that to re-impose the Professional tax a few months after it has been deliberately (for the year 1874-75) abolished would be to bring this Government into well-merited disrepute for inconsistency and vacillation, and to discredit the whole system under which the administration of affairs in the principal provinces of India is carried on; and I shall of course oppose any such attempt to the utmost of my power. The minutes of the members of the Government on this subject are on record, and will show that the measure was adopted on valid grounds, and after the most careful consideration. I desire, therefore, that, if it is really proposed by my honourable colleagues to re-impose the Profession-tax, the question should first be laid (with these papers) before the Commander-in-Chief for his opinion; and in the event of my being still in a minority, I should propose to refer the question to the Government of India.

2. I believe that an increase of Tolls, and even of the House-tax, is far preferable to the Profession-tax, which was universally complained of and was in fact an Income-tax with some of its disadvantages very greatly aggravated.

(Signed) HOBART.

No. 67. MINUTE by the Hon. J. D. SIM, C.S.I., dated 30th March 1874.

The Budget of the Salem Municipality should be sent, with all its accompaniments, to His Excellency the Commander-in-Chief, as desired by His Lordship.

2. The matter seems to me to lie within a small compass.

3. The income of the Salem Municipality in 1873-74 is returned as Rupees 41,900, of which Rupees 2,000 are a balance from the previous year, and Rupees 8,400, the proceeds of the Professional tax. The expenditure of the year is given as Rupees 41,900, but it is expected that Rupees 1,000 will remain as an unexpended balance.

4. In the ensuing year 1874-75 the expenditure is estimated at Rupees 40,000. It has been brought down to this sum by the reductions marginally noted, which aggregate Rupees 3,390. The utmost economy has evidently been practised, and certainly the saving or rather reduction in the item—Conservancy of the Town—will be regretted by all who know what a hot-bed of cholera, &c., Salem was before municipal improvements and management were introduced, and how healthy and free from epidemic diseases it has since become. The Commissioners have been obliged, on the other hand, to make small additions to other items, which aggregate Rupees 1,490, and reduce the total savings to Rupees 1,900. I have gone very carefully over the Budget and cannot suggest any further reductions. It is, in my judgment, framed on the most economical principles, and no balance is provided.

	RS.
Public Works	1,040
Conservancy	1,520
Sundry small items	830
Total ...	3,390

5. Taking, therefore, Rupees 40,000 as the minimum expenditure of the year, the question is—How is this money to be raised? If the Profession-tax is continued there will be no difficulty, but if this tax is summarily abolished, the loss (Rupees 6,400 nett) must be made good by raising some of the other taxes, as, in the words of the President of the Municipal Commission, "it would be utterly impossible to attempt to reduce the general expenditure by that amount (Rupees 8,400 gross annually) without bringing the whole municipal system in this town to a dead-lock." In order to meet the difficulty caused by the Order of Government, the Commissioners propose (1) to raise the House-tax from its present rate of five per cent. on the annual value of houses, &c., to the legal maximum of seven and a-half per cent.; this tax will thus be increased from Rupees 8,700, its amount this year, to Rupees 12,300; (2) to raise the registration fee on carts kept within municipal limits to the maximum allowed by law (viz., 4 Rupees per annum), thus increasing this tax from Rupees 500 to Rupees 2,500. The latter measure—although quintupling the tax at a stroke—is I think equitable, as a charge of 4 Rupees per annum cannot be regarded as too much for the use throughout the year of municipal roads and for freedom from tolls.

6. But as regards the House-tax the question for us to decide is whether it is most expedient to raise it, or retain the Profession-tax, wholly or partially. My own opinion is in favour of the latter measure, restricting the incidence of the tax to the higher and richer classes, as the law permits. The Act divides those subject to the Professional tax into eight classes, whose payments range from Rupees 100 per

annum to Rupee 1, and any class can be exempted from the tax. The House-tax falls on all house property, except mere hovels valued at less than 6 Rupees per annum. Now, I maintain that it is far better to retain the Professional tax on the well-to-do classes, and so relieve the poorer from both it and the House-tax, than to abolish the Profession-tax in toto, and be driven to raising the House-tax on rich and poor alike. As regards the relative unpopularity of the two taxes, I can only say that so far as my experience—a tolerably long one now—goes, the House-tax is the most unpopular form of taxation in the estimation of the native. But we may be quite sure that here—as all the world over—taxation of every kind is unwelcome; our duty is to reduce it to the lowest practicable amount, and adjust the burden in the most equitable manner we can. I cannot admit that the Professional tax is simply a bad form of Income-tax; there is no inquisition into private affairs; the various callings subject to the tax are classed according to their supposed profitable character, and the fixed charge or tax—a very low one—is levied on the calling, not on the actual income or profits of the individual exercising it. It is, in fact, a License-tax for the exercise of certain professions and callings within municipal limits, and, with ordinary judgment and care, can be worked without unpopularity, beyond what attaches to every tax. Tolls—provided they are kept within moderate limits—have the advantage common to indirect taxes of being less felt; they also have the somewhat deceptive quality of falling in the first instance on a class which cannot make its grievance so well heard as the more intelligent and influential classes on whom the Professional and House taxes fall. We should err in assuming that Tolls are popular because they are not complained of. In Salem, however, Rupees 10,000 or one-fourth of the income of the town are derived from Tolls, and any further enhancement of them for local municipal purposes would be grievously unjust to the district, which has to maintain the roads thus tolled at their termini by the Municipality.

7. As regards inconsistency, I do not think that the Government will expose themselves to such a charge by retaining the Professional tax in Salem. No notification, or indeed general order, seems to have been issued abolishing the tax universally and absolutely. The intention was avowed in the Order (4th June 1873) on the Municipal Budgets of the Vizagapatam District, which was not circulated to other Municipalities, and indeed was not absolute as regards even that district, inasmuch as it required a report from the Commission as to the feasibility of providing a substitute before abolishing the tax. In the case of other Municipalities the course pursued was to insert, in the Order reviewing their Budget for 1873-74, instructions to omit the Professional tax in 1874-75, providing a substitute for it, or reducing expenditure. The intention existed, and of course is more or less known, but there has been no formal declaration absolutely binding the Government. His Lordship, I may remark, has himself proposed the continuance of the tax in Vizagapatam and Mangalore. I was from the first opposed to the summary and complete abolition of the tax; but I have nevertheless acquiesced in its discontinuance, save in a very few exceptional instances where its total discontinuance entailed such serious consequences as Government could not have contemplated, and would not, as I think, be justified in entailing merely for the sake of consistency.

Proceedings of the Madras Government, Financial Department,
11*th April* 1874.

8. I consider it most desirable that the Professional tax should be retained in Salem, so far as the wealthier classes are concerned, but I do not regard the case as one of extreme urgency, inasmuch as the House-tax, raised to the maximum prescribed by law, will enable the Commissioners to tide over the current year.

(Signed) J. D. SIM.

No. 68. MINUTE by His Excellency the COMMANDER-IN-CHIEF, dated 3rd April 1874.

I would accept the Budget Estimate as submitted by the Acting President of the Salem Municipality. The intention of Government to abolish in every possible instance the Tax on Arts, Professions, &c., is thoroughly well known throughout the land, and is, I believe, everywhere well received. It is to be regretted that the loss of revenue under this head should render necessary the raising of the Wheel and House taxes to the maximum legal rates, but I think this course preferable to going back at this early stage from our avowed intention of abolishing the Profession-tax. The Commissioners have adopted the policy of Government as regards its abolition; they have shown how they hope to do without it, and through their President have expressed a hope that their proposals may be adopted. It is gratifying to see that the native members took a prominent part in the discussion.

2. Regretting the diminished expenditure on Sanitation, which, however, the President asserts will not materially impair efficiency, and the small amount allotted to Public Works, I would accept the Budget as it stands.

(Signed) F. P. HAINES.

No. 68-A. MINUTE by the Right Hon. the PRESIDENT, dated 1st May 1874.

With reference to the Hon. Mr. Sim's observation that I myself proposed the retention of the Profession-tax, in Vizagapatam and Mangalore, I must explain that it seemed necessary to make exceptions in the cases of one or two Municipalities whose income depended in an unusual and essential degree upon the produce of the tax.

2. In the case of Salem there is no such ground for exception; for the tax produces only one-fifth of the aggregate revenue of the Municipality. Vizagapatam however has, I may remark, protested against the retention of the tax.

(Signed) HOBART.

No. 69. ORDER THEREON, 11th April 1874, No. 572.

The Budget Estimates of the Salem Municipality for 1874-75 are shown in the annexed abstract in comparison with those sanctioned for the year 1873-74:—

Receipts.	1873-74.	1874-75.
	Rs.	Rs.
Balance	2,000	1,000
Allotments by Government, &c.—		
Medical Officer	450	600
Schools	450	1,030
Other Items	440	440
Rates and Taxes—		
Rate on Houses, &c. ...	8,700	12,300
Tax on Arts	8,400	200
Tax on Vehicles	1,500	1,600
Registration of Carts ...	500	2,500
Tolls	11,000	10,850
Fees	500	500
Fines	700	250
School Fees	960	1,000
Local Fund Contributions—		
Roads	400	400
Dispensary	2,000	2,500
Other Items	...	500
Miscellaneous	3,900	4,330
Total ...	41,900	40,000

Charges.	1873-74.	1874-75.
Public Works.	Rs.	Rs.
New Works—		
Communications	1,000	900
Buildings	2,280	3,200
Miscellaneous	900	300
Repairs—		
Communications	3,600	2,500
Buildings	...	...
Miscellaneous	500	600
Contribution to Local Fund Board	630	500
Other Items	1,050	920
Education—		
Schools	2,800	2,200
Results Grants	1,000	1,000
Salary Grants	...	720
Contribution for Inspection.	100	100
Miscellaneous	450	230
Sanitation—		
Dispensary	5,700	6,160
Vaccination	400	550
Registration of Births and Deaths	400	370
Conservancy	14,540	13,020
Reserve	...	300
Miscellaneous—		
Lighting	900	1,060
Market Rent	...	300
Poor-house	550	540
Other Items	1,900	1,700
Supervision	3,200	2,830
Total ...	41,900	40,000

2. An increased allotment of Rupees 970 for schools is in accordance with G.O., dated 4th December 1873, No. 1764, but the additional Rupees 60 shown in the Budget will not be required as all charges on account of female education have been resumed by Government.

3. In G.O., dated 20th March 1873, the Government directed that arrangements should be made, before the commencement of the year 1874-75, for such reduction of expenditure as would permit of the omission of the Profession-tax from the Budget. The statement now submitted shows the following savings:—

	Rs.
Public Works	1,040
Education—Miscellaneous	220
Registration of Births and Deaths	30
Conservancy	1,520
Poor-house	10
Other Miscellaneous Items	200
Supervision	370
Total ...	3,390

Proceedings of the Madras Government, Financial Department,
11*th April* 1874.

4. The savings thus effected are to a certain extent neutralized by the marginally-noted increases, which, however, will be reduced by Rupees 120 by the grant to the female school being defrayed from Provincial funds as above alluded to, and the net saving in expenditure will be Rupees 2,020. To meet the remaining Rupees 6,180 lost by the abolition of the Tax on Arts, it is proposed to raise the rate on houses and the fee for the registration of carts to the maximum allowed by the Act.

	Rs.
Schools	120
Dispensary	460
Vaccination	150
Sanitary Reserve	300
Lighting	160
Market rent	300
Total ...	1,490

5. The Government resolve to accept these proposals, and the Budget is passed as submitted.

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

Ed. J. Wright.

Municipal Commissioner's Office

No. 120

Salem 6th January 1874

Sir,

The Hy. President

Mun. Comrs. Salem

Sir

The Chief Secretary

to Government

Fort St. George.

Sir

In submitting the Budget estimate of the Salem Municipality for the year 1874-75, I have the honor to offer the following explanatory observations.

1 Receipts. Balance Rs 1000. This sum is to small and may be easily returned by Contractors fixing calls as is invited in remarks.

2. Assignments & Grants-in-aid Rs 1430.

This sum remains the same as last year (Rs 960) 1 Sub Rs 60. The half of Salary of an additional 1 Sub Rs 60. The half of Salary of Sub Court, Salem for the Salem Girls' School, to

Rec'd from M. O. 6-8-74

Govt. of {1874} Madras.

FINANCIAL.

To

THE PRESIDENT OF THE
MUNICIPAL COMMISSION,
Salem,

&c., &c., &c.

Dated April, 11th.

Recd. Encl.

G.O., 11th April 1874, *No.* 572.

APRIL.
Nos. 64—69.

Salem Municipality.—The Budget Estimates of this Municipality for 1874-75, reviewed.

submitted for sanction on the 11th September 1873.

(c) Medical officer. Here there is an increase of Rs 150, the Salary of the Native Surgeon having been raised on promotion from Rs 150 to 200 under date 12 May 1873 and the 25 per cent being therefore computed at the new rate

3. The abolition of the Trades' Tax having caused a sudden loss to the Municipality of between Rs 8000 and 9000 per annum, it was necessary to provide some substitute as it would be utterly impossible to attempt to reduce the general expenditure by that amount without bringing the whole Municipal System in this town to a dead lock.

Minor savings were effected wherever possible as in Public Works Sanitary and Miscellaneous, Conservancy Establishment &c. but still a considerable deficit was found to exist which could only be met by increased taxation, and after much deliberation in which I am happy to be able to record that several of the Native Commissioners took an active part, it was finally resolved to raise the required sums under the two following heads

(a) House tax — to be raised from 5 to 7½ per cent. (Sec. 41.)

(d) Registration of carts To be increased to maximum rate allowed by the Act, (Sec 75)

conclusions to which it is hoped the sanction of Government will be accorded.

4 Contributions from Local Funds;— As suggested

of

suggested by Government in their order
No 377 of 20th March last, these items
have all been arranged in consultation
with the Local Fund Board and so
entered.

5 Expenditure. Public Works - As intimated
in Para 3 Supra, certain reductions have
been made under this head, principally
in road repairs and the sum allowed
for the proposed New Market at
Shevaroys.

6 Education. Certain of the Smaller
Schools under the control of the
Municipality being worked on the
Salary instead of the Results grant
System, these have been shown as a
separate item (Rs 720) instead of being
included as heretofore under head 1
which now therefore refers only to
Middle
Middle Class Schools receiving aid from
Government as well as from the
Municipality.

7. Sanitation. The gross total under this
head has been reduced by Rs 600,
whilst at the same time, the salary of
a Female Vaccinator has been provided
for, the change having been effected
principally by a redistribution and
slight reduction of the menial
Conservancy Establishment, which
however will not, it is believed
impair its efficiency.

8 Miscellaneous 1. There is a slight
increase in this charge, for as the
streets are improved and straightened
a corresponding increase must
necessarily take place in the cost
of

of lighting.

9. The remaining items in the Budget continue unchanged.

I have the honor to be

Sir

your most obed.t Servant

Compl.t

Fredrick Kiel

Ag. President

Statement I. Revenues and Receipts of the Municipal
and of the town of Salem for the year 1874-75.

	1874-75. Detail of minor heads	1874-75. Totals major heads	Estimate for 1878-74
1. Balances.			
(a) Municipal Fund.	1000		
(b) Endowment Fund.	.. .. ..	1000	2000 .. ..
2. Assignments and allotments by Government.			
(a) Surplus Pound Fund.	250		250 .. ..
(b) Road Cess.	190		190 .. ..
(c) Fishery rents.	.. .. ..		.. .. ..
(d) Grants-in-aid for Schools	1030		1030 .. ..
(e) Medical officer.	600	2070	450 .. ..
3. Rates and Taxes viz	Arrear / Current		
(a) Rate on houses.	300 .. .. / 12000	12300		8700 .. ..
(b) Tax on Arts	200 .. .. /	200		8400 .. ..
(c) Tax on Vehicles.	.. .. .. / 1600	1600		1500 .. ..
(d) Registration of Carts	.. .. .. / 2500	2500		500 .. ..
(e) Tolls.	850 .. .. / 10000	10850		11000 .. ..
(f) Fees.	.. .. .. / 500	500		500 .. ..
(g) Fines Magisterial	.. .. .. / 250	250		700 .. ..
	1350 .. .. / 26850		28200	
4. Fees in Schools and training Institution		1000	1000	960 .. ..
Carried forward			32270	35600 .. ..

Statement I Continued.

	1874-75. Detail of minor heads	1874-75. Totals major heads	Estimate for 1874-75
Brought forward		32270 - -	35600 - -
5. Endowments Sundry Contributions & Donations			
(a) Hospital	- - -		
(b) Charitives	- - -		
(c) Educational	- - -		
(d) Miscellaneous	- - -		
6. Contributions from Local Funds.			
(a). For Public Works.			
Office accommodation.	500 - -		
Communications.	400 - -		4
Hospital buildings	500 - -		
School buildings.	- - -		
(b) Educational	- - -		
(c) Miscellaneous			
Hospital.	2000 - -	3400 - -	20
7. Miscellaneous.			
(a) Rents of Municipal Markets	800 - -		
(b) Do of fees of Do Slaughter Houses	1600 - -		
(c) Do. of Cart stand	1000 - -		
(d) Sale of Sweepings	25 - -		
(e) Private Scavenging	25 - -		
(f) Sale of materials tools and plant	50 - -		
(g) Avenues	100 - -		
(h) Sale of Municipal Lands	550 - -		
(i) Petty items	180 - -	4380 - -	3900
Carried over		40000 - -	41900

Statement I Concluded.

	1874-75. Detail of minor heads	1874-75. Totals major heads	Estimate for 1873-74
Brought forward		40000 - -	41900 - -
Advances Recovered.	- - -	- - -	- - -
Grand Total Receipts	- - -	40000 - -	41900 - -

Note to Statement I.

1. House rates are levied at 7½ per cent.
   Land rates at 1 Rupee per 80 sq. yards.
2. Tax on Arts (discontinued).
3. Tax on vehicles at Schedule rates
4. Carts are registered at maximum rates
5. Tolls at half maximum rates
6. License fees are at the rates sanctioned in G.O. dated 28th March 1867.

Redmenhice
Ag President.

Compd Kl.
Mun Com Office
Salem 16th Jan 74

Statement I A. Endowments entrusted to the Municipal Commissioners Salem under Sec 15 for the official year 1874-75.

Name of Institutions	Amount of founder capital	Balance	Interest produce of Land.	Appropriation from capital for expenditure	Contributions and donations of all kinds.	Sale of medicines or Sundry Profits &c	Total columns 3 & 7.	Current charges Statement C & III	Allotment for Public Works. Statement II-A.	Total Charges	Balance	Remarks.
1. Hospitals and Dispensaries	"	"	"	"	"	"	"	"	"	"	"	
2 Choultries	"	"	"	"	"	"	"	"	"	"	"	
3 Educational.	"	-	-	-	-	-	-	-	-	-	-	
4. Miscellaneous.	"	"	"	"	"	"	"	"	"	"	"	

Mun[l] Com[rs] office
Salem 16th Jan 74 332 Comp[t]? Rd.

Reddiarchied
Ag President.

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Statement II. Expenditure from the Municipal Fund of the town of Salem for the official year 1874-75.

	1874-75. Detail of minor heads	1874-75. Total major heads	Estimate for 1873-74.
Grant I. Public Works			
1. New Works.			
(a) Communications	900 ..		
(b) Educational	100 ..		
(c) Sanitary and Miscellaneous	3400 ..	4400 ..	4180 ..
2. Repairs.			
(a) Communications	2500 ..		
(b) Educational	100 ..		
(c) Sanitary and Miscellaneous	500 ..	3100 ..	4100 ..
3. Establishment.	420 ..	420 ..	450 ..
4. Tools and Plant and Contingencies	300 ..	300 ..	400 ..
5 Contributions to Local Funds			
(a) For Sooramungalum Road	500 ..	500 ..	630 ..
Reserve.		200 ..	200 ..
Total Grant I.		8920 ..	9960 ..
Grant II. Education.			
1. Municipal Schools.			
(a) Establishment	2136 ..		
(b) Contingencies.	64 ..	2200 ..	2800 ..
2. Results Grants	1000 ..	1000 ..	1000 ..
3 Salary Grants.	720 ..	720 ..	.. ..
4 Contribution to Ld. Funds for Educational Inspection	100 ..	100 ..	100 ..
5. Miscellaneous and Reserve.	230 ..	230 ..	450 ..
Total Grant II		4250 ..	4350 ..

Statement II. Continued.

	1874-75. Detail of minor heads.	1874-75. Totals major heads.	Estimate for 1873-74.
Grant III Sanitation & Medical services.			
1. Hospitals.			
(a) Establishment	3060 ..		
(b) Medicines and supplies	1000 ..		
(c) Diet of patients	900 ..		
(d) Sundries and contingencies	600 ..	6160 ..	57
2. Vaccination.			
(a) Establishment	540 ..		
(b) Contingencies	10 ..	550 ..	4
3. Registration of Births and Deaths			
(a) Establishment	360 ..		
(b) Contingencies	10 ..	370 ..	1
4. Conservancy			
(a) Establishment	9420 ..		
(b) Sanitary service (Cost of Conservancy carts)	500 ..		
(c) Hire of Bullocks & carts	1800 ..		
(d) Cleansing tanks & wells &c.	600 ..		
(e) Removing Prickly pear	..		
(f) Contingencies	100 ..		
(g) Compensation for removal of huts	600 ..	13020 ..	12540
Reserve	300 ..	300 ..	
Total Grant III.		20400 ..	21040

Statement II. Continued.

	1874-75. Detail of minor heads.	1874-75. Totals major heads.	Estimate for 1873-74.
Grant IV Miscellaneous Municipal Purposes.			
1. Lighting.			
(a) Establishment	120 ..		
(b) Contingencies	160 ..		
(c) Lamp posts and Lanterns	380 ..		
(d) Oil.	400 ..	1060 ..	900 ..
2. Market Rent.	300 ..	300 ..	.. ..
3. Poor House.			
(a) Establishment	120 ..		
(b) Contingencies	60 ..		
(c) Feeding Paupers	360 ..	540 ..	650 ..
4. Watering streets & planting avenues	500 ..	500 ..	500 ..
5. Stamp papers &c.	500 ..	500 ..	200 ..
6. Purchase of land for Municipal purposes	400 ..	400 ..	1000 ..
7. Travellers Bungalow.	100 ..	100 ..	.. ..
Reserve.	200 ..	200 ..	200 ..
Total Grant IV.		3600 ..	3350 ..
Grant V. Supervision & Management.			
1. Office.			
(a) Establishment.	2034 ..		
(b) Contingencies	250 ..		
(c) Printing charges &c.	266 ..	2550 ..	3200 ..
2 Miscellaneous.	280 ..	280 ..	.. ..
3 Reserve			
Total Grant V.		2830 ..	3200 ..

Statement II. Continued.

	1874-75 Detail of minor head	Totals major head	Estimate for 1873-74
Brought forward		40000 . .	4190
Advances Recoverable &c.		" "	
Refunds		" "	
Grand total Expenditure		40000 . .	4190
Balances.			
a Municipal Fund			
b Endowment Fund			
Total		40000 . .	4190

Salem
16th Jan. 74 3 Comp. 2 fol.

Sd/- Medniewskiel
Ag President

Statement II A. Detail of Municipal Works estimated to cost more than Rupees 100.

Part I. New Works.

		Amount of Estimate	Past Expenditure	Expenditure in 1874-75	Remarks
A	Communications				
1	Embankment		500 " "	500 " "	
2	Tunnels and Drains		" " "	250 " "	
3	Kaikolar Street Road		" " "	150 " "	
				900 " "	
B	Educational				
	Petty Works		" " "	100 " "	
C	Sanitary and Miscellaneous				
1	Latrines 3 @ 700		" "	2100 " "	
2	Toll House		" "	200 " "	
3	Travellers' Bungalow		" "	300 " "	
4	Market		" "	600 " "	
5	Petty Works.		" "	200 " "	
				3400 " "	

Statement II A. continued. Part II. Repairs

	Project	Grant	Rema
A	Communications		
	The Numerous lanes and roads in the town.	2500 " "	
B	Educational		
	Petty Repairs	100 " "	
	Sanitary and Miscellaneous		
	Petty Repairs	500 " "	
		3100 " "	

Comp? Rd.

Redsnelshiel
Ag. President

tement II B. Detail of Municipal Establishments

	No.	Per Mensem	Per Annum	Total major head
Grant I. Public Works.				
Overseer	1	30 " "	360 " "	
Lascar	1	5 " "	60 " "	420
Total	2	35 " "	420 " "	
Grant II. Educational				
2 Municipal Schools.				
Masters	10	160 " "	1920 " "	
Mistresses	1	6 " "	72 " "	
Servants	3	12 " "	144 " "	2136
Total	14	178 " "	2136 " "	
Grant III San? & Medical Services.				
1 Hospitals				
Medical Subordinates	2	260 " "	3120 " "	
Clerks	"	" " "	" " "	
Servants	9	45 " "	540 " "	3660
Total	11	305 " "	3660 " "	
2 Vaccination				
Vaccinators	3	45 " "	540 " "	
Peons.	"	" " "	" " "	540
Total	3	45 " "	540 " "	
3 Registration of Births and Deaths				
Registrars	2	30 " "	360 " "	
Peons.	"	" " "	" " "	360
Total	2	30 " "	360 " "	

Statement II. B. Detail of Municipal Establishment

	No.	Per Diem	Per Annum	Totals major heads
Grant III. Concluded				
4 Conservancy				
Sanitary Inspector	1	25 " "	300 " "	
Nuisance Magistrics.	11	90 " "	1080 " "	
Scavengers	76	300 " "	3600 " "	
Jotties	48	179 " "	2148 " "	
Drain Cleaners	32	160 " "	1920 " "	
Reverwatchmen	3	15 " "	180 " "	
Cistern Men	4	16 " "	192 " "	
Total	175	785 " "	9420 " "	
Grant IV. Light				
Masalchees	2	10 " "	120 " "	
Grant V Supervision &c.				
Office				
Head Clerk	1	50 " "	600 " "	
Accountants	2	45 " "	540 " "	
Bill Briter	1	10 " "	120 " "	
Petition Clerk	1	10 " "	120 " "	
Bill Collectors	4	34 " "	408 " "	
Peons	2	13 " "	156 " "	
Masalchee	1	4 " "	48 " "	
Town Crier	1	3 8 "	42 " "	
Total	13	169 8 "	2034 " "	

Compd 12.

Redmen Rice
Ag President

Salem Municipality
Abstract of Budget for 1874-75

318

	Actual of Expired year			current year Budget		current year Nine months Actuals			Regular 12 months of 1873-74	New year
1 Opening Balance borrowed	4393	7	7	2000	3446	13	5		3447	1000
2 Assignments and Allotments by Government	1599	6	10	1340	1089	1	"		2000	2070
3 Rates and Taxes	34974	15	8	31300	18778	5	5		31000	28200
4 Fees in Schools	774	5	3	960	789	5	7		1000	1000
5 Endowments &c.	2111	7	11	"	146	9	5		1500	"
6 Contributions from Local Funds	2397	"	"	2400	3400	"	"		3400	3400
7 Miscellaneous	5318	"	4	3900	3470	14	9		4200	4230
8 Advances Recovered	4618	14	7	"	1216	3	"		4000	"
Grand Total Receipts	56182	10	2	41900	32337	4	7		50550	40000
Expenditure										
Grant I Public Works	18042	2	6	9960	5704	7	5		13000	8920
II Education	2407	12	6	4350	2951	10	"		4600	4250
III Sanitation	21812	7	3	21040	15077	"	4		21500	20400
IV Miscellaneous	3039	10	5	3350	2790	13	"		3700	3600
V Supervision	2498	8	4	3200	2140	5	1		2700	2830
VI Advances	4935	3	9	"	3531	12	6		4000	"
Total Expenditure	52735	12	9	41900	32196	"	4		49500	40000
Closing Balance	3446	13	5	"	141	4	3		1050	"
Grand Total	56182	10	2	41900	32337	4	7		50550	40000

Redmen Rice
Ag. President

No 65-

Minute

I must withhold my Consent to this Budget.

The abolition of one tax - a thoroughly Sound & drain tax - has necessitated increase of two very searching taxes the House tax and Wheel tax, for the Commissioners have properly found that they Could not bring the Municipality to a Stand-Still. The balance of Equation has been unduly disturbed

The proposed Savings are of an objectionable character

characters. The Commissioners
collect wheel-tax & Tolls
to the amount of 12,800 Rs.
and propose to expend
on Communications
little more than ⅓
one-third saving in
where expenditure is
most justified by the
character of the Locations.
The Conservancy Co.
much needed in a
town like Salem
is reduced to Rs. 1570

Wheel tax — 1600
Tolls — 10850
12,450

New works — 900
Repairs — 2800
3,1400

S.O. 572.

I think that the
Professional tax should
stand and the
Enhancements be
disallowed.

6/4 March W Robertson

[redacted] Director
to [redacted] wishing [redacted]
wheel tax — which

8 38

is for two lines
every to have a
contract with the
Tolls.

And I think
it would be
preferable to
re-institute the
Professional Tax
on the higher class
who can take at
least to pay it —
than to [redacted] the
House Tax which
is made to
on the lower
classes [redacted]
[redacted] of

9.3.

2

No 66

I submit that to
impose the Professional
tax a few months
after it has been
deliberately for the
year 1874-5 [redacted] abolished
~~it to~~ [redacted] & obtain
their fair sets with-
out merited disrespect,
or circumstance,
and vacillation, & to
discredit the whole
system under which
the administration of
affairs in the principal
Provinces of India is
carried on: and
I shall [redacted] some effort

any such attempt to the
interest of my servants,
Memorialists
Memorialists letter dated
as noted are on record,
& will show that the measure
was decided upon on valid
grounds, & after the most
careful consideration.

I ~~desire~~ propose, therefore,
that, if it is really ~~intended~~
by any hon. Colleagues to impugn
the Proceedings, the question
should first be tried (with the papers)
before the Govt. in Chief
for his opinion and in the
event of any thing wrong
in a manner, I shd. then
be ready to refer the question to
Govt. of India.

I believe that an
increase of tolls,
& cess of the
house-tax, is pro-
posed to the
Municipal Corporation,
which was universally
complained of, being
in fact an income
tax with some of
its direct evils
greatly aggravated.

Yr
Derick 11/74

Any Members or Residts
of the members of Govt.
on the proposed abolition
shd. also be sent to
the Govt. in Chief.

Govt. of India
No 67 378

The Budget of the Salem Mun
cipality should be sent, t
with all its accompaniments
to H.E. the Com. in Chief, as
desired by His Lordship.

The matter seems to
me to lie within small
compass.

The Income of the Salem
Municipality for 1873/4 is
returned as Rs 41.900 of which

Rs 2000 are a balance
from the previous year
& Rs 8400 - the Assessments
the Professions &c Tax - The
Expenditure of the year is
given as Rs 41.900 - but it
is expected that 1000 will
remain as an unexpended
balance.

In the Entering year
the Expenditure is estimated
at Rs 40.000 - It has been kept

...ers to this sum by the Collectors
...ic Works 1040. Rs
...servancy 1520 "
...ly small
...ems 836
3390

marginally
noted - which
appear Rs
3390 - The at
most economy
has evidently been practised - &
certainly the saving will be in the ex-
penditure in the item Conservancy
the Town will be expected
to keep at least a better-bal-
anced Establishment
Cholera & Municipal
precautions - & the enjoyment
in the Record - and how healthy
has from Epidemic diseases it

has since become. The Comm
been obliged on the other h
to make
additions
items - a
appropriate
and to dra
total charg
Rs 1900 -
per day
on the Hyd
and cannot
be to any
deductions -
in any pick

amed on the most economi
pal principle - and as below
principle.

Taking Estimate Rs 40,000
the minimum Establishme
the year, the question is - how
is money to be raised - If
Perfect in Law is entertained
will be no difficulty. -
if this Law is summarily
ticket, the loss - Rs 8.4. or nett,

must be made for the
raising them of the three
taxes - as, in the words of the
President of the Municipal
Com.ⁿ " it would be utterly
impossible to attempt to re-
-duce the annual expenditure
by that amount (8400 Rs. an-
-nually) without bringing the
whole municipal system in
this town, to a dead-lock." In
order to meet the difficulty caused

the rate of pct. - the Com.ⁿ proposed
(1) to raise the house tax
to raise it from its present rate of 5% on
the annual value of houses to
kept
the maximum of 7½ per cent. -
this tax will then be increased
from Rs 8700 its amount this Com.
to Rs 12300 - (2) to raise the
existing tax on carts & bullocks
municipal limits to the maxi-
mum allowed by law (viz 4 Rs. per cent
the income ~~increasing~~ this tax from Rs
500 to Rs 2500. The latter tax
measure - although quite justifiable

3/ higher & richer classes - as the
Law permits - He act divides
those in Calcutta to Professional
tax in to 8 classes - whose taxing
power from Rs 100 to an-
nually & Rs 1- and any class can
be exempted from the tax - The
Income Tax falls on all those
persons - except those whose income
does not exceed Rs 600 per annum - Now I
maintain that it is for better
to retain the Professional tax or

last at all the - is I think, agreeable, as the Collectors a charge of
4 Rs per an: cannot be regarded
as too much for the use thereof
other year of Municipal Roads &c
free from Tolls. &c

But in regards the Income
Tax the Question for us to decide
is whether it is most expedient
to raise it - or retain the Pro-
fessin Tax, wholly or partially.
My own opinion is in favor of
the latter measure - restricting
the incidence of the tax to the

the well-to-do classes & to relieve the poorer from both it & the House Tax - the one to abolish the Profession tax in the and be given to existing the House Tax on rich & poor alike. As regards the relative merits of the two taxes, I can only say that so far as my experience - actually my own - goes, the House Tax is the most unobjectionable form of taxation in the estimation of the nation - that we may be quite

time that has - as all taxes should - taxation of every kind - is unwelcome - our duty is to reduce it to the lowest practicable amount & - and adjust the burden in the least objectionable manner we can - I cannot admit that the Profession tax is simply a tax for an income Tax - there is no inquisition into private affairs - the various callings & subject to the tax are classed according to their sup. acts.

of being less felt = ~~but they do~~

here the true wheat deceptive guide
of falling ~~about~~ in the first
instance on a class which can.
not readily its pressure to make
itself heard as the more intelligent & in-
fluential classes on whom the Pro-
fessional ~~Tax~~ & Trade taxes fall. We
should err in assuming that Tolls
are popular because they are not
complained of. In Salem however
Rs. 10.000 or 1/4 of the Income of the
Town are derived from Tolls and
any further enhancement of them

fixed charge or tax
Profession is liable to a certain ~~fixed~~ ~~charge~~ ~~or tax~~ - a very large
number - is levied on the calling - but
on the actual income or benefit de-
rived in individual exercise. It is in
fact a license tax for the exercise
of certain professions & callings within
municipal limits & not in the
ordinary sense of the word a tax
levied in the interests of locality - be-
yond a fact attaches to every tax.
Tolls - provided they are kept within
moderate limits - ~~are the~~ ~~best~~
advantage can accrue to indirect taxes

for local Municipal purposes
shall be previously unpaid to the
District which has to
maintain the Roads. Used to end
at their termination by the Municipality.

As regards the circulating
I do not think that at the pt. able
Before them deliver to such a charge
by retaining the Professional Tax
in Salem. Its ratification or indeed
general order seem to have been
issued abolishing the Tax under
Sally & absolutely. The intention
was avowed in the order (4 June 73)
on the Municipal Budget for the

By

Fiz a Cantonment District which was
not circulated to the Municipalities - and indeed was not
attached to as reported even that District,
as resort from the Commissioner
as to the practicability of carrying
out its intention - before abolishing
the Tax - In the case of Salem the
Municipalities the Council have pursued
pursued this course in
the order carrying them Budget

for 1873/4, instructions to
Mr. the Professional
Tax in 1874/5 - providing a Rate.
Stickets for it - & declaring the
Expenditure. The intention existed
and of course is more or less
known but there has been no
formal declaration, absolutely
binding the Pt. This Session, which
I may remark, has been chiefly
occupied the Customs union &
the Tax in Prospect & Preparation &
Passing also - I was, from the

first, opposed to the Summary
& complete abolition of the Tax
but I have never thought its discontinuance, save
at a very few exceptional in-
stances when its total
discontinuance entailed
such serious consequences
. pt could not have contem-
plated - and would not, as I
think, be pts to point in the tariff
merely for the sake of economy.
I consider it most desirable
to at the Prospective Tax should be

retained in Salem - & for
on the wealthier classes are in
creased - but I do not regard the
case as one of extreme urgency,
inasmuch as the whole Tax -
raised by the municipality be
scribed by Lines will be able
the Cm[ty] to tide over the cur
rent year.

L. B. Lewis

3573

S.O. 1873

3/1573

Salem Municipal
1874-75

I should accept the Budget
estimate submitted by the Re-
ceivers of the Salem Municipal-
ity. The intention of [illegible] to abolish
in many respects the Tax
on Rents, Professions &c is strongly
urged upon through out the Country, &
will meet with every where well deserved
support. It is to be regretted that the loss
of revenue under this head should
render necessary the raising of
the Wheel & House taxes to the Max[m]
legal rate - but I think this could
scarcely be avoided in
especially as going back at this
early stage from our determination of
abolishing the Pro-
fession tax - The Com[rs] have
adopted the policy of Econ-
as regards its abolition they have
shown how they hope to do without
it and through them Parliament
have

[illegible] proposed a House that their proposals may be adopted. It is gratifying to see that the Native Members took a prominent part in the discussion.

Regretting the diminished Revenue on Sanitation, which however the Public Works will not materially impair efficiency, and the small amount allotted to Public Works, I would suggest the Budget as it stands -

Colaba mund
3-4-74.

598 4

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letter from the President of the Municipal Commission, Salem, dated 16th January 1874, No. 120.

Minute by Hon W Robinson – 6 March 74.
" — R Hon President – 11 – do —
Hon J D Sim — 30 – do —
H E Com Chief — 3 Apl 74

Order thereon, 7 dated 11th April 1874, No. 572.

The budget Estimates of the Salem Municipality for 1874-75 are shown in the annexed abstract in comparison with those sanctioned for the ~~Current~~ year 1873-74

Receipts	1873-74.	1874-75
Balance	2,000	1,000
Allotments by Govt for		
Medical officers	450	600
Schools	450	1,030
Other Items	440	440
Rates and Taxes.		
Rate on Houses &c	8,700	12,300
Tax on Arts	8,400	200
Tax on Vehicles	1500	1,600
Registn of Carts	500	2,500
Tolls	11,000	10,850
Fees	500	500
Fines	700	250
School fees	960	1,000
Local Fund Contribns		
Roads	400	400
Dispensary	2,000	2,500
other Items	4	500
Miscellaneous	3,900	4,330
Total	41,900	40,000

Charges.	1873-74	1874-75
Public Works.		
New Works { Communications	1000	900
New Works { Buildings	2280	3200
New Works { Miscellaneous	900	300
Repairs { Communications	3600	2500
Repairs { Buildings		
Repairs { Miscellaneous	500	600
Contribn to Local Fund Board	630	
Other Items	1050	500
Education.		920
Schools	2800	2200
Result Grants	1000	1000
Salary Grants	"	720
Contribution for Inspection	100	100
Miscellaneous	450	230
Sanitation.		
Dispensary	5700	6160
Vaccination	400	550
Registration of Births & Deaths	400	370
Conservancy	14540	13020
Reserve		300
Miscellaneous.		
Lighting	900	1060
Market rent	"	300
Poor house	550	540
Other Items	1900	1700
Supervision	3200	2830
Total	41900	40000

An increased allotment of Rs 970 for schools is in accordance with G.O dated 4th December 1873, No. 1764, but the additional Rupees 60 shown in the Hydpt ~~on account of schools~~ will not be required as

618 35

as all charges on account of female education have been resumed by Government.

In G.O, dated 20th March 1873, the Government directed that arrangements should be made before the commencement of the year 1874-75 for such reduction of expenditure as would permit of the omission of the Profession tax from the budget. The statements now submitted shows the following savings:-

Public Works	Rs	1040
Education, Miscellaneous	"	220
Registration of Births & Deaths	"	30
Conservancy	"	1520
Poor house	"	10
other Miscellaneous Items	"	200
Supervision		370
		3390

The

The savings thus Effected are to a certain extent neutralized by the marginally noted increases which however will be reduced by Rs 120 by the grant to the female School being defrayed from Provincial funds as above alluded to and the net saving in expenditure will be Rs 2020, and to meet the remaining Rupees 6180 lost by the abolition of the tax on Arts it is proposed to raise the rate on houses and the fee for the registration of Carts to the maximum allowed by the Act.

School	Rs	120
Dispensary	"	460
Vaccination	"	150
Sanitary purposes	"	300
Lighting	"	160
Market rent	"	300
		1490

The last matter discussed was the budget which is passed as submitted by the Committee

~~There seems reason to fear that the commissioners have failed fully to~~

I do not think we are justified in trying this - the loss of 8000 Rs

could not be hidden by underpost by the Committee Committee have evidently taken much blame in the matter

I Os

Council omit the last para

to realize the necessity of endeavouring to avoid additional Municipal taxation by making reductions in every item in which a saving is compatible with efficiency, but as the President reports that the proposals were resolved on after much deliberation in which several of the Municipal commissioners took an active part; the Government will not withhold sanction for the increased rates of taxation applied for, but they trust that the matter will receive further consideration with the view of at least lessening the additional burden

burden which it is now proposed to throw upon the tax payers.]

To,

The President of the Municipal Commission, Salem. 6
" " Public Works Department 21
" " Revenue Department 8
" " Board of Revenue 14
" " Accountant General 6
" " Sanitary Commissioner 6
" " Surgeon General, Indian Medical Department 8
" " Director of Public Instruction
" " President of the Local Fund Board, Salem. 6

Govt. of 1874 Madras.

Financial

To

The Presdt. Munl. Commrs.
Salem

Dated Apl. 11. } 1874, No.
Recd. } 572.

Nos. 64. 69.

Salem Munv. The Budget Est. of this Munv. for 1874-75, returned.

Circulated with the Govt. Mad. Proc. No. dated

Forwarded to the Govt.
with Collector's letter
with remarks and
with the Secretary's
M. S. dated