M.R.O. 1—77,006—3-5-37.

(1) Number of pages 56.

(2) Date of repair 8-6-40.

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 929	Press Mis. -
281-287.	281-287
Dated 30-5-	1874.

28/29

Not to be folded or roughly handled

Read the following papers:—

No. 281. From W. S. WHITESIDE, Esq., President of the Municipal Commission, Vellore, to the Hon. W. HUDLESTON, Chief Secretary to Government, Fort St. George, dated Vellore, 20th January 1874, No. 4.

In continuation of my letter of the 17th November last, No. 83, I have the honour to submit an extract from the minutes of proceedings of the Municipal Commissioners for the town of Vellore, at their meeting held on the 24th ultimo, and to request that Government will, under the circumstances represented by the Commissioners, be pleased to reconsider their order* that a moiety of the receipts from Tolls should be made over to the Local Fund Board of the Circle.

* No. 1623, dated 8th Nov. 1873, Finl. Dept.

2. The Government will perceive that the strict enforcement of the tenor of their order in question will almost cripple the Municipality, and will undoubtedly prevent its carrying out very important improvements for a long time to come.

EXTRACT from the Minutes of Proceedings of the Municipal Commissioners for the Town of Vellore, at their Meeting held on the 24th December 1873, No. 34.

Further discussion of Government Order reviewing the annual report of this Municipality for the year 1872-73.

2. The Commissioners beg to point out that, by this Government Order, the receipts of this Municipality will be reduced by about Rupees 9,000 and by the abolition of the Trade-tax by about Rupees 6,000, a total reduction of Rupees 15,000 out of about Rupees 55,000 of income. Under these circumstances, it is utterly hopeless to entertain the idea of a drainage scheme for the town, the cost of which is roughly estimated at about two lakhs of Rupees. During the present year the actual cost of Establishment, Conservancy, Education, &c., amounts to about Rupees 29,000, so that if our income next year is reduced to Rupees 44,000,* we shall have just Rupees 15,000 to spend on Roads, Public Works, &c. They presume that the contribution of Rupees 810 for the maintenance of the Railway feeder may be given up if the Government Order is to be carried out. The amount of Rupees 3,255 includes repairs rendered necessary by the cyclone as well as the maintenance.

* Estimated receipts for next year is Rupees 53,000, of which Rupees 9,000 from the receipts from Toll has to be paid to the Local Funds; the net receipts will be Rupees 44,000.

3. Under these circumstances the Commissioners are in the greatest possible difficulty in framing a Budget for 1874-75, and they trust that Government will reconsider their order, and at least reduce the amount of contribution to the Local Funds.

4. As regards paragraph 4 of the Government Order the Commissioners beg to point out the increased proportionate cost of lighting is only apparent and not real, as will be shown by the figures :—

Year.	Lamps.	Lamp-lighters.	Light Inspectors.	Pay per Mensem.	Pay per Annum.	Remarks.
				Rs. A. P.	Rs. A. P.	
1871-72	In Cantonment 42	2	...	10 0 0	120 0 0	Employed and paid by the Municipality.
	,, Town... ... 156	5	...	20 0 0	240 0 0	The lighting of these lamps was given to a Contractor at Ru-
	Total ... 198					

Year.	Lamps.	Lamp-lighters.	Light Inspectors.	Pay per Mensem.	Pay per Annum.	Remarks.
				Rs. A. P.	Rs. A. P.	
						pees 78 per mensem, and he employed five men for lighting them, and he paid them.
1872-73	In Cantonment 42 ,, Town ... 243 Total ... 285	8	1	43 12 0	525 0 0	Lamp-lighters were gradually increased from two to eight. Light Inspector was employed since June 1872.

Thus it will be seen that the actual cost of the establishment for lighting the lamps in 1871-72 was Rupees 360, or Rupees 1-13-1 for lighting a lamp, while the cost in 1872-73 amounted to Rupees 525, or Rupees 1-13-5¾ for lighting each lamp.

(Signed) H. SEWELL,
Vice-President.

No. 282. From W. S. WHITESIDE, Esq., President of the Municipal Commission, Vellore, to the Hon. D. F. CARMICHAEL, Acting Chief Secretary to Government, Fort Saint George, dated Raneepet, 14th March 1874, No. 18.

I have the honour to submit, herewith, the Budget Estimate of the Vellore Municipality for the ensuing official year 1874-75, and the Vice-President's letter which accompanied it.

2. The total estimated receipts amount to Rupees 53,006, and the expenditure to Rupees 51,930. An abstract of the Budget, as compared with that of the previous year, is given below :—

Receipts.	1873-74.	1874-75.
	Rs.	Rs.
1. Balance	8,000	12,000
2. Assignment by Government	1,110	1,150
3. Rates and Taxes	34,750	28,150
4. Fees in School	100	70
5. Endowments	6,800	6,876
6. Contribution from Local Funds for Civil Dispensary	750	750
7. Miscellaneous	3,660	4,010
Total ...	55,170	53,006

Expenditure.	1873-74.	1874-75.
	Rs.	Rs.
Grant I.—		
Public Works	29,740	25,740
Grant II.—		
Education	2,450	2,500
Grant III.—		
Sanitation and Medical Service	12,760	13,690
Grant IV.—		
Miscellaneous Municipal purposes	6,490	7,250
Grant V.—		
Supervision and Management	2,500	2,750
Total ...	54,000	51,930

Proceedings of the Madras Government, Financial Department,
30th May 1874.

3. The cause of increase or decrease in each of the items comprised under the several heads of Receipts and Expenditure, respectively, having been clearly explained by the Vice-President, I shall merely offer a few remarks *en passant.*

4. In paragraph 17 of his letter, the Vice-President observes that the Commissioners are unable to allot more than Rupees 10,000 for New Works, owing to half the receipts from Tolls having been taken away by G.O., dated 8th November 1873, No. 1623. The Order of Government in question will cause, no doubt, a very serious loss of revenue to the Municipality, and necessarily restrict the extent of the improvements that would otherwise be carried out in the Municipality; but I do not, however, think that much more than Rupees 10,000 could be advantageously spent on new works, even if more money were available.

5. As regards a moiety of the receipts from Tolls being made over to the Local Fund Board of the Chittoor Circle, as directed in the Government Order above quoted, I have in my letter of the 20th January last, No. 4, forwarded to Government an extract from the minutes of proceedings of the Local Fund Board of the Vellore Circle, and requested that Government would, under the circumstances represented by the Commissioners, be pleased to reconsider their order, as the strict enforcement of its terms will almost cripple the Municipality, and as I have just observed, undoubtedly prevent its carrying out very important improvements for a long time to come.

6. In accordance, however, with the order in question, half of the receipts from Tolls has been duly entered in the Budget as the amount of Municipal contribution to Local Funds, in lieu of Rupees 812-8-0 hitherto paid for the road from Vellore to the Railway Station. This contribution constitutes so terrible a drain on the Municipality, and will so seriously hamper its operations, that I earnestly hope the Government will be pleased to allow the former state of things to continue, at any rate for some years to come, and until the improvements now in contemplation by the Vellore Municipality have been carried out.

7. In paragraph 23 of the enclosed letter, the Vice-President states that the small increase of Rupees 300, in the expenditure under the head of Civil Dispensary, is to provide for the payment of a moiety of the Police Hospital Assistant's salary if the arrangement recommended by Dr. Fox for appointing the said Assistant to the Civil Dispensary is sanctioned. This subject has been laid before Government in paragraph 2 of my letter of the 25th ultimo, No. 11.

No. 283. Minute by the Hon. W. ROBINSON, C.S.I., dated 6th May 1874.

I am unable to assent to the suspension of the Trades-tax (Rupees 9,000) in the Municipality of Vellore. It will necessitate large and crippling reductions in existing useful expenditure, and I observe that it leads the Municipal Commissioners to urge the retention of Tolls on general trade in the interest of town expenditure. I consider this retention of tolls on trade for town purposes most objectionable under any circumstances, although I admit that the assignment of one-half to Local Funds partially removes the utter unreasonableness and impropriety of the tax.

2. I submit that general Tolls on trade—in other words Town transit duties—cannot be maintained in this Presidency under the colour of *Octroi*—a tax on local

consumption. Neither the Municipal nor Local Fund Laws authorize the levy of *Octroi* or Town duties—as does doubtless the Law of the North-West Provinces—and we cannot substitute one form of taxation for another without the sanction of the Legislature. The two are entirely distinct and must be treated each on its own merits.

3. As I am in the minority as regards the retention of the Professional tax I accede—though most reluctantly and for the present only—to Mr. Sim's proposal to transfer one-third instead of one-half of the proceeds of tolls to the Local Fund Board.

4. With reference to the question of *Octroi*, I venture to draw attention to the Resolution of the Government of India, dated 21st March 1873, No. 1955, paragraph 4, in which the danger of even well-regulated legal *Octroi* duties degenerating into transit duties is clearly indicated and warned against.

5. In this Presidency I venture to think that the Town tolls have gone very far to revive transit duties in a rough and indiscriminate manner almost throughout the country. Under the name of Tolls a certain duty is for all practical purposes levied—often more than once—on all through trade in transit—as well as on articles entering the town for the use of the residents—along the great Imperial trunk roads of the country, and entering and leaving sea-ports and the like.

6. This tax on trade and commerce is not, I venture to think, maintained for the legitimate purpose of keeping the roads, &c., in order. It is practically imposed, maintained and justified as a Town duty, and is applied in the main to town purposes in general. It is in fact a transit duty.

7. It is scarcely necessary to remark that looked on as a *quasi-Octroi*, Tolls traverse the principles laid down in the Resolution of the Government of India dated 6th November 1868, No. 4440—47, in respect to *Octroi*.

(Signed) W. ROBINSON.

No. 284. MINUTE by the HON. J. D. SIM, C.S.I., dated 7th May 1874.

The Vellore Municipality will lose 9,000 Rupees by the Professional tax being discontinued, and Rupees 9,000 by Tolls, if the decision of Government be adhered to. They have a balance, however, of Rupees 12,000, or Rupees 4,000 more than in last year.

2. The only important and material reductions caused by the diminution of their income are Rupees 8,800 for Buildings, and Rupees 3,110 for repair of Roads. As to the former the President of the Board declares that the Commissioners could not spend much more than the 10,000 Rupees allotted, if they had it, and certainly Rupees 10,000 is a very respectable sum for a place like Vellore, especially considering that the Commissioners had Rupees 18,800 last year. The expenditure on repairs is reduced from Rupees 5,110 to Rupees 2,000; this, I think, is to be regretted. I know Vellore, and I am quite sure that the excellent roads for which the station is noted cannot be kept in proper repair for the latter sum. If my proposal to reduce the contribution to the Local Fund Board from half to one-third is acquiesced in, then the Commissioners will now have Rupees 5,000 against Rupees 5,110 last year for repairs; the difference does not merit a second thought. Notwithstanding the loss of income the Commissioners have been able to increase the allotments for Hospitals, Vaccination, Conservancy, and Lighting, so that all the chief wants of the town are adequately provided for in the current year. I base my proposal to reduce the contribution to the Local Fund Board out of Tolls from half to one-third on the ground that, owing to the Railway, Vellore is no longer on the high road from Madras to Bangalore, Salem, &c., and I think, therefore, one-third will represent more fairly than one-half its share of the cost of the roads kept up by the Local Fund Board but tolled by the Municipality.

Proceedings of the Madras Government, Financial Department,
30*th May* 1874.

3. With reference to His Lordship's minute I would remark that looplines will not answer in the case of *large* towns, the detour to avoid the Tolls of the town is much too great, besides which it is rather a waste of money to make roads simply and solely to evade obstructions caused by our own acts, and a hardship on the people who have made and maintain the miles and miles of road which we allow the towns to toll to make them go out of their way to avoid being taxed for using those very roads.

4. To an *Octroi* in this Presidency I am quite opposed. The system has been tried and failed signally. It gives openings, which our subordinates will not allow to pass, of illicit gains and the most vexatious interference with traffic, and I do not hesitate to affirm that it will prove more unpopular than any of the taxes which we have remitted for their supposed unpopularity. But under any circumstances our Tolls, which tax *all* produce and not produce for local consumption only, are not an "*Octroi*," and we cannot therefore declare them to be such, and on the strength of that declaration make them over wholly to the Municipalities. The circumstance that the "*Octroi*" succeeds, or is believed to succeed in the North West, is no argument for their success here, where, as Transit duties, they have been tried and have failed.* But the question does not arise in respect to the matter before us, and it is very undesirable to dispose of important principles incidentally. If my proposal be acceptable, the Municipality will have sufficient funds for the current year, and they cannot reasonably object to it, seeing that they now contribute Rupees 3,256 for the road to the Railway Station, and the remainder Rupees 2,744 is surely a very moderate contribution for all the other roads leading into Vellore.

* The *Octroi* is said to answer in Paris, but I imagine this would not be held sufficient cause for introducing it in London.

(Signed) J. D. SIM.

No. 285. MINUTE by the Right Hon. the PRESIDENT, dated 12th May 1874.

The expenditure of this Municipality for 1873-74 was, in proportion to its population, very high—higher than that of the average of our Municipalities; and I do not think that it is necessary to take any measure for supplying the deficiency caused by the loss of the Profession-tax; more especially as the Municipality appears every year to have a large balance of income over expenditure (which cannot, I may remark, in future be allowed), and as the President states that the large reduction which has had to be made in "New Works," leaves the amount expended on new works still quite sufficient.

2. For the reasons which I have stated in my note on the draft order, I consider that to this, as well as to all our Municipalities, the whole proceeds of Tolls should be given. I have not of course said (as the Hon. Mr. Sim appears to suppose) that Tolls and *Octroi* are identical. I have only said what is undoubtedly the fact that Tolls are

a variety of *Octroi*, since a tax which bears upon goods conveyed into a town, and a tax which bears upon the vehicles in which they are so conveyed, are in principle the same. Both are taxes upon the traffic in produce entering the town and the difference is merely formal. My honourable colleague says that we cannot treat both as an *Octroi*, because tolls tax all produce, whereas an "*Octroi*" taxes only produce for consumption in the town. I submit that, on the contrary, "*Octroi*" as applied in India taxes produce whether for consumption in the town or for consumption elsewhere; otherwise there would have been no necessity for discussing the question which has arisen, wherever *Octroi* has been imposed in India, as to the manner in which produce for consumption elsewhere should be exempted or relieved from taxation. Tolls, *i.e.*, a tax upon the vehicles carrying the produce, are the form which *Octroi* has taken in this Presidency; and as in the rest of India, so in this Presidency, there is unquestionable evidence that this form of taxation is the least unpopular and the most productive. I consider, therefore, that the Municipalities ought to retain the whole produce of their tolls, but that some expedient should in each case be devised for exempting through traffic. Where a loopline cannot conveniently or consistently with the financial interests of the Municipality be adopted, there seems no reason why the plan devised for this purpose by Sir W. Muir (see paragraph 21 of his Report on the North-Western Provinces for March 1873) should not be resorted to here. Under that arrangement, the proportion borne by the value of the produce entering the town and reexported, to the value of the produce entering the town for consumption, is ascertained, and the tax upon produce generally reduced in that proportion. There can be no difficulty in adopting to our own system of tolls the principle of this arrangement.

3. As regards, then, the Budget now under consideration, the only change which I would make would be to inform the Commissioners that they need not make over any part of their tolls to the Local Fund Board, and at the same time to point out to them the expediency of having recourse to the relief of through traffic. They might be required to submit the figures necessary for ascertaining the amount by which the tolls should be reduced.

(Signed) HOBART.

No. 286. MINUTE by His Excellency the COMMANDER-IN-CHIEF, dated 27th May 1874.

I think as the income of the Municipality will be so seriously reduced by the abandonment of the Profession-tax, it may be allowed to retain the whole of the Tolls for this year.

2. The general question regarding the collection of Tolls, and the proportion in which the proceeds should be distributed between Local and Municipal Funds, will have been discussed and disposed of before the Budgets for 1875-76 come up for orders.

(Signed) FRED. P. HAINES.

No. 287. ORDER THEREON, dated 30th May 1874, No. 929.

The following table is an abstract of the estimated Receipts and Expenditure of the Vellore Municipality for 1874-75 compared with those for 1873-74:—

RECEIPTS.	1873-74.	1874-75.
	RS.	RS.
Balance	8,000	12,000
Assignment by Government.	1,110	1,150
Rates on Houses...	7,000	7,000
Tax on Arts	9,000	...
Tax on Vehicles	1,680	2,000
Registration of Carts	900	1,000
Tolls	16,000	18,000
Fees	100	100
Fines	70	50
Endowments, &c.	6,800	6,870
Contribution from Local Funds	750	750
Miscellaneous	3,760	4,080
Total ...	55,170	53,000

CHARGES.	1873-74.	1874-75.
	RS.	RS.
Grant I.		
New Works—		
Communications	...	...
Buildings	18,800	10,000
Repairs—		
Communications	5,110	2,000
Miscellaneous	400	1,000
Establishment	4,490	3,600
Other items	940	9,140
Grant II.—		
Municipal Schools	...	300
Salary Grant	300	...
Results Grants...	1,600	1,600
Inspection	500	500
Other items	50	100
Grant III.—		
Hospitals and Dispensaries.	3,300	3,600
Vaccination	220	300
Registration of Births and Deaths	190	190
Conservancy	9,050	9,600
Grant IV.—		
Lighting	1,860	2,300
Market	460	370
Lungerkhanas	4,180	4,200
Other purposes	50	380
Grant V.—		
Supervision	2,250	2,500
Miscellaneous	250	250
Balance	1,170	1,070
Total	55,170	53,000

2. The total income of the Municipality appears at Rupees 53,000 in the accounts, but as half of the tolls would go to the Local Fund Board under recent orders, the net income is only Rupees 44,000, or Rupees 11,170 less than in 1873-74, the principal cause of the decrease being the loss of the Profession-tax and the division of Tolls above alluded to. The Budget has been adjusted by means of the marginally-noted reductions, the most important of these being under the heads of New Works, Sanitary and Miscellaneous, and repairs to roads, while it has been found possible to make an increase to the allotment for almost every object of annually-recurring expenditure, and to leave an unallotted balance of Rupees 1,070. The decrease in the allotment for road repairs, however, is much to be regretted, and under all the circumstances reported, the Government will

	RS.	RS.
New Works—Buildings	8,800	
Repairs—Communications...	3,110	
Other Public Works items	1,690	
Market	90	
Balance	100	
	13,790	
Deduct increases		
Miscellaneous Repairs	600	
Education	50	
Dispensary...	300	
Vaccination	80	
Conservancy	550	
Lighting	440	
Other sanitary purposes	350	
Supervision	250	
	2,620	
Balance ...	11,170	

not object to allow their order directing a division of the Tolls to be held in abeyance for the current year pending a decision on the general question now under the consideration of Government.

D. F. CARMICHAEL,
Acting Chief Secretary.

about the Construction of
Loopholes to prevent the
Telling of through traffic
by means of Peltiers —
No 2 to 7 inch
11 June 1875

Exd. J. Wright

Govt. of {1874 Worm.

FINANCIAL.

To

THE PRESIDENT OF THE
MUNICIPAL COMMISSION,
Vellore.

&c., &c., &c.

Dated May. 30th.

Read.

Read.

G.O., 30th *May* 1874, No. 929.

MAY.

Nos. 281—287.

Vellore Municipality.—The Budget Estimates of this Municipality for 1874-75, reviewed and passed.

With reference
to the question of octroi,
I venture to draw attention
to the Resolution of the
Government of India
dated 21st March 1873
No 1953. Para 4, in which
it is
duties degenerating
into transit duties
is clearly indicated
and warned against

In this Presidency
I venture to think that
the Town tolls have gone
very far to convert transit
duties in the gross, in
a rough and indiscriminate
manner almost throughout
the
unreasonableness and
impropriety

the Country. Under the name of Tolls a heavy duty is for all practical purposes levied – often more than once – on all through trade in transit – as well as on articles entering the town for the use of the residents – along the great Imperial trunk Roads of the country, entering and leaving Seaports and the like.

This tax on trade & commerce is not, I venture to think, maintained for the legitimate purpose of keeping the roads in order. It is practically imposed, maintained and justified as a Town duty & is applied in the

the main to Town purposes in general. It is in fact a transit duty.

It is scarcely necessary to remark that looked at as a quasi octroi Tolls traverse the principles laid down in the Resolution of the Government of India dated 6th November 1860 No. 4440-47 in respect to Octroi.

unreasonableness and impropriety

Finance Dept
Proc 30 May 1874
Dep 29

Field 27 May 73. Proc 97-99.
4 July 4 — 20-21 Oct.
8 Nov 4 — 23-24.

Field 1874 Dept.
From Proc 30 May 1874
The President
Municipal
Commission
Vellore

To The Chief Secretary
to Government

Dated 14-3-74
Recd 18-3-74.
Ans 20
No 665 Rev (2)
Submits the Budget
Estimate of the Vellore
Municipality for the
Official year 1874-75

No 282

Fuil 78 Nov 73. Rec 23-24. 01
1 Dec 73 - 4 - 9 - 10.
5th April 74 78-79
4th June 73 20-21
8th August 70 45-46
25th March 73 123-4
16th July 71 51-2
15th June 74 24-25

From, Fuil 1874 Dept

THE COLLECTOR OF

North Arcot.

To, The Chief Secretary to Government

Dated 20 January 1874

Despatched 23

Received 24

No. 4

ENCLOSURE.

SUBJECT.

Requests that the Government will be pleased to reconsider their order that a moiety of the receipts from Tolls should be made over to the Local Fund.

No 164 and V

No 281

Letter from the President Municipal Commissioner Vellore 4th March 1874 to B.

I am unable to assent to the suspension of the Trade tax (Rs. 9000) in the Municipality of Vellore. It will necessitate large and crippling reductions in existing useful Expenditure and I observe that the Municipal Commissioners heads the Municipal Commissioners to urge the retention of tolls on General trade in the interest of town Expenditure. I Consider this retention of tolls on trade for town purposes most objectionable under any circumstances, although I admit that the assignment of one-half to Local Funds partially removes the utter unreasonableness and impropriety

impropriety of the tax.

I submit that Ground Tolls on trade – in other words Town transit duties – cannot be maintained in this Presidency under the color of Octroi – a tax on local consumption – Neither the Municipal nor Local Fund Laws authorize the levy of octroi or Town duties – as does doubtless the Law of the North West Provinces and we cannot substitute one form of taxation for another without the sanction of the Legislature. The two are entirely distinct and must be treated Each on its own merits.

As I am in the minority as regards the retention of the Professional tax I am to – though most reluctantly and for

for the present only – to Mr Lind's proposal to transfer one-third instead of one-half of the proceeds of tolls to the Local Fund Boards.

H/S W Robertson

No 284

The Collector of Ahmedabad will please report to the Board the Professional Tax being disputed. & Rs 6000 by Talls – if the decision of the Board be adhered to. They have a balance in arrears of Rs 12000 – or 6000 more than in last year.

The only important & material

Peerzaun Road
Written on 1st Reduction
Granted

re Reductions Carried
by the Rivi in ters
of their Income
are Rs 8807- for
Kund Ring & Rs 3110
for Rebain of Road.
As to the former
The President & the
Ht Hon declares
that the Govt Canda
not stand much
more than the 10.000
allotted - if they took
it - and certainly
Rs 10.000 is a very
inadequate sum
for a Place like
Vellore - especially
considering that
the Govt: took
18 000. last Year.
The expenditure

on the Main is re-
duced from Rs 5110
to Rs 2000 - this I
think, is to be
regretted. I know
Vellore & I am
quite sure that the
Excellent roads
for which the
Station is noted
cannot be kept
in proper repair
for the latter sum.
If any portion
of the Reduction
contributions to
the L. F. Fd from
1/2 to 1/3 is ac-
quiesced in, then
the Govt will have

have Rs 5000 against Rs 5710 last year for Education. The distances does not decrease second thought. Notwithstanding the loss of income the Committee have been able to increase the allotments for Hospitals. Vaccination. Conservancy & Lighting. & have also provided for, in the current year. I

take my Presidency to which the attention of the Local Fund Auth. are of 2 kinds from ½ to ⅓ of the Ground taxes by the Municipality Palera is on large on the high road from Madras to Bangalore - Salem &c. and I think therefore ⅓ will be sufficient more probably than ½ the cost of the roads. Half will be by the Local Fund Board - half titled by the Municipality.

3. Leicester & that
which he alleges
the Town to take
top at the
way to it avoid
being traced to
using those very
Roads.

To an Action
in the Nisi Prius
Court. The System
has been tried &
failed by a Jury.
At pie-powder
which in a Bridi-
cature little not di-
ves to Law. Of
ficit fame and
the most vexatious
interference with

traffic - and
I do not hesitate
to affirm that
it will prove
-lar than
any of the taxes
which we have
remitted for the
last hundred years.
Popularity - But
under
any circumstances
our bills - which
test all taxes
& test produce
for local use.
Simplicity only -
are not an "Octroi"
and do we care
not them free de
clare them Ou

Such - and on
the strength of
that declaration
made them dear
wholly to the
Municipalities.
The circumstances
that the "Octroi"
records - or is
behind to the c-
-cord in the
U. West is no
argument for
the success here
where - as Manit
ties - they have
been tried & have
failed. + Next, the
question does not
arise in order. to
to the [illegible] matter

+ The Octroi is
said to answer
in Paris - but
I am of opinion that
could not be
held in Vienna
can be for in
trading it
in London.

before us - and it is very unde- -sirable to disturb of incumbents of [illegible] principles inci- dentally. If any increase be ac- -ceptable, the Mu- nicipality will have sufficient funds for the cur- rent year - and they cannot rationally object to it - seeing that they have con- tributed Rs 3256 for the road & the Rail- way Station - and the remainder Rs 2744 is surely a very moderate Contribution for all the other roads leading into Vellore. I & Sins. 7/5

Submitted for the orders of H. E. the Governor with reference to the Hon'ble Mr Sim's minute. It is submitted that if the draft be passed with the proposed modification the amount realized by the Municipality will be as much as could be obtained from an octroi.

J.L. 11/4

S.O. 929

Note. The Municipality realize from.

Horse Tax -	Rs 7000.
Do Carts &c in the Town -	3000
	10,000
Which Tolls yield —	15,000

0 R x C

X 31

No 285

Vellore Municipality

Government House.

The expenditure of this Municipality for 1873-4 was, in proportion to population, very high - higher than that of the average of our Municipalities: and I do not think that it is necessary to take any measures for supplying the deficiency caused by the loss of the Professional tax: more especially as the Municipality appears to have a large balance in hand over expenditure (which cannot long remain so in future years) and as the evidence states that the large reduction

~~contains about two lines~~

~~about~~ disapprove the practice which has arisen, whereby orders have been issued in India, as to the manner in which produce for consumption elsewhere should be encouraged or retarded -

Thus, e.g. a tax upon the articles composing produce - as the saltpetre which duties have been in the Bengal Presidency: and as in the rest of India, so in the Bengal Presidency, there is unquestionably evidence that the form of taxation in that part unfavourable to the work

* Doubt as to any tax on traffic in purchase within the town.

and a tax which bears upon the articles in which they are concerned, are in principle the same - by ~~the~~ both C, Mergui says that no export trade ~~otter~~ as an actor, because tolls, tax all produce, whereas an 'actor' taxes only produce for consumption in the town - I submit that, on the contrary, "octroi" taxes produce which for consumption in the town & for consumption elsewhere: Mergui does not have to export for ~~the~~

Government House,

produce. I consider therefore that the Municipalities ought to retain the whole produce of their tolls: but that some expedient should in each case be devised for securing through traffic. Where a toll line cannot conveniently be reconciled with the general interests of the Municipality it should be settled that there was no reason why the plan devised for the purpose by Sir H. Smith (see para 21 of his despatch of 7th March/73 to Mr. H. Rowles) should not be resorted to here: and under that arrangement the whole proportion borne by the value of the produce ruling the town & exported, to the value

of the produce entering the town for consumption, is accentuated: and the tax upon produce generally reduced ~~in a certain~~ by that proportion. There can be no difficulty in adapting to our system of toll the principle of this arrangement.

As regards, then, the Budget once under review: the only change which I would make is to impose the Exemption that they need not ~~have~~ pass over any part of their tolls to the Local Board Branch, and at the same time

Government House.

a point not to alter the safeguard which I have referred for the relief ~~circumscription~~ of through traffic. They might be required to submit the figures necessary for ascertaining the amount by which the tolls should be ~~might be~~ reduced

Hobart

May 12/74

His Excellency the Commander in Chief

S.O. 929.

286 Minute by Hon Excelling the Commissioner in Chief 8 43
dated 27 July 1874
Tolls at Kellan.
Kellan Municipal Bonspiel for 1874-75

I think as the income of this Municipality has been so seriously reduced by the abandonment of the Profession Tax, it may be allowed to retain the Whole of the Tolls for this Year -

The General Question regarding the collection of Tolls and the purposes in which they should be distributed between Local & Municipal Funds will have been discussed & disposed of

before the Budgets
for 75-76 come before
us for orders.

Hatton Stevens

27th May
1874

S.O. 929.

Receipts from Tolls
1871-72 = 11290
1872-73 = 16994
1873-74 = 18150

Considering that Vellore is at the line of Rail & consequently no Engineer there all the through traffic I think 1/3 a would be a fair contribution than 1/2 - to the heavy a

In the order reviewing the annual report for 1872-73 of the Vellore Municipality the Govt remarked on the larger revenue realized by the Municipality ~~compared~~ from tolls compared with the expenditure on roads, and as the annual receipts appeared to be increasing it was directed that "at least one half of the receipts from tolls should be made over annually to the Local Road Board of the Circle in lieu of the contributions for our road at present made".

The Commissioners now request that Govt will reconsider this decision, as the loss of funds caused thereby together with the

decrease of income resulting from the abolition of the ~~Town~~ Professions tax will render it hopeless to entertain the idea of a Drainage scheme for the town, the cost of which is roughly estimated at two lacs of rupees.

If Govt adhere to their previous order the Commissioners estimate that only Rs 15000 will be available in 1874-75

Yr most obdt Servt
H. Leeds 11. 6

work on the Drainage scheme must evidently be carried out by means of a loan

Lbd

Octroi or Town duties is not the source from which Work for the payment of a Town water scheme - Should less Substantial be undertaken to divert such a burden from its proper application in order that the work to do which Loan may be spared their incidence - and submit that especially trade needs protection from these Town Comtes It is true that the abolition of the Trade tax has created a despair which Govt be much willing to remove if revising it.

HRL 16/3.

I must have passed the order, which I think is now requested, quite inadvertently, as I have never considered that any portion of these tolls should be paid to Local Fund Boards. Work especially Town (as I have often stated) which is a kind of Octroi, which is almost as good a tax as can be devised for the purpose; provided we can except through traffic - that is the recent special order with a view to leave these tolls & Municipalities; if they can take effectual measures to relieve the transit trade. How this can be, with any kind of assistance, or response, not only to "reconsider" but to "repeal" the order? I do not understand why this was not brought to notice in this case. Yr Orders.

HR

March 20/74

Tolls in Villages

Fin 30 May 74

a 6/3
h 15/3
c 18/3
d 17—
e 17—
f 28—

resp to Officers concerned - 15/6

& 51

Financial Department

PROCEEDINGS of the MADRAS GOVERNMENT.

Read the following letters from the

President Municl Commrs Vellore, dated 14th March 1874, No 18
Minute by Hon W Robinson — 6 May 74
" Do Lim — 7 do
Rt Honble Governor — 12 do
H E Commr Chy — 27 do
2 2/20th January 1874 Enc 6
Order thereon of Govt dated 30th May 1874
No 929

I. D.S. 287 See end.

But I expect Expenditure will then Rs 2000 as Survey & for Road repairs being that Rs 5110 here assigned last year.

The following table is an abstract of the estimated receipts and expenditure of the Vellore Municipality for 1874-75 compared with those for 1873-74

Receipts.	1873-74	1874-75
Balance	8000 —	12,000
Assignment by Govt	1110 —	1,150
Rates on houses	7000 —	7,000
Tax on carts	9000 —	"
Tax on Vehicles	1680 —	2000
Registration of Carts	900 —	1000
Tolls	16,000 —	18000
Fees	100 —	100
Fines	70 —	50
Endowments &c	6800 —	6870
Contribution from Local Funds.	750 —	750
Miscellaneous	3700 —	4080
	55170 —	53,000

Fees 6th June

Charge

Charges.

		1873-74	1874-75
Grant I			
New Works	Communications	— "	— "
	Buildings	— 18,800	— 10,000
Repairs	Communications	— 5,110	— 2000
	Miscellaneous	— 400	— 1000
Establishment		4,490	3600
Other items		940	9140
Grant II.			
Municipal Schools		— "	— 300
Salary grant		300	— "
Results grants		1600	— 1600
Inspection		500	— 500
Other items		50	— 100
Grant III.			
Hospitals & Dispensaries		3300	— 3600
Vaccination		220	— 300
Registration of births & deaths		190	— 190
Conservancy		9050	— 9600
Grant IV			
Lighting		1880	— 2300
Markets		460	— 370
Lungerkhanas		4180	— 4200
Other purposes		— 50	— 380
Grant V.			
Supervision		— 2250	— 2500
Miscellaneous		250	— 250
Balance		1170	— 1070
		55,170	— 53,000

— 8800.
3110
Lists
1040 — 1080
See note below

New Works. Buildings 8800
Repairs - Communications 3110
Other P.W. items - 1690
Market - - - - 90
Balance - - - - 100
13,790

Deduct increases.
Miscellaneous Repairs 600
Education - - 50
Dispensary. 300
Vaccination — 80
Conservancy. 550
Lighting — . 440
Other Sanitary purposes 300
Supervision - - 250
2620
11170

The total income of the Municipality approaches Rs 53,000 in the accounts, but as half of the tolls, amounting to the Local Fund Board under recent orders, the net income is only Rs 44000, or Rs 11,170 less than in 1873-74, the principal cause of the decrease being the loss of the Profession tax, and the division of tolls above alluded to. The budget has been adjusted by means of the marginally noted reduction, the most important of these being under the head of New works Sanitary ~~Revenue~~ and Miscellaneous, and repairs to roads while it has been found

found possible to make an increase to the allot= =ment for almost every object of annually recurring expenditure, and to leave an unallotted balance of Rs. 1070. ~~The decrease also to the allotment of Rs 1,000 for new~~ works, the President remarks that he does not think that much more could be advan= =tageously spent even if money were available and under these circum= =stances the Govt. do not think that any immediate orders are called for with reference to the request that the whole

in the allotment for road repairs however is much to be regretted and under all the circumstances, the Govt will not object to allow their order directing a reported division of the Gifts to be held in abeyance pending for the current year a decision on the general question now under the consideration of Govt. ~~stated to in~~

JL

Encl

The Madura Municipal Commissioner has written deprecating a toll on the ground that it would not be used even if made - as apart from conveniences of travelling within Municipal limits, inducing carts to enter) the detour necessary to skirt the town would cost more than the toll. - An answer is still due from Trichy with reference to the proposed arrangements there, and a memo has also been sent to the Municipalities requesting them to report on the system to which the existing toll lines in that district are used - a memo for orders will be submitted as soon as these replies have been received.

JL

55

whole income from tolls may be left to the Municipality, and the President's letter on that subject will therefore be dealt with along with the general question which is now under consideration.

JL

I would reduce the contribution to Rs 2. 7. 8d to 1/3 = This will leave 3000 Rs at the disposal of the Comr for repairs &c. & Below I know to be call "roaded" and I cannot be= =lieve that 2000 Rs will be too little for repairs. JGT

Copy of letter of 18 May 1915

Dated

Rec'd.

187 , No.

Nos.

C24-4
R915
B