M.R.O. 1—77,000—8-6-37.

(1) Number of pages 28

(2) Date of repair 12-11-40

(3) Initials of the Referencer

MADRAS RECORD OFFICE.

Government of Madras.

Financial DEPARTMENT.

G.O. No. 281 Press Mis.

9-2-77.

Dated 8-2-1876.

Not to be folded or roughly handled

Local Funds—Tolls.

Read the following papers :—

No. 95. Proceedings of the Board of Revenue, dated 3rd July 1875, No. 1849.

Read the following letters :—

From H. ST. A. GOODRICH, Esq., Acting Collector and President of the Local Fund Board, Vizagapatam District, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated 26th May 1875, No. 929.

With reference to the 3rd paragraph of G.O., No. 40, Financial Department, dated 11th January 1875, the subject of the papers whereon that order was passed has been considered by the Municipalities and Local Fund Board over which I preside, and local circumstances have been carefully considered.

2. I have now to submit the proposals of the Vizagapatam Local Fund Board, and my own opinion of the course which it will be fair to adopt towards the Municipalities, subjoining in the case of these latter bodies the opinion of the majority of their Commissioners where it differs from my own.

3. The tolls now levied within the Local Fund Circle of Vizagapatam are collected by the Municipalities of Vizagapatam, Bimlipatam, and Vizianagram, and the toll collected on the road from Palconda to Chicacole, are now collected by the Local Fund Board.

4. The average sum at which these bars have been let for the past three years has been :—

No.	Items.	1872-73.		1873-74.		1874-75.		Average.	
		Estimate.	Actuals.	Estimate.	Actuals.	Estimate.	Actuals.	Estimate.	Actuals.
		RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
1	Vizagapatam	8,460	8,243	9,050	10,643	9,900	8,960	9,137	9,282
2	Bimlipatam	5,500	6,600	6,200	7,275	6,500	7,750	6,067	7,208
3	Vizianagram	7,100	7,210	7,500	7,628	7,700	7,010	7,433	7,283
4	Palconda	3,500	4,650	4,000	5,325	4,000	3,840	3,833	4,605

5. The through traffic passing through Vizagapatam and Bimlipatam by land is insignificant. The carts that enter these two towns bring in produce and return westward laden with salt or imported goods. A small proportion thereof bring in agricultural produce for consumption within the towns.

6. To the tolls levied on the goods of all kinds sent to the port for shipment, and on the loads of the carts which return from the ports laden with imported goods, the Local Fund Board has a fair claim, inasmuch as it maintains the roads whereby the communication between the sea-board and the interior is carried on. To the octroi duty on their own local consumption, the towns have a fair claim.

7. The amount in tons of produce shipped from Vizagapatam and Bimlipatam has been for the past two years as follows :—

	1872-73.	1873-74.	Total.	Average.
Vizagapatam	5,088	5,553	10,641	5,320½
Bimlipatam	18,250	21,323	39,573	19,786½

Country carts carry seven bags of 164 lbs. as a full load = $\frac{11}{10}$ of a ton, half a ton may therefore be taken as the load of a cart; and the entry of 10,641 carts within the Municipal limits at Vizagapatam, and of 39,573 carts at Bimlipatam, producing Rupees 1,330-2-0 at the former, and Rupees 4,946-10-0 at the latter port, must have been the average entry during the past two years to recoup the contractor for his payment to the Municipality alone.

8. That the contractors have hitherto managed to secure far too large a share of the tolls is clear. Insurance against risk, interest on money paid for the establishment employed in collection, and reasonable profits, would have been secured had they engaged to pay over a much larger sum for the farm of the tolls.

9. The disproportion between the amount of income received under the contract system for tolls, and that which would be received were the tolls due on the whole traffic realized with a small drawback for cost of collection, lead the Local Fund Board to think that direct management may with due safeguards be possible. They advocate the levy of the toll at the present gates of Vizagapatam and Bimlipatam on behalf of the Local Fund Board; the Local Fund Board to employ men of good character on high pay as collectors, and to check the traffic on days whereof no notice should be given and compare with the collectors' books. They would grant to the above-named Municipalities the amount of tolls levied less the amount levied on through traffic, *i.e.*, exports to, and imports from, beyond sea.

10. The Municipality of Vizianagram levies no tolls on the main stream of through traffic which passes from Rayaghada, Parvatipore, Salur and other places, by a loop-line close to its western limits. Some amount of through traffic passes from the direction of Palconda to the eastward towards Bimlipatam, and for this through traffic a loop-line may and ought to be constructed. The Municipality may then be left to manage its own tolls, which will be simply an octroi duty.

11. The Palconda toll will continue to form a part of the Local Fund assets, and looking to the great necessity for the construction of roads in the northern part of the Local Fund Circle (a district for which I have advocated* the formation of a separate Local Fund Board), the Vizagapatam Board think that it should continue to be levied in aid of capital expenditure, *i.e.*, for construction of the main lines of road. As soon as maintenance grants alone are needed, the toll should be abolished as an undesirable mode of raising revenue, provided the need for money can be otherwise satisfied. They advocate the farming of this toll-gate provided an upset price of fair amount can be realized.

* *Vide* my letter, No. 913, dated 22nd May 1875.

12. The places mentioned as toll-gates in paragraph 3 have now been described, and the arrangements which the Local Fund Board would propose in respect to each of them. The Chicacole toll remains. At that point where the only bridge that spans the Langulia or Nagavalli was built many years ago, the Municipality of the town of Chicacole levy toll on the traffic passing northward from Vizagapatam.

13. On receipt of G.O., dated 11th January 1875, I addressed the President, Ganjam Local Fund Boards, and requested his opinion as to the proportion of the tolls there levied, which should be credited to the Chicacole Circle, the Chicacole

Municipality, and the Vizagapatam Circle, respectively. That officer requested the opinion of the Chicacole Circle, and forwarded to me the opinion of that body, which is, that it desires to retain possession of the tolls. Mr. Davidson does not express his views on the subject; those of his predecessor may be partly inferred from his letter, dated 29th January 1874, printed at the head of Proceedings, Madras Government, Financial Department, 11th January 1875, (now under reply).

14. The wrong done to the districts north and south of the spot where the Chicacole Commissioners levy blackmail is forcibly described in the opening paragraphs of Mr. Master's letter; it remains for me to show that the Vizagapatam tax-payer has been far more deeply wronged than his neighbour of Ganjam.

15. The road which the taluqs north of Chicacole have long enjoyed was constructed, like the bridge, from the proceeds of general taxation, which fell with equal incidence on the peasantry of either district. The Ganjam peasant, however, had a line of communication; the Vizagapatam peasant possessed the bridge, a highly ornamental terminus, but it was inaccessible.

16. The Vizagapatam peasant is now at his own cost more directly borne constructing the links needed from Koshta to Chicacole; the estimate, Rupees 45,910, has been submitted, and Rupees 4,000 is provided in this year's budget. When this gap of twenty miles and a similar gap between Nakkapilly and Tuni have been filled up, the great northern trunk road, which I have seen alluded to as if existent, by imaginative or prophetic Engineers, will be a reality throughout the Vizagapatam District.

17. Notwithstanding the advantage hitherto enjoyed by our northern neighbour of Ganjam, I would not propose that he bear any of the cost of completing the northern road within our borders. I would, however, place the toll-gate on the bridge as the best place whereat to levy tolls, and credit the sum collected to the Vizagapatam Circle until the road is complete, which it might be in three, or possibly in two years from the present date; dividing the tolls thereafter equally between the Local Fund Boards north and south of the river. That the Municipality provide for its wants by some other means than a duty on goods in transit, will I trust be ordered before the next budget comes to be framed.

18. As promised in paragraph 2 *supra*, I append the statement of their reasons from the Municipalities, a majority of whose Commissioners differ in opinion on the question discussed from me.

19. Vizianagram differ from me but slightly, Chicacole totally. I have stated above the views I hold with the grounds thereof. The Bimlipatam Commissioners take up the position that "it is on the merchants as much as on the cultivators that the incidence of the tolls falls." I agree with them with the qualification that neither class bears an appreciable portion of the tolls. The consumer of the goods exported must eventually pay most of the tolls which form a part of the cost of conveying those goods to their distant markets.

The enhanced cost thereof will raise the price of the goods imported in return, and thus check the interchange of commodities and thereby lessen the profits of the trader.

20. The mischief done however in this direction in the case in point is very slight, the irregular export duty levied in the shape of Municipal tolls being but $\frac{3}{4}$d per ton. The Local Fund Board believe that when the amount thus levied is spent upon the roads leading to the port, trade will be more helped than harmed; and they are decidedly of opinion that an endeavour should be made to realize a larger share of the dues collected than the system of contracting now brings in for the public use.

Enclosure No. 1.—Copy of letter from Vice-President of Vizianagram Municipality.

Enclosure No. 2.—Extract from Proceedings of Municipal Commissioners of Bimlipatam.

Enclosure No. 3.—Extract from Proceedings of Vizagapatam Local Fund Board.

Enclosure No. 4.—Extract from Proceedings of Chicacole Local Fund Board.

From the same Officer, dated 1st June 1875, No. 982.

In my letter to you of 26th May 1875, No. 929, I regret to say that a paragraph, without which the conclusions drawn therein must appear quite unwarrantable, was omitted, and I beg that you will read with the omission supplied as follows:—

2. Paragraph 8.—The inferences from the amount of exports vary greatly from those drawn from the returns of traffic collected by the District Engineer on the road leading to Bimlipatam. According to these latter returns (whose correctness is supported by the data from other points where traffic is observed both by the District Engineer and the Senior Assistant) instead of 40,000, about three times that number of carts must have passed in at the lowest computation into Bimlipatam. These returns have been prepared for the purpose of checking the calculations of the promoters of the Railway, and I believe them to be very fairly correct; they prove a great activity in the interchange of commodities within the district. If they are trustworthy, it is clear that the contractors have hitherto managed to secure far too large a share of the tolls. [H. E. the rest of paragraph 8, as in my letter despatched.]

3. I will do myself the honor to address the Board on the subject of the returns of traffic above mentioned before the end of June.

In these letters the President of the Local Boards and Municipalities in Vizagapatam submits the report called for in the Government Order noted in the margin, as to the division of the Municipal tolls in that district, between the Municipalities and the Local Fund Boards.

G.O., Financial Department, dated 11th January 1875, No. 40.

2. The tolls to be discussed are those at Vizagapatam, Bimlipatam, and Vizianagram, amounting, respectively, on the average of three years' collections, to Rupees 9,282, 7,208 and 7.283.

3. The President estimates from certain statistics as to the export trade from Vizagapatam and Bimlipatam, that Rupees 1,330, or about a seventh in the former case, and Rupees 4,946 or about 69 per cent. in the latter, are levied upon through traffic; and considers that contributions of these amounts should be paid to Local Funds. He points out, however, that the tolls for Bimlipatam do not yield nearly what they ought, and thinks that they should be managed, without contractors, by the Local Boards, the excess above the amount on through traffic being paid to the Municipality. Traffic in both directions would however thus be tolled, and the tax on the trade doubled; and the Board are not inclined to support the proposal to transfer the management of the tolls from the Municipal Commissioners who are on the spot. They believe also that direct collection of tolls has not, in other places, been found preferable to the renting system. The President should bring his opinion as to the insufficiency of the present rents and the grounds of it to the notice of the Municipal Commissioners, who can introduce the system of direct management if they please.

4. The Local Board do not seem inclined to press any demand against the Vizagapatam Municipality, and the opinion of the Vizagapatam Commissioners has not been reported. Some through traffic north and south (though, it is said, of small amount) is tolled; and the Board think a contribution of one-fifth of the collections would be fair. Loop-lines are out of the question in this case.

5. The Bimlipatam Commissioners propose to give up a moiety of the tolls, provided it be spent on the roads from Vizagapatam and Gajapatinagaram. They point out however that their finances will be thus straitened, and they suggest that they be permitted to levy the maximum tolls, and pay over half to the Local Fund Board. As they now levy at half rates, this would leave them their present income.

6. The case of the Bimlipatam tolls is one of the most aggravated that has come under discussion, these being almost entirely transit duties; and the Commissioners are evidently prepared to give up a considerable portion of them. The Board apprehend that Government will not sanction an increase of the rate; though the toll at present is only 0·28 per cent. on the value of the export* trade. The toll is light and need not be abolished; and considering the advantage conferred on the Circle by the presence of this thriving seaport, and on the trade by the operations of the Municipality, the Board think that it would be fair to rule, that one-half of the collections should be paid to the Local Board without restriction as to the application of the money.

	Rs.
* Exports exclusive of treasure ...	26,09,278

7. For Vizianagram, a loop-line exists for the traffic from Gajapatinagaram to the coast, and the President thinks that a loop-line should be made to exempt the traffic from Palconda, which now passes through the town. The cost is not stated. From the amount of the collections it seems to the Board that the toll must be paid by nearly all the traffic, and they recommend that the Municipality be required to construct the loop-line in question.

8. The Local Board, Vizagapatam, having advanced a claim for the tolls levied by the Municipality of Chicacole at the Langulia Bridge, the opinion of that body has been sought. The claim is based by the President, and rejected by the Commissioners on the same ground, *viz.*, that no road up to the bridge has been

constructed in the Vizagapatam Circle. Of the two, it seems to the Board that the Municipality has the best of it, and that the claim of the Local Board should be rejected. The President's argument would justify a grant from Imperial Funds for the completion of the trunk road in Vizagapatam, but that of course cannot be obtained.

(True Copies and Extract.)

(Signed) H. E. STOKES,
Acting Secretary.

No. 96. Proceedings of the Board of Revenue, dated 15th July 1875, No. 1966.

Read the following letter from H. Sr. A. GOODRICH, Esq., Acting Collector and President of the Local Fund Board, Vizagapatam, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated 5th June 1875, No. 1134:—

In accordance with the desire of the Municipal Commissioners of Bimlipatam, I forward the enclosed letter from them, received on the 21st instant.

2. The subject under discussion is that whereto Proceedings of Government, Financial Department, dated 11th January 1875, No. 40, referred, and I had the honor to address the Board thereon, under date 26th May 1875, No. 929.

3. On paragraph 2 of the Commissioner's letter, I observe that their indignation has been aroused by the Local Fund Board having drawn the line between a village and a town at 10,000 inhabitants. Bimlipatam possesses over 8,000 and the latter limit shall be adopted in future out of consideration for their feelings.

4. I have already stated my opinion that tolls levied on goods to be shortly exported are not a legitimate source of Municipal Revenue.

5. The amount of produce actually consumed within a place of the size of Bimlipatam cannot be very great. I doubt whether, if the tolls were confined shortly to an octroi, more than 1,000 Rupees annually would be levied.

Enclosure No. 1.

From J. W. ARBUTHNOT, Esq., Vice-President of Bimlipatam Municipality, to H. Sr. A. GOODRICH, Esq., Acting Collector of Vizagapatam, dated Bimlipatam, 18th June 1875, No. 21.

I have the honor to own receipt of your letter of 13th March, with an extract from the Proceedings of the Local Fund Board of Vizagapatam Circle on the subject of *tolls*. It was considered desirable that this question should be discussed by the Commissioners lately appointed: hence the delay in replying to your letter. I now beg to annex extract from Minutes of a Meeting held on 14th instant, and by desire of Commissioners then present, proceed to offer a few remarks.

2. It does appear invidious that Vizagapatam should be spoken of in the Board's Proceedings as an "extensive city" and Bimlipatam as a "village," the more so when it is borne in mind that it is to the merchants of Bimlipatam that the export trade of Vizagapatam is mainly due. Certainly the trade to Europe, for it is the merchants of Bimlipatam who are the shippers of all the Jaggery and Gingelly-seed, and who thus largely contribute to the Imperial and Municipal revenue of Vizagapatam. It is not easy to understand why three members of the Local Fund

Board, and for the meeting consisted of three only, the President, the Civil Surgeon (lately arrived, who could know little or nothing about the matter), and a native gentleman, should go out of their way in the wording of their Proceedings to cause offence to a town, constituted a Municipality by the Government, and from which it can be shown Vizagapatam reaps so large an indirect advantage.

3. The arrangement of the Local Fund Board for the different appropriation of tolls in the two towns seems to be this: that in the case of Vizagapatam goods coming into the town are, for the most part, locally consumed, whereas in Bimlipatam the larger proportion of the goods is exported. But in each case the goods become the property of the consumer or the exporter—why should not the owner of the goods, be he consumer or exporter, be consulted in equal measure as to appropriation of tolls paid by him?

4. We are aware of the difficult of fixing the incidence of such a tax as tolls. But we have a high authority for stating that in great measure it falls on shippers. Writing to Government on 27th May 1862, the present Chief Secretary (then Collector of this district) says: "the bandy tax falls principally upon the shippers of oil-seeds and jaggery, and ultimately, therefore, upon the consumers in European markets."

5. Taking away three-fourths of the tolls would be tantamount to closing the Municipality. Government acknowledge as much in their order on the working of the Municipality for the year 1871 to 1872. They therein express themselves:—

"The tolls thus appear to be a necessity to the very existence of the Municipality, and Government are gratified to observe that the collection of them has not been hitherto attended with any instances of irregularity or oppression."

6. We cannot for a moment suppose that it is the wish or intention of Government to treat this Municipality as Palconda was treated, and to close it. For five years, from 1861 to 1866, the town submitted itself to a plan of voluntary taxation for Municipal purposes; in the shape of export duties it contributes, I need scarcely remind you, its fair quota to the revenue; it has a most useful Seamen's and General Hospital to support; it is now, at the express instigation of Government, providing for the lighting of the town; and it is doing what is required of it for the promotion of education. Much has been done for conservancy, but much remains over (*vide* the Sanitary Commissioner's last report). On every ground we urge that our means of usefulness be not curtailed, and that the suggestions of our letter of 9th March be complied with.

I have the honor to request you will be so good as to forward to Government copy of this letter.

(True Copy.)

(Signed) H. Sr. A. GOODRICH,
Acting Collector.

Submitted to Government in continuation of Board's Proceedings, dated 3rd July 1875, No. 1849.

(True Copies and Extract.)

(Signed) H. E. STOKES,
Acting Secretary.

No. 97. Order thereon, 8th February 1876, No. 286.

The Governor in Council concurs in the views expressed by the Board of Revenue respecting the division of the tolls levied in the District of Vizagapatam between the Local Fund Board and Municipalities, and directs that the Municipal Commissioners of Vizagapatam be required to contribute a fifth, and the Commis-

sioners of Bimlipatam one-half of the collections. No increase in the rate of tolls levied in the latter Municipality will be allowed.

2. The Municipal Commissioners of Vizianagram will construct a loop-line for the traffic from Palconda.

(True Extract.)

Chief Secretary.

To the Board of Revenue.

Exd. T. O'Connor

Govt. of 1876 Madras

FINANCIAL,

To

THE BOARD OF REVENUE.

Dated February, 8th.

Issued

Read.

G.O., 8th February 1876, No. 286.

FEBRUARY.

Nos. 95—97.

Local Funds—Tolls.—The division of the tolls levied in the Vizagapatam District between the Local Fund Board and Municipalities as suggested by the Board of Revenue, approved.

No. 1,966.

PROCEEDINGS OF THE BOARD OF REVENUE, dated 15th July 1875.

Read the following letter from H. ST. A. GOODRICH, Esq., Acting Collector and President of the Local Fund Board, Vizagapatam, to H. E. STOKES, Esq., Acting Secretary to the Board of Revenue, dated 5th June 1875, No. 1,134:—

IN accordance with the desire of the Municipal Commissioners of Bimlipatam, I forward the enclosed letter from them, received on the 21st instant.

2. The subject under discussion is that whereto Proceedings of Government, Financial Department, dated 11th January 1875, No. 40, referred, and I had the honor to address the Board thereon, under date 26th May 1875, No. 929.

3. On paragraph 2 of the Commissioner's letter, I observe that their indignation has been aroused by the Local Fund Board having drawn the line between a village and a town at 10,000 inhabitants. Bimlipatam possesses over 8,000, and the latter limit shall be adopted in future out of consideration for their feelings.

4. I have already stated my opinion that tolls levied on goods to be shortly exported are not a legitimate source of Municipal revenue.

5. The amount of produce actually consumed within a place of the size of Bimlipatam cannot be very great. I doubt whether, if the tolls were confined shortly to an octroi, more than 1,000 Rupees annually would be levied.

ENCLOSURE No. 1.

From J. W. ARBUTHNOT, Esq., Vice-President of Bimlipatam Municipality, to H. ST. A. GOODRICH, Esq., Acting Collector of Vizagapatam, dated Bimlipatam, 18th June 1875, No. 21.

I HAVE the honor to own receipt of your letter of 13th March, with an extract from the Proceedings of the Local Fund Board of Vizagapatam Circle on the subject of *tolls*. It was considered desirable that this question should be discussed by the Commissioners lately appointed: hence the delay in replying to your letter. I now beg to annex extract from minutes of a meeting held on 14th instant, and by desire of Commissioners then present, proceed to offer a few remarks.

2. It does appear invidious that Vizagapatam should be spoken of in the Board's Proceedings as an "extensive city" and Bimlipatam as a "village," the more so when it is borne in mind that it is to the merchants of Bimlipatam that the export trade of Vizagapatam is mainly due. Certainly the trade to Europe, for it is the merchants of Bimlipatam who are the shippers of all the Jaggery and Gingelly-seed, and who thus largely contribute to the Imperial and Municipal revenue of Vizagapatam. It is not easy to understand why three members of the Local Fund Board, and for the meeting consisted of three only, the President, the Civil Surgeon (lately arrived, who could know little or nothing about the matter), and a native gentleman, should go out of their way in the wording of their Proceedings to cause offence to a town, constituted a Municipality by the Government, and from which it can be shown Vizagapatam reaps so large an indirect advantage.

3. The arrangement of the Local Fund Board for the different appropriation of tolls in the two towns seems to be this: that in the case of Vizagapatam goods coming into the town are, for the most part, locally consumed, whereas in Bimlipatam the larger proportion of the goods is exported. But in each case the goods become the property of the consumer or the exporter—why should not the owner of the goods, be he consumer or exporter, be consulted in equal measure as to appropriation of tolls paid by him?

4. We are aware of the difficulty of fixing the incidence of such a tax as tolls. But we have a high authority for stating that in great measure it falls on shippers. Writing to Government on 27th May 1862, the present Chief Secretary (then Collector of this district) says: "the bandy tax falls principally upon the shippers of Oil-seeds and Jaggery, and ultimately, therefore, upon the consumers in European markets."

5. Taking away three-fourths of the tolls would be tantamount to closing the Municipality. Government acknowledge as much in their order on the working of the Municipality for the year 1871 to 1872. They therein express themselves:—

"The tolls thus appear to be a necessity to the very existence of the Municipality, and Government are gratified to observe that the collection of them has not been hitherto attended with any instances of irregularity or oppression."

6. We cannot for a moment suppose that it is the wish or intention of Government to treat this Municipality as Palcondah was treated, and to close it. For five years, from 1861 to 1866, the town submitted itself to a plan of voluntary taxation for Municipal purposes; in the shape of export duties it contributes, I need scarcely remind you, its fair quota to the revenue; it has a most useful Seamen's and General Hospital to support; it is now, at the express instigation of Government, providing for the lighting of the town; and it is doing what is required of it for the promotion of education. Much has been done for conservancy, but much remains over (*vide* the Sanitary Commissioner's last report). On every ground we urge that our means of usefulness be not curtailed, and that the suggestions of our letter of 9th March be complied with.

I have the honor to request you will be so good as to forward to Government copy of this letter.

(True Copy.)

(Signed) H. St. A. GOODRICH,
Acting Collector.

Submitted to Government in continuation of Board's Proceedings, dated 3rd July 1875, No. 1,849.

(True Copies and Extract.)

Acting Secretary.

To the Officiating Chief Secretary to Government, Financial Department.

Copy to the President of the Local Fund Board, Vizagapatam Circle.

Financial Department
(Municipal) 1875.

Board of Revenue, MADRAS.

Proceedings, 15th July 1875, No. 1,966.

Received 21st July 1875.

JULY.

No. 1,966.

Tolls—on through traffic.—Letter from President of Vizagapatam Local Fund Board forwarding, with certain observations, copy of one from Municipal Commissioners of Bimlipatam on subject of levy of —, submitted to Government.

Rd. W. H. French.

For Orders.

For Sir W. Robinson's remarks — see immediately under paragraph 3.

It is often similar Cases for consideration whether Boards of Local Funds Budgets are not to be interfered with until the whole question of Tolls has been referred to by the Public Works Committee

DEPARTMENT.

No.

From

Dated 187 .

FOR ORDERS.

DESPATCH
WITH CORRECTIONS.

97

meeting here 3.

Post to me.

Gen

7 Feb. 76

107

Re- CIRCULATE.

In order regarding Item 3 of the Draft. See note by Mr. Hon'ble W. Robinson.

The general question of Tolls, on account of which this Paper has been detained,

has been decided in
P. D. Dy 15 November 75.
No 2198.

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

Pros.

Read the following ~~letter~~ of
the Board of Revenue,
Dy 2nd July 1875, No. 1849.
& 1966.

Order thereon ~~dated 15th Oct 1875 No 2198~~.

The Governor in
Council concurs in the
views expressed by the
Board of Revenue re-
specting the division
of the tolls levied in
the District of Vizaga-
patam between the
Local Fund Board and
Municipalities, and di-
rects that the Munici-
pal Commissioners
of Vizagapatam be
required to contribute
a

a fifth, and the Commissioners of Bimlipatam one half of the collections. No increase in the rate of tolls levied in the latter Municipality will be allowed.

2. The Municipal Commissioners of Vizianagram will construct a loop-line for the traffic from Palcondah.

3. The claim on the Chicacole Municipality must be rejected.

I agree to the first two Paras but not to the rejection of the rightful claim of the Vizagapatam District to share and share alike the Nagavally bridge tolls. The bridge is over the "marsh" river and belongs to both Circles in right of their maintaining the road on either side & I would direct the Board to reconsider their opinion in communication with the Municipal authorities on this basis.

I would much like, if my Honble. Colleagues will permit it, to take this opportunity to rectify the error contained in

in Para 11 of Mr. Godrich's letter.

Tolls are properly levied for the maintenance or working expenses of individual lines of the road at the cost of those who use them - and these expenses should so far as possible in the present state of the country, be provided for in this way instead of being as is now too generally the case a charge on General direct taxation.

A general land-cess is required and is justified by the necessity & progressively gradually opening up large Districts and supplying them with made roads and obliging which cannot practically be imposed in advance on those who are to use them. But this is the full of the claim of any individual road or District on General taxation - So soon as this cost & initial operation has been completed the current maintenance should at once be transferred (so far as possible) to the traffic which benefits by the road by means of Tolls provided in this behalf by the Law - or other local income. The charge on the Land cess should cease and the taxation of the Country be relieved in order to enable the further development of the Country for which it is provided. When legitimate sources (carried out fully) are insufficient for this purpose the expediency of a grant-in-aid from taxation may be considered. And then the source from which these grants-in-aid should be made should I think be Imperial (Provl.) rather than local - but this is not immediately material -

Mr Godrich's error, which has passed unnoticed by the Board, is of most serious practical import - the levy in round numbers 22 lakhs of rupees road cess under the Act for constructing road but of carrying out the provisions of the Law and imposing a well-considered System of Tolls after they are in working order for their due maintenance, we allow £ 9-Bd to come out of the Capital income - large mileage grants for maintenance or working expenses. The proportion of the Capital income of the Country so frittered away at this moment on working expenses is some 70 per cent of the whole and under an erroneous administration, our Constructive income is rapidly disappearing leading us in utter bankruptcy in respect to the main objects of the Law and in gross repudiation of our pledge to the people to provide Each District with sufficient District roads and gradually as a "primary object" of

of the Local Fund Bd. with Villages roads to connect most parts with the District roads (Vide Arbuthnot's Speech) and are long the cry will be raised for more taxation.

This is clearly all wrong. We have a Capital income of £4 lakhs (22 Road Cess + 12 Provl allotment) and already between 18 & 19 lakhs are being frittered away on mileage & maintenance allowance to about 1600 miles of road at about Rs 112 per mile, so that (after allowing for D.P.W. expenses) we have not 8 lakhs to spend on Bridging & Metalling, bridging & Metalling must be hardly selected if on an average each mile cannot earn Rs: 4-4 ~~upon~~ (or including Cost of Metal Rs: 5) a year which Equals a maintenance grant of Rs 100 a mile, by a proper System of tolls. If we would only inaugurate a sound lawful policy in this respect, it would relieve the whole Capital income which is quite sufficient gradually to Cover the Country with an unrivalled System of roads from the hamlet-road which are so magnanimously & so falsely - under existing administration - promised by the people - And without getting grants-in-aid as above suggested where they are needed.

I would pass no Estimate for a road like constructed by Local Fund Taxation which could not be proved to be likely to pay its full working Expenses at least by Tolls.

I propose that we instruct the Board of Revenue in this sense.

28/9

Nos.

Dated

Recd.

187

To

Govt. of Madras.

187 {

10.

Re-circulated for orders regarding para 3 of the Board's

See note by the Hon. W. Thomas

The original petitioners' bills on account of which this paper has been detained, has been decided in G.O. No. 219 dated 15th Sept 1875

Council

I think this is a matter which we might discuss in Council before issuing any general instructions to the Board of Revenue. I am in doubt as to H.E's intentions, as contained in his note. — R.S.C.

Financial Department.

Original brought with Secretary's

PROCEEDINGS of the MADRAS GOVERNMENT.

READ the following ~~letter~~ Proc of the Board of Revenue dated 3rd & 15th July 1875 Nos 1849 & 1966

Order thereon, 8th February 1876 No. 286.

The Governor in Council concurs in the views expressed by the Board of Revenue respecting the division of the tolls levied in the District of Vizagapatam between the Local Fund Board and Municipalities, and directs that the Municipal Commissioners of Vizagapatam be required to

to contribute a fifth, and the Commissioners of Bimbisipatam one-half of the collections. No increase in the rate of tolls levied in the latter Municipality will be allowed.

2. The Municipal Commissioners of Vizianagram will construct a loop-line for the traffic from Palconda.

To
The Board of Revenue
with the Govt Agent

8-2-76

Despd. 19/2

Govt. of {1876} Madras.

To

Dated } Feby 1876, No.
Recd. } 286

Nos. 95-97

Local Funds — Tolls

The division of the tolls levied in the Vizagapatam District between the Local Fund Board and Municipalities as suggested by the Board of Revenue, approved.