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MADRAS RECORD OFFICE

Government of Madras

Financial. DEPARTMENT

G.O. No. 134. Press
~~B.P. No.~~ ~~Mis.,~~

Dated 22 : 1 1883.

Not to be folded or roughly handled

MEMORANDUM.

The Vice President Mr. Jones has now completed his scheme for the drainage of Black Town, and together with his report he forwards a letter showing the chief public works which demand the immediate attention of the Commissioners, as well as those which should eventually be carried out.

The works proposed to be undertaken fall under three heads.

I. Drainage.

II. Distribution of Water supply in Madras.

III. New Main from Red Hills Lake to Madras and works connected therewith.

I. Drainage. To effect the thorough and complete drainage of the whole of Madras six separate schemes are necessary each fortunately independent of the others, at the following approximate outlay.

I.	Black Town.....	Rs.	8,07,500
II.	Royapooram.....	,,	1,40,000
III.	Choolay & Vepery.....	,,	1,20,000
IV.	Pursewakum.....	,,	60,000
V.	Triplicane & Chintadripettah	,,	3,20,000
VI.	St. Thomé.....	,,	80,000
		Rs.	15,27,500

The scheme for Black Town has now been completed by the Vice President. It provides for the surface drainage of all sewage throughout Black Town, and for the discharge of the sewage by three underground sewers to a pumping station near Royapooram, where it will be raised, and finally discharged far north of the Town to fall into the sea, or to be utilized in irrigating the lands in that neighbourhood, as may be desired.

The drainage of a section of Black Town near Wall Tax Road has been completed at a cost of Rs. 11,000, and the work has been inspected by His Grace the Governor and the Honorable D. F. Carmichael, and has met with approval.

The estimate for the complete drainage of Black Town based on the data of the expenditure already incurred for the section now completed is Rs. 8,07,500. This is less by 5 lakhs of rupees than the scheme proposed by Mr. Clarke.

The satisfactory completion of a portion of the drainage scheme on exactly the same plan as is proposed for the rest of Black Town may warrant the Commissioners in accepting with confidence the plans and estimates drawn up by Mr. Jones in his capacity as a Civil Engineer of considerable experience. With the object however of securing full consideration and advice, it will be advisable, if the scheme be approved by the Commissioners, to request the Government to have the professional details examined and criticized by a competent officer of the

Department of Public Works. As a further measure of precaution it may be advantageous to take up and complete first of all the surface drainage of the eastern ridge trending to the new outfall sewer that now runs parallel to the Beach and falls into the sea north of the harbour. The money required for the work must be raised by loan, and the work itself will take about three years to complete.

II. Distribution of Water supply in Madras. The distribution of the Red Hills Water supply, so as to bring a tap or fountain within 150 yards of every house, will cost Rs. 3,35,242. This estimate however excludes a large area on the North, West, and South of Madras, which it is proposed to exempt altogether from payment of water tax. The area which it is intended to supply may be seen in a map in the office. To extend the supply throughout every part of the Municipal area of 28 square miles would cost Rs. 15,00,000 and the area to be supplied has therefore been restricted as above stated.

The estimated receipts from water tax within the proposed limit are Rs. 1,20,000, and the amended Act will give the Commissioners three years beginning with 1881 to complete the scheme. But the following expenditure has first to be incurred before any part of the tax can be devoted to extension of water supply.

Interest on Loan at 4 per cent.....	57,200
Sinking Fund at 2 per cent.....	28,600
Payment for Water.....	6,000
Share of Establishment, &c.....	21,600
Repairs and Maintenance.....	8,500
Rs.	1,21,900

There thus remains no balance whatever available for extending the water supply without trenching on the proceeds of other taxes. It is obvious therefore that a further loan of at least Rs. 3,00,000 must be contracted for the extension of the water supply throughout Madras.

III. New Main from Red Hills Lake to Madras and works connected therewith.

The present high level Delivery Channel is in an unsatisfactory condition Some parts of the bed of it are on a higher level than the bottom of the lowest sluice pipe through which the water is received from the Red Hills Lake. The leakage from the channel is great, and the banks are in many places any thing but secure. The flow of water is impeded by weeds which grow so rapidly that it is impossible to keep the channel altogether clear of them. The faults in the bed of the channel cannot be remedied without cutting off the supply from Madras during the period of repair.

The Vice President considers that the open Delivery Channel should be abandoned, and the Standing Committee have called for an estimate for constructing a main pipe beginning from the deeper part of the Lake direct to Madras.

The cost of this work including a masonry Tower in the middle of the Lake is estimated at Rs. 6,03,500.

Considering the condition of the Municipal finances, this important work may well lie over until the other two projects are carried out. Whatever the

defects of the present delivery channel may be, it accomplishes the object for which it was constructed, and brings to Madras an unfailing supply of water which is highly valued by all classes of community.

The channel cost the large sum of Rs. 1,50,000, and it would not be a wise act of the Commissioners practically to throw away the whole of this expenditure and incur a fresh loan of a large amount for a similar purpose, without being thoroughly satisfied that no other course is open to them. The weight of the new loans for drainage and distribution of water will be a sufficient burden for the Municipality to undertake for the present. It will therefore be better for some years to come to maintain the channel in the best possible order and to rectify its defects wherever this may be feasible.

Finances.

From the foregoing statement it will be seen that the Municipality are in immediate need of two loans, one of 8 lacs for the Drainage of Black Town, and one of 3 lacs for the extension of the water supply.

If the Government of India will grant these loans on the same terms as the loan already raised for the original Water Works, the charge for interest and sinking fund will be

Black Town Drainage Loan		
Rs. 8,00,000. Interest at 4 per cent	32,000	
Sinking Fund at 2 per cent	16,000	
		48,000
Water Supply Extension Loan		
Rs. 3,35,000. Interest at 4 per cent	13,400	
Sinking Fund at 2 per cent	6,700	
		20,100
		68,100

The annual expenditure on interest and sinking fund for the two loans will thus be Rs. 68,100 and the important question remains for consideration how is this sum to be met? The existing taxes are already insufficient to meet the proper charges of the Municipality. Fresh taxation is therefore inevitable if these two important works are to be carried out. After a careful scrutiny there seems to me practically to be only one sufficient source of taxation to which the commissioners can turn. An enhancement of the rates payable for the different classes under the Tax on Arts, Professions and Trades would give additional revenue, but quite inadequate to the present purpose. If the Schedule were modified by raising the tax, the following additional income might be secured.

	Raised from		To		Increased Revenue.
Class	I.	...(150)	.....		0
,,	II.	...(100)	.....		0
,,	III.	50	75	.....	3,450
,,	IV.	25	50	.....	4,800
,,	V.	15	25	.....	3,210
,,	VI.	8	15	.....	4,930
,,	VII.	3	8	.....	5,290
,,	VIII.	... at 3 say	.....		5,000
					26,680

The House, Water and Lighting taxes already amount to 15¼ per cent on the annual value of property, and any proposal for a further enhancement would cause great popular dissatisfaction.

The Tolls are already levied at the maximum rates and yield Rs. 38,000, they are less productive than formerly owing to the opening of the South India Railway and the Buckingham canal. Enhancing the tolls on goods brought into the City by road, while goods arriving by sea, by rail, and by canal pay no toll at all, would be impolitic and unfair.

The only remaining source of revenue sufficient to provide for the interest on the proposed loans is the Octroi or Town duties which were proposed in 1876 for the present Municipal Act but omitted before the bill became law.

If this tax were imposed by legal enactment it might be under the express stipulation that its proceeds should be expended on no other object than the payment of the interest and sinking funds of loans raised *with the consent of the Commissioners* for Municipal purposes. With this distinct proviso there would be no fear that the tax might be enhanced to carry out measures which were not desired by the Commissioners and one important objection formerly urged against the tax would thus be removed.

The tax would be limited in its incidence so as to afford only the amount needed to pay the interest and sinking funds on the loans.

If articles of bulk only, such as grain, jaggery, timber, firewood, &c. were taxed there would be little expense in preventive service; and the cost of collection would be moderate. The Collector of Sea Customs would collect the duty on imports by sea. The imports by rail and by canal would be ascertained and collected without difficulty in communication with the Railway and Canal authorities. The collection of the duty on imports by road would be let out on contract, and so long as bulky goods only were taxed, there would be no likelihood of smuggling, as it would scarcely pay even if detection were evaded.

The tax might be expected to yield with ease between one and two lacs of rupees, which would meet the interest on both the proposed new loans, and that payable on the original water works loan; thus setting free an equal amount for the other general Municipal purposes for which funds are so urgently needed.

A. T. ARUNDEL,
Acting President.

MADRAS,
30th August, 1880.

G. No. 109

Municipal Office.

Madras, 1[illegible] 188[illegible]

From

President, Municipal Commission,
Madras.

To

Sir,

I.	Black Town	80,500	Will have to be raised and the work commenced
II.	Roy's corner	140,000	
III.	Choolay and Roy's	120,000	
IV.	Purwalkum	60,000	
V.	Stephens and Chinbergalla	320,000	
VI.	Ash Shores	80,000	
		152,500	

3. The extension of Mr Walker's supply through the Circular cross proposed will cost at least Rs 25,000, an amount which has this year been raised on loan.

4. The Colony Channel from the Salt Water Lake to the new reservoir at Perambore will moreover draw off its supply from the Lake at so high a level that more than thirty crore millions of cubic yards of water would always remain in the Lake reserved by Government for Irrigation, because if any portion of this be drawn off the Madras drainage Channel would stop. The iron main pipes with the necessaries in lieu of the Channel would cost 6 Lacs.

5

5. There is then a total of about

24 lacs of Expenses on Roads now proposed to be borne by Municipality

6. Loans now probably borrowed in the Market at 5 per cent to which 2 per cent must be added for Sinking fund. Seven per cent on 24 lacs gives a total of Rs 1,68,000 which would annually be required in payment of Interest on all these Loans together.

7. See my letter to Government No 1 dated 15th May forwarding Mr Jones's Report on the Conservancy of Madras. I have considered that for thorough and complete conservancy the following additional expenditure must be incurred.

Additional Carts and Sweepers and Peons	Rs 32,000
Horse to Horse night Scavengering	" 65,000
Total	Rs 1,17,000

The increase of the Revenue from
the two per cent Scavenging Cess and Assessed
Taxes, would be an appropriate source to the
Sewerage Works and Lighting Rates, which should
at 15% per cent. It would produce yearly
say Rs 65,000 per annum or enough for night
scavenging and for that only. The other considerable
improvements in Sanitation and Conservancy from
that source could be effected.

9. The increase in the Registered Cases
provided for by Government on the Draft
Bill at the request of the Commissioners
will yield about Rs 26,000 per annum, and
will therefore just cover the interest at 7 per
cent of the new Loans amounting to Rs 350,000
raised this year.

10. Every succeeding year as further
Loans are raised to carry out and complete the
Drainage of Black Town already commenced.

The

the increase available for ordinary Municipal
purposes will be diminished. For instance if in
1883 a further Loan of two Lacs be raised for the
purpose the interest at 7 per cent will cost Rs 14,000
which would be an additional charge against
increase it is over and above 4 per cent. In 1884 another
two Lacs may be raised and Rs 28,000 would be
provided for interest and so on till the completion
of the scheme Rs 56,000 per annum will be
absorbed from current Revenue to pay interest on
the Loans.

11. How much steps can and be taken in
the other immediate future of the Municipal Revenue
present and prospective to meet these demands
coupled with those other prospective ones to which
I have alluded. The two per cent scavenging
cess rigid and inelastic, which I have suggested,
will afford no material aid for any thing
beyond

[illegible] special objects [illegible]

[illegible] any kind must be unpopular [illegible]

[illegible] is imposed, it should at any rate be sufficient

[illegible] for the ends in view.

12. There is but one [illegible] source

of taxation to which we can look, and this

[illegible] or Entertainment. I believe the Municipality [illegible]

[illegible] would be [illegible]. I refer to the Octroi or Town

Duties. This tax has the advantage of the

greatest elasticity. It can be introduced with

little difficulty as a tax on articles of Foodstuffs only,

such as Tobacco and grain, and extended to other

articles such as Tobacco, Petroleum only as financial

requirements compel.

13. Some owners of Mr Thornton's

objections to this tax urged by political economists,

but in a poor and backward country such as this

theoretical objections should be [illegible] by [illegible]

practical

practical advantages. I propose only one [illegible]

practical objection, namely, the danger that the

duty become a tax on goods in transit, but this

I believe can be guarded against as is done

done in Bombay. The tax would of course be

superfluous at the outset. It was introduced into

the Legislative Council in 1878 but was withdrawn

without having proceeded into Committee. At the

rate of one annas per Rupee of grain alone would, it is

calculated, yield a Revenue of at least Rs 40 per

per annum or more than a three per cent increase

of House tax. The Octroi is paid in infinitesimal

fractions by every consumer and the payment is

spread over every day in the year. Nothing, save

exemption from taxation altogether, can be more

consonant with Native feeling than individual trade

such as this, and it is a form in which the

Natives are accustomed to tax themselves for

Social and Religious objects. To ensure the profit-

utilization

...ription of the Octroy, and to anticipate objections
...t would certainly be raised against it, as against
...y other increase of Taxation, it should
...enacted that the revenue derived from it should
...exclusively in meeting charges for Interest
...d Sinking Fund on Loans raised with the
...nction of the Commissioners for Municipal
...poses.

I feel strongly that every other course
...hereto suggested must prove a mere Temporary
...pedient Arresting the financial difficulty out of
...ght for a Year or two more, but not wisely disposing
...f it in any final or complete fashion.

Among other claims on the Municipal
...Fund, that of Government for a moiety or Loan of
...the Town Police charges must not be omitted.
...this charge the Government have taken power
...o levy by Act VII of 1878, but the Municipality
...have never been able to pay it, and in past Years
...the charge has been foregone. In the G. C.

No. 13 58 13

...No 252 A. dated 26 December 1881 on the current
...year's budget the charge, amounting to about
...Rs 80,000, is ordered to be provided for pending
...future orders. The dropping out of the
...current Budget is therefore turned into a Deficit
...Deficit by a Decree which it is impossible to
...avoid. Whatever course the Government may think
...fit to adopt with regard to any increase of Taxation
...I trust that no loophole will be left through
...which fresh Taxes raised primarily for Local
...Municipal purposes may be diverted to the
...payment of charges for Police. If the
...Municipality is to pay for its Police then I
...would urge that a special Police tax be imposed
...for the purpose.

I have the honor to be,

Sir,

Your most obedient Servant,

A. T. Arundel

President

Municipal Commissioners

fv 878 – 10 – 5 – 81. Jail
fv 2277 – 7 – 12 – 80 " 4 – 11 – 80 —
fv 999 – 2 – 9 – 71.
fv 2629 – 31 – 10 – 77
fv 258 – 3 – 9 – 70
orpf fv 53 – 11 – 1 – 81.
fv 2502 – 22 – 12 – 81.
orpf 126 – 25 – 1 – 81.
fv 441 – 9 – 6 – 82

Financial 188 Dept Amend
Municipalities

Madras Municipality.

FROM

THE PRESIDENT,
Municipal Commission,
MADRAS.

To

The Hon. Chief Secretary
to Government
Ootacamund

G. No. 409

Dated. 26th
Despd. 26th } May 1882
Recd. 27

Enc. 1

CURRENT No.

Subject.

Forwards a Copy of Notes written by him in 1880 to show the prospective requirements of the City and suggests the introduction of Town Duties as the best means of meeting such requirements.

17

Financial Department.

No. 1458

From

The President, Madras Municipality
dated 26th May 1882, No. 409.

FOR ORDERS.

The Hon: Mr Carmichael has on several occasions proposed the Octroi - vide his note on the original of Ygf. No. 126, dated 25th January 1881.

In a draft separately circulated, the immediate surrender of the demands

on the Madras and other Municipalities on account of the Police has been suggested. So far as the Madras Municipality is concerned, this demand has from the first been a dead letter, and the Govt of India are most anxious that Municipalities should be relieved of the charge. The Hon'ble Member will recollect that the Govt of India have been asked (as it seems) to modify the percentage, so as to cover the loss. But whether they consent

to

to do this or not, Provincial finances are, it is believed, in a position to forego the charges.

With reference to the "Octroi" question I am instructed that the general Resolutions of the Govt of India on the mode of working municipal & Cess taxes, as published with the Resolution of the Govt of India dated 28th Nov 1868 (G.O. 3 March 1869 No 255) 28th Oct 1871 (G.O. 31 Oct 1877 No 2624) 4th Nov 1880 (G.O. 7 Dec 1880 No 2277 revised) are, with the exception of

I would rather vote a sum directly from Provincial to help the drainage of Madras on the ground of its being no City but an utterly helpless impecunious group of villages gathered by the accidents of history round Fort St George and the chief Establishments of the Government than tolerate an Octroi one of the worst devices by which the ignorance of the poor is used for their oppression; but the sternest Economy should be observed. So far is this from being the case at present that Sir Arundel actually came to me with a proposal that this almost insolvent Municipality should contribute a large sum to a Town Hall which was to be partly erected by the funds of the Freemasons and shared with them!

Sir Arundel's contrast of theoretical and practical objections

See my note on a separate paper put up with this
Mch June 9/05

FOR ORDERS.

I would rather vote a sum directly from Provincial to help the drainage of Madras on the ground of its being no City but an utterly helpless impecunious group of villages gathered by the accidents of history round Fort St George and the chief Establishments of the Government than tolerate an Octroi one of the worst devices by which the ignorance of the poor is used for their oppression; but the sternest Economy should be observed. So far is this from being the case at present that Sir Arundel actually came to me with a proposal that this almost insolvent Municipality should contribute a large sum to a Town Hall which was to be partly erected by the funds of the Freemasons and shared with them!

Municipality should contribute a large sum to a Town Hall which was to be partly erected by the funds of the Freemasons and shared with them!

Sir Arundel's contrast of theoretical & practical objections is of a piece with such a proposal, as there was any reason other than practical which could be put forward on the harmony with sound theory!
Mch June 9/05

is of a piece with such a proposal; as if there was not any reasonable practice which was not founded on and in harmony with sound theory!

June 7/92

Madras Municipality

Papers to be read in Proceedings:—

Again G.O., dated 188 , No.

Current No. of 188 , dated from

Current No. 1458 of 1882, dated 26th May from the President, Municipal Commr., Madras.

Order

In Financial Department Proceedings dated the 9th instant, No. 1041, the Government have forgone their claim for the Municipal Contribution, amounting this year to Rs. 81,000, towards the cost of police.

2. Looking to the helplessly impecunious state of the Municipality and

C6-6 Re 2-6 Re 6/6
R6-6 R5-6

and the crying need
for large ~~i~~t immediate
outlay on water supply,
drainage, sanitation
and Conservancy, the
Right Honble the Governor
in Council resolved to
forward to the President
a file of papers rela-
ting to the octroi duty
~~octroi~~, in order that
the Municipality
may consider & report
on what allowable
articles it might be
levied, under what
checks against the
tax becoming a transit

duty

duty, and with what
pecuniary result.
The octroi duty is one
that needs the most
careful supervision
to prevent it becoming
an Engine of oppression;
it has, however, been
introduced in Bombay,
with satisfactory results,
and the Right Honorable
the Governor in Council,
while regretting the appa-
rent necessity for its
introduction in Madras,
believes that to be in-
evitable sooner or later.

G.O. 21/6

Disp[ch]: 22/6
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2629/77 & 2777/80
Print. to hand 80

Ootacamund
June 22nd 1882.

My dear Grindlay

Referring to your letter dated 26th May No 409 I am directed to forward for your perusal the several Resolutions of the Government of India on the mode of working an Octroi Tax with the request that you will make such suggestions as may occur to you as to the method which

In 6/7
R 7/7

might be adopted for the introduction of such a system in the Town of Madras i.e. on what allowable articles the tax might be levied, under what checks against ~~the~~ its becoming a transit duty & with what pecuniary results. I am to add that it is not at all settled that octroi will be allowed but the Govt are desirous of having before them complete information before deciding

I have &c

Jas Stuart

List of Papers sent

(vide endorsement)

Municipal Office,

Madras, 4th July 1882.

91

My dear Master,

Referring to your
D.O. of the 22nd June
desiring my suggestions
as to the method of
introducing octroi in
Madras, I venture to
suggest the policy
of inviting the views
of the Commissioners

be able to make clear detailed recommendation without a personal inspection of one or two cities where the system is in force. If I should eventually find this to be the case I will address you again

Yours sincerely
A.T. Armsdel

Draft reply:

My dear Armsdel
Yours of the 4th about October 1st there is no objection whatever to your consulting the Commissioners on the subject.

Yours truly
[illegible]
6/7/82

A.T. Armsdel Esq.
Dec'd 8/7/82

D.O. from
Mr Arundel.

8/4
R. 5 July 82.

Report of the Octroi Committee.

This Committee was appointed at a General Meeting of the Commissioners on the 26th July, "to consider the expediency of introducing the Octroi and the methods that might be adopted for imposing it in case such a system be decided on."

2. In accordance with terms of the Resolution, the Committee will deal in their Report with,

1. The expediency of introducing the Octroi.
2. The method of imposing it.

I. The Expediency of introducing the Octroi.—The Estimate of the Receipts and Expenditure of the Municipality for 1882 is as follows:—

Receipts.	Rs.
I. Taxation	6,92,120
II. Rents	37,745
III. Fines and Fees	6,200
IV. Contributions	15,058
V. Profits Work	8,000
VI. Miscellaneous	35,770
VII. Loan for extension of Water-supply	2,50,000
VIII. Loan for Drainage of Black Town	1,00,000
Total...	11,44,893
Opening Balance	20,906
Grand Total...	11,65,799

Expenditure.	Rs.
I. Public Works	5,70,619
II. Education	11,236
III. Sanitation	2,83,319
IV. Miscellaneous	73,545
V. Supervision	1,03,471
VI. Pension	4,404
Repayment of Debts	1,11,732
Total...	11,58,336
Closing Balance	7,463
Grand Total...	11,65,799

3. The Receipts from Taxation, amounting to Rupees 6,92,120 are, derived from the following sources :—

Profession tax	44,000
House Tax at 10 per cent.	3,40,000
Water-tax at 4 per cent.	1,32,000
Lighting tax at 1¼ per cent.	41,500
Tax on Vehicles and Animals	64,000
Tolls	43,620
Tax on Liquor Shops	13,000
Fees from Dangerous and Offensive Trades	9,000
Tax on Salaries	5,000
	6,92,120

4. The Committee observe that the taxes are already levied at maximum rates with the exception of the Lighting tax which is reserved by law for the special function of lighting. The revenue is practically fixed, and no considerable increase can be looked for from the present taxes.

5. The insufficiency of the existing revenue is already well known to the Commissioners, but may be briefly indicated by the following facts.

The night-soil conservancy is at present so seriously neglected that the Commissioners in 1880 recommended to Government a system that will require an annual expenditure of about Rupees 60,000 to bring it into efficient working.

6. The outbreak of cholera at the end of 1881 led to the preparation of a Report on the Sanitation of Madras by the Vice-President, which proved that the ordinary street conservancy required a further allotment of at least Rupees 40,000 per annum for thorough efficiency. This estimate did not include the cost of a permanent Health Officer and staff, which may be roughly estimated at Rupees 10,000 per annum.

7. The extension of the supply to the populated portions of the city required a loan during this year of Rupees 2,50,000, of which the interest at 5 per cent. and the Sinking Fund at 2 per cent. amount to an annual charge of Rupees 17,500.

8. The Black Town Drainage scheme is estimated to cost Rupees 8,00,000. Of this sum Rupees 1,00,000 has been raised this year, and the interest and Sinking Fund amount to Rupees 7,000 annually.

9. In 1883 a loan of Rupees 3,00,000 will be raised to continue the same work, and the charge for interest and Sinking Fund will amount to Rupees 21,000.

10. The Commissioners are thus in need of an almost immediate increase of revenue of about Rupees 1,50,000 annually, and require the means of still further increase, not only to meet the charges of Rupees 25,000 annually as interest and Sinking Fund on the 4 lacs that will still remain to complete the Drainage of Black Town, but also to meet those further charges of the same kind that must be incurred when other parts of the City are drained, and when the water-supply is increased and purified as it undoubtedly must be.

11. These further charges, which may at some future time have to be incurred above and beyond those for the complete Drainage of Black Town, may be roughly estimated as follows :—

	Rs.	Annual charge for Interest and Sinking Fund. Rs.
Drainage of Royapuram	1,40,000 ...	9,800
Do. Choolay and Vepery ...	1,20,000 ...	8,400
Do. Pursewaukum	60,000 ...	4,200
Do. Triplicane and Chintadripet	3,20,000 ...	25,400
Do. St. Thome	80,000	5,600
New Main from Red Hills	5,66,000 ...	39,620
Filtering beds, &c. ...	8,00,000 ...	56,000
	20,86,000	1,49,020

12. It is thus abundantly clear that any increase of taxation which is not intended to be merely a temporary palliative must yield a considerable revenue at the outset, and be capable of future expansion. The Committee find the only alternatives to be either an increase of the existing taxation or the introduction of the Octroi. The Commissioners have already recommended to Government an increase in the tax on Arts and Professions, which has been embodied by Government in the Municipal Amendment Bill now before the Legislative Council. This increase may yield the sum of Rupees 20,000. It is, however, also proposed to change the incidence of the water tax, levying 4 per cent. on houses, &c., within 150 yards of a fountain and 2 per cent. on all others. This will cause a decrease of about Rupees 10,000. The net increase will therefore be only Rupees 10,000.

13. With a view to dispose of the question of night soil conservancy the Government have in the Municipal Amendment Bill added 2 per cent. to the House

Tax as a scavenger cess. The taxes on Houses and buildings would thereby be raised to 17¼ per cent. with a possible maximum of 18 per cent. The Committee are satisfied that the House, Water and Lighting taxes which now stand at 15¼ per cent. cannot be increased without bearing with great hardship on numerous owners of Houses and Lands throughout the city. They consider that such an increase in the House tax would lead to a great increase in the number of appeals against the annual assessment, and a reduction in the assessed value would at once affect the revenue. They find moreover that the revenue from a 2 per cent cess would amount to only Rs. 65,000 per annum, and although this sum would suffice for a thorough system of night-soil conservancy it would leave untouched the other equally urgent demands which have already been enumerated. For these reasons the Committee would earnestly deprecate the imposition of the scavenger cess now proposed by Government, if any efficient substitute can be found. This substitute can be found, the Committee believe, in a moderate Octroi in the form of Town duties.

14. From the Octroi properly imposed and collected the Committee consider that all the increase of revenue now needed by the Commissioners can be raised with the least practicable hardship to the tax-payer. It is a tax that existed formerly under a different title in Madras; it provides the City of Bombay with an annual revenue of Rs. 6,37,000 out of a total income of Rs. 32,50,000; it exists in 98 Towns in the Bombay Presidency, 39 in Sind, 69 in the North-West-Provinces, and 195 in the Punjab.

15. The Committee believe that the objections to the Octroi lie entirely in the method of its imposition and collection. After considering how it can best be imposed and collected in Madras, they are of opinion that the circumstances of the City will allow of the introduction of the tax in a manner fairly free from such objections; and apart from its necessity to meet present financial needs, they consider it to be a less objectionable means of raising revenue than certain of the rates and taxes now in force, and one that may enable the Commissioners to reduce some of the present direct taxation, (and especially the House Tax,) that bears so heavily on the poorer classes.* Holding these convictions and bearing in mind the great financial needs of the City of Madras they are of opinion that the introduction of the Octroi is expedient, subject to the following conditions :—

(*a*). That the proposed increase of 2 per cent. to the House tax as a scavenger cess be abandoned.

(*b*). That all buildings in the City assessed at an annual value of under Rs. 24 be exempted from House, Water and Lighting taxes.

At present all buildings of the annual value of less than Rs. 14 are exempted from House tax, and all under Rs. 24 are exempted from Water and Lighting tax. In the Municipal Amendment Bill, however, only those buildings which bear an annual value of under Rs. 14 are to be exempted from Water and Lighting taxes. The recommendation now made will exempt from taxation 6,500 houses at a loss to the Municipal revenue of Rs. 12,000. For the collection of the House tax in 1881, 4,000 out of 16,600 warrants were issued against these houses.

* Mr. Venkataramanjulu Naidu would increase the articles subject to Octroi, and even raise the rates, in order to secure a reduction of the House Tax to 7 per cent.

16. The outbr[illegible] **methods that may be adopted for imposing the Octroi.** In the [illegible]posing of this question the Committee have kept in view the following principles:—

(1). To select for the Octroi duty only those articles which are so extensively consumed as to yield a large revenue from a trifling duty.

(2). To levy the duty as far as practicable on articles imported into the City for local consumption and not intended for re-export.

(3). To levy the duty on bulky goods only so as to preclude smuggling and inquisitorial search of person and property.

17. The Committee have had the greatest difficulty in procuring trustworthy statistics of imports into and exports from the City of Madras. The returns of Sea-borne traffic compiled in the office of the Board of Revenue had to be set aside, and special returns were finally procured from the Collector of Sea-Customs, the Officer in charge of the Buckingham Canal, and the Agents of the Madras and South India Railways. No returns whatever were procurable as to the imports and exports by road which are of very considerable importance especially in grain and firewood.

18. The Committee find from their enquiries that the principles already laid down will be fairly adhered to in levying the Octroi from the following articles:— 1. Food grains of all kinds, 2. Timber, 3. Firewood, 4. Cattle, sheeps, goats and pigs, for slaughter, 5. Mineral Oils, 6. Wines and Spirits, including imported arrack. The inquisitorial search of person and property would be avoided if these articles only were taxed, and special provision would be made to avoid interference with passengers by road, rail, sea or canal.

19. The rates of taxation recommended are:—

		Rs.	A.	P.	
1.	Grain, per bag	0	1	0	or 14 annas per
2.	~~Unwrought~~ Timber, per ton ...	3	0	0	ton in bulk.
3.	Firewood ,, ...	0	4	0	
4.	Sheep, goats and pigs, each ...	0	1	0	
5.	Cattle ,, ...	0	8	0	
6.	Mineral Oils, per gallon ...	0	0	3	
7.	Spirits (including Arrack) and Sparkling Wines	0	4	0	
	Other Wines	0	2	0	
	Beer	0	0	6	

20. The imports and exports of these articles by sea, railway and canal may be approximately estimated as follows.

	Imported.	Exported.	Consumed.	
Grain, bags ...	12,54,500	1,13,000	11,41,500	
~~Unwrought~~ Timber, tons	8,400	2,600	5,800	
Firewood, ,,	64,000	70	63,930	
Sheep and goats, No.	3,60,000	...	3,60,000	actually killed in the Municipal slaughter houses.
Cattle, ...	10,500	...	10,503	actually killed in the Municipal slaughter houses.
Mineral oils, galls. ...	96,000	Unknown.		
Wine and Spirits ...	1,75,800	Unknown.		
Arrack	1,08,600	Unknown.		
Beer	1,15,900	Unknown.		

21. The consumption of grain as here given is understated. [illegible]be inferred by taking the standard of consumption accepted by the Government of India, viz., 7 maunds or 576 lbs. per head per annum. This applied to the population of Madras 4,06,000 gives a total consumption of 14,25,950 bags of grain per annum. The difference is no doubt imported by road. The returns of timber and firewood are both within the truth, as road traffic is omitted. As regards Timber the figures are misleading inasmuch as Timber is usually imported unwrought; the exports are chiefly of wrought timber which would not be subject either to duty or to refund. The numbers of sheep, goats and cattle, are those actually killed in the slaughter houses. The sea imports of Wine, Spirits, Arrack, Beer, Mineral Oils, as stated by the Collector of Sea Customs are entered, but the exports by land and the consumption within the City are unknown. For the sake of an estimate of revenue, as probably well within the truth, but pretending to no accuracy, the consumption may be taken at 50 per cent.

22. The estimated revenue from these sources will thus be follows:—

	Consumed.	Rs.	A.	P.	Amount of duty. Rs.
Grain, bags ...	11,41,500	0	1	0	71,340
Timber, tons ...	5,800	3	0	0	17,400
Firewood, ,, ...	63,930	0	4	0	15,980
Sheep and goats, No.	3,60,000	0	1	0	22,500
Cattle ... ,,	10,500	0	8	0	5,250
Mineral Oil, galls.	$\frac{96,000}{2}$	0	0	3	750
Wine and Spirits	$\frac{1,75,800}{2}$	{2 / 4}	0	0	16,480
Arrack, ,,	$\frac{1,08,600}{2}$	0	4	0	13,570
Beer, ,,	$\frac{1,15,900}{2}$	0	0	6	1,810
					1,65,080

23. Collection—Imports by Sea, Railway and Canal.—With regard to the collection of the Octroi the Committee recommend the adoption of the Bombay system as regards imports by sea, rail and canal. The Collector of Sea Customs, the Agents of the Madras and South India Railways, and the Officer in charge of the Buckingham Canal, would levy the duties at the time of import into the city together with Sea Customs duty, if any, and the freight charges by rail or canal.

24. The cost of collection varies in Bombay from 5 to 7 per cent. on the receipts, and assuming for safety the higher rate for Madras, the charges of collection by sea, rail and canal, would amount to about Rs. 11,550.

25. Imports by Road.—The levy of the tax on goods imported by road would be effected by an establishment employed by Municipality for the purpose and working under the Vice-President in the Revenue Department. The President in consultation with the Revenue Vice-President considers that the following staff would in all probability be required. There are 17 Toll gates, at 6 of which the

traffic is s[illegible]e outbr[illegible]ble that arrangements would be needed for collecting the Octroi at the[illegible]

PROBABLE ESTABLISHMENT.

For each Toll gate 3 peons, one for night, two for day, at Rs. 7 monthly	Rs.
Rs. 17 × 3 × 7 =	357
One extra peon to each of six chief gates ... ...Rs. 6 × 7 =	42
2 Clerks at each of 6 gates at Rs. 20 ... ... Rs. 2 × 6 × 20 =	240
2 Inspectors at Rs. 30 + 15 carriage allowance ... Rs. 2 × 45 =	90
2 Peons for ditto at Rs. 7 ... ...: Rs. 2 × 7 =	14
	743

BONDED WAREHOUSE FOR GOODS TO BE EXPORTED.

2 Clerks at Rs. 25 and Rs. 30 ... ... =	55
2 Peons at Rs. 7... ... ... =	14
Monthly...	812
Annually...	9,744

26. A suggestion has been made that at the outset the import and export of dutiable goods by road might be disregarded. The Committee, however, consider that if the Octroi be sanctioned the arrangements for levying it should be complete throughout. A brief experience in actual practise would show at what Toll gates it might be necessary to maintain establishments for collection of the Octroi, and at what strength the establishments should be maintained. The cost of the establishment now indicated, would, if required and employed, cost nearly Rs. 10,000 per annum, and would be in addition to the charges on collection by sea, railway and canal.

27. In the absence of statistics the Committee feel that it will be better to omit from their estimate both the receipts from and the charges against imports by road, merely remarking that a certain but unknown addition to the Octroi revenue would accrue from this source.

28. REFUNDS.—The Committee have had before them the rules for refunds of Octroi duty in force in Bombay, and find they would apply with slight modifications to Madras. The refunds would be *nil* in the case of cattle, sheep, goats, and pigs, and of no importance in the case of firewood. With regard to grain and firewood, the refund would be payable on the quantity actually exported without reference to marks, bags or packages. In the case of other articles liable to Octroi, the Import duty bill would be filed for comparison with the Memorandum of Export, and the refund would be paid on the certificate of the proper officer that the goods were actually exported. Town duties on goods in bond would be levied on removal from bond for local consumption, or passed through free of duty if exported direct. The Committee think it needless to enter into further detail on this subject at present. If the Octroi be sanctioned by Government, bye-laws would have to be framed by the Commissioners for its detailed working, refunds included.

29. SUMMARY.—To sum up their report, the Committee consider that to provide the revenue required by the Commissioners there is no alternative to the introduction of the Octroi, and they accordingly recommend it to the Commissioners with the following provisoes :—

1. That the increase proposed by Government of 2 per cent. to the House Tax, as a scavenger cess, be abandoned.

2. That houses and buildings bearing an annual valuation of under Rs. 24 be exempted from House, Water and Lighting Taxes.

The Committee further recommend that the following articles only be taxed and at the rates noted :—

	Rs.	A.	P.	
Grain	0	1	0	per bag
~~Unwrought~~ Timber	3	0	0	per ton
Firewood	0	4	0	do
Sheep, goats and pigs for slaughter ...	0	1	0	each
Cattle for slaughter	0	8	0	do
Mineral Oils	0	0	3	per gallon
Spirits and Sparkling Wines, (including Arrack)	0	4	0	do
Other Wines	0	2	0	do
Beer	0	0	6	do

The Committee are satisfied that an Octroi on these articles at these rates will yield a net revenue considerably exceeding Rs. 1,50,000 per annum.

L. STRANGE.
J. G. COLEMAN.
J. P. NICHOLAS.
J. BALFOUR SALISBURY.
V. SUBRAMANYAM.
P. SOMOOSOONTHRUM CHETTY.
P. RAMASAWMY MUDALIAR.
A. T. ARUNDEL.
HOMAYEON JAH.
W. S. VENKATARAMANJULU NAYUDU.
V. KRISHNAMA CHARI.
H. M. A. BADSHA SAHIB.
G. MAHADEVA CHETTY.
C. SINGARAVELU MUDALIAR.

MADRAS,
23*rd October* 1882.

G. No. 811

Municipal Office,

Madras, 16th December 1882.

From

S. T. Arundale Esqr.
President, Municipal Commission,

To

The Honble C. G. Master,
Chief Secretary to Government
Lord & George.

Sir,

I have the honor to reply to
letter
your Revenue-Official Cdabod Dec 22 d
June last, desiring me to make sugges-
-tions as to the method that ought
be adopted for the introduction of
the Octroi, on what articles
the tax might be levied, under what
checks against its becoming a transit
duty, and with what pecuniary result.
2. Speech Clay has been caused since
endeavouring to procure Returns by
statistics of Trade. Those which have
been obtained relate solely to imports
and Exports by sea, railways and Canal
and have been procured direct from
the heads of the departments concerned.

In Fac 1883 407 Sec

by sea, rail and road as given in the Appendix) are as follows:—

47

	Imported	Exported	Consumed
Grain (bags of 180 lbs)	1254,500	113,000	11,41,500
Timber (Tons)	8,400	2,600	5,800
Firewood (Tons)	64,000	70	63,930

The consumption of grain here given is underestimated. This may be shown by taking the standard of consumption per head of the population per annum as accepted by the Government of India viz. 7 maunds or 525 lbs, and multiplying it by the known population 4,60,000. This gives an annual consumption of 2338,50,000 or 14,23,950 bags. Supposing road and rail probably account for much of the difference say 2,80,000 bags. The amount grown within the city is not large and may be omitted from the calculation. The figures including the import of timber are misleading. Almost all the timber is imported by sea in the log or rough sawn. Its cost is given by the value of log and

in bulk by bags or carts. The price of a bag of rice is taken at Rs 6. The price has fluctuated during the past 4 years a fair average upon the whole between Rs 5 and 7 Rs 6 per bag, or by sixteen seers to the rupee. The price of the produce of Cawnpore for bag is two farthings cheaper than the ordinary market of fluctuating of price. Half a Madras measure of rice may be taken to suffice for one person for a day. The actual consumption would be 3/25 of a pie for a day or 3 annas 6 pie per annum. The duty on a hundred weight would be Rs 3 per ton, which would fall the same upon the cheapest timber, the rather more and in the case of the 1/4 a good deal more than 3 per cent of following the principle of Bombay the tax might be raised to 2 1/2 per cent on market value. Instances of sales wholesale at Rs 10 per ton. A tax of 14 annas per ton (2 annas a Candy) would be 2 1/2 per cent. Cattle for slaughter which are worth from

will have been brought, and some of them for pasture may be found at Shahabad. Nearly the whole of the timber imported therefore should be regarded as consumed in the neighbourhood and otherwise would fall chiefly on the city. The whole of the fuel imported is intended for local consumption. It is known that a large quantity is imported by road.

6. The maximum consumption of cattle, sheep &c within the City is known from the returns kept at the slaughter houses where the Octroi duty would be levied.

The consumption is

Cattle	10,500
Sheep, goats and pigs	360,000

To this the octroi would be sufficient as in case the grain of 1 anna per bag (16 lbs) all round or 14 annas per ton for such small quantities are not imported

Rs 5 do. Rs 2 8 each and upwards but under Rs 5 and Rs 5 each and upwards but under Rs 10 each, and Rs 10 each and upwards each.

8. Nothing else figures already given which I have shown in the case of Spain, Italy and Sweden can be fairly taken as the actual Truth, therefore am —

	Consumd.	Rate	Amount of Duty
1. Spanish Lags	11,41,500 —	as 1 —	— 71,344.
2. Timber & Deals	— 5800 —	3 — a —	— 17,400
3. Firewood &c &c	— 63,930 —	a 4 — a	— 15,980
4. Cattle, Nos	— 10,500 —	a 8 — a	— 5,250
5. Sheep, Goats & Pigs, Nos	3,00,000 —	a 1 — a	— 22,500
			1,32,474

9. Collecting Imports by Sea, Railway and Canal.

The collection of the duty on imports by sea, railway and canal, should follow the system in force in Bombay. The Collector of Sea Customs would collect the duty on imports by sea and the Agents of the Madras and South India Railways, and the Officers in charge of the Buckingham Canal & Arcot collect for imports by

rail and canal, together with the port charges and land dues. The cost of this method of collection varies in Bombay from 5 to 7 per cent. Taking it at 8 per cent to allow a safe margin, the charges of collection would be Rs 10,500. The net Revenue from the foregoing sources of taxation would then be Rs 121,870. Shares in Industrially employed in other than agriculture are negligible.

10. Imports by Road. There is little or no timber imported by land. There, from the nature of the country, it is impossible to estimate the imports of firewood, but it is known to be largely imported by road from extensive plantations for the neighbourhood. As already explained it is probable that the grain imported by road is covered (amount to 2,80,000 bags). That the imports by road are very considerable, is further known from

the fact that the rice grown in Cargo
area is irrigated by the Chambamkulam
Tank, and Rice Field Cattle, besides
Agriculture, finds employment for Bullocks.
With respect to the collection of the
Cesses at the Talegates the difficulty
would be reduced to a minimum as
only Grain and Firewood with a small
quantity of Timber would be passed.
In addition to the Cart charges, each
Cart laden with Grain would pay a
charge of 1 anna per bag, and each Cart
laden with Firewood would pay
2 annas, for a Cart load is taken as
equal to half a Ton. Cart loads
of Firewood would probably pass
free under the bye laws.

11. Grain and Firewood would be
chiefly imported at six out of the 17
Talegates and at these only would
the officers for collecting the duty
be stationed in the first instance.
A brief experience would show where
the staff would be permanently

required. Regular Cowries would be
provided for such as the receipts
for charges would be required.

Probable Establishment.

For each Talegate 3 peons, one for night,
two for day, at Rs 7 Monthly.

Rs 7 × 3 × 7 = 35

Duraiappa Pandaram Chief Gate — Rs 67 = 80
2 Clerks at each of 6 Gates at Rs 20 — Rs 2 × 6 × 20 = 240
2 Inspectors at Rs 30 + 15 Carriage allowance Rs 2 × 45 = 90
2 Peons for Office at Rs 7 — Rs 27 = 14

Monthly 729

Annually 8,916

The establishment here estimated
would cost about Rs 9,000 per annum,
and the cost should be set off against
the receipts from the imports by sea.
The grain alone would probably yield
about Rs 17,500 at 1 anna per bag on
280,000 bags. To obviate any fear that
the favourable estimate is being taken,
it will be better to omit to the receipts
and charges under this head from the
present consideration.

12. Shewed Records of the foregoing
Proposals & that a clear Produce of Ld
Custom £120,000 after deducting all
Charges would be derived from a moderate
Duty in only four articles of general
Consumption in the City, Viz.t. Grain,
Timber, Firewood & Cattle and Sheep &c.

Refunds. Shewed Records of Duty
on the exportation of Goods would be trifling.
There will practically be none in the
case of Firewood, and that of Cattle in
the case of Timber. Where however Timber
is imported in the same Vessels with
Timber of the same Species with that
produced at the Time of import
it will be necessary to identify & ascertain
the Refund of the Duty. In the case of
Grain no identification will be necessary
as the Refund will be paid on the quantity
exported & without reference to marks
Bags or Packages. The Principal Export
Duty will be settled by the Exporter
in the Principal Office in Comparison
with the Memorandum of Exports

and

and the required Proof of the Payment of the
Certificate of the proper Officer that
the Goods were actually exported from
the City. The Regulations in force in London
would in such cases slightly be applicable
& applicable to Dublin.

14. Small Amounts fixed to certain of the
articles of large Consumption which
are proper objects for an Ad Valorem Duty,
but which imposing one or more of the
principles already laid down. These
articles are Wine, Spirits including
Arack, and Beer. Figures showing
the quantity of these articles imported
have been obtained from the Excise
Office, but are not altogether trustworthy
whilst the figures as to the Exports by
Sea, Rail and Canal Carry altogether
wanting. There is no doubt however
that a very large quantity is exported
again inland to different parts of
the Country, and principally to

Ireland

Indiscriminate. On the other hand, certain articles
of consumption are in every other respect proper
subjects for taxation, and are
actually taxed already by reason of
large quantities are kept of an inconsiderable
proportion for local consumption or for
export, there would be no difficulty
in arranging for the due collection
of duty or for passing rebate.

5. For the purpose of a rough estimate
of revenue it may be assumed that half the
Duty on the imports of 10 months of 1922.
In Bombay the amount thus produced
was divided by 2 so as to give the
value of wines and spirits one-eighth
of the imports, and in the case of
Beer one-twelfth. It was assumed
therefore that six-eighths or three-quarters
of Consumption against one half of imports
would not be affected. The following rates
of duty might be imposed:

1. Sparkling wines and Spirits.
including brandy ——— 1/- per gallon.
Other wines ——— 2 ——— " ———

130

The anticipated Treasury from Excise—

	Imports Financial Yr. 1921-22		
Wine and Spirits gallons	175800	175800/2	87900 @ 3/- = 13,185
Cocoa	"	108,100	108,100/2 = 54,050 @ 4/- = 13,512
Beer		115900	115900/2 = 57,950 @ 4/- = 14,487

Deducting for amount for cost of collection
Rs. 2,500, the net revenue would be
about Rs. 29,000. The Customer finding
by analogy from Bombay would be greatly
under the mark. If then alcoholic liquors
were added to the grain, timber, kerosene
cattle and sheep revenues would be
obtained which would be considerably
in excess of Rs. 150,000 per annum.

15. Charges for Comparison the
rates of Customs duties in Bombay and the
Indian Three Cases:—

1. Grain—Gold value per candy (500 lbs) Rs. 2 — 0 — 0
2. Wine and Spirits per gallon ——— " — 0 — 2 — 0
3. Sugar ——— per gallon ——— " — 0 — 0 — 6
4. Sugar including Molasses and Gur 1/2
Percent on Tariff value.
5. Cheese per Bombay Measure ——— " — 0 — 10 — 0
6. Timber excluding Railway sleepers
2½ per cent on market value.
7. Kerosene oil per candy (500 lbs) ——— " — 0 — 2 — 0

the net receipts for Sunday the 1881 were as follows:—

	Rs.	A.	P.
Grain of all sorts	179,540	6	11
Duties on Spirits	157,302	1	2
Beer	5,949	3	2
Sugar including Molasses and Gur	73,725	11	5
Opium	108,148	10	7
Timber	60,316	1	5
Sundries	61,371	15	9
	649,359	4	6

17. Having completed the suggestions offered for compliance with the orders of Government I now beg leave to add that with the concurrence of Government the whole of this question was laid before the Municipal Commissioners of Madras who appointed a Committee to examine into it and submit a report. This report (a copy of which is enclosed) embodies the unanimous opinion of the Committee and recommends the introduction of the Tax. This right conviction that Prices the Article

1848 59

of Consumption should pay Taxes in proportion to their Committee, both at and in 1875 on a Committee appointed by Government to report on the Municipal Cost and both those recorded Opinions of Divers Gazetteers the Octroi. Two other Members of the present Committee Messrs. Sundaram Chetty and T. Venkataramanjulu Naidu both part in 1875, sine a public

Discussion and Opposing and Speaking against the proposed Octroi. All four Gentlemen now recognize the change of Condition of affairs, the rise of Prices, increase of Revenues, and the unobjectionable character of the methods proposed for superseding the Octroi. They have announced by a note of the Report and at once by a note of the Report and at the Meeting of the Commissioners on the 1st November they publicly explained the reasons for their change of opinion.

18. After a long discussion the

Municipal Commissioners at the
Meeting on the 1st Amendment passed
by 19 Votes against 3 to recommend
Government to increase the Municipal
Revenue by introducing the Octroi.

The following were the Resolutions
passed:—

I. "That the introduction of the Octroi
is recommended to Government subject
to the following provisions:—

1. "That the increase proposed by
Government of 2 per cent to the Houses
Tax as a Scavenger's Cess, be abandoned."

2. "That houses and buildings having
an Annual Valuation of under Rs. 24
be exempted from House, Water, and
Lighting Taxes."

II. Proposed by Mr. J. D. Nicholas,
seconded by Mr. V. Krishnama Charriar
and carried by 16 Votes to 2 Con:—

"That the Octroi be upon the
following articles only, and at
the rates noted:—"

Grain

5.

Grain	30	lbs	for	1 anna
Textiles	3	"	for	"
Tobacco	1	"	for	"
Sheep, Goats & Pigs for slaughter	1	"	each	
Cattle for slaughter	8	"	each	
Ghee & Oils	3	"	per	gallon
Spirits and Sparkling wine including crude	1/4	"	per	gallon
Otter & Beer	2	"	per	gallon
Beer	6	"	per	gallon

"That the Report of the Octroi Committee be adopted subject to the foregoing Resolutions."

19. "The Municipal Commissioners have by their Resolutions arrived at this result. Taking a position which is probably without example in the history of Municipal Constitution in this Country, which, I venture to think, will become the favourable consideration of Government. They are so thoroughly convinced of the necessity for a large increase in the Municipal revenue, that they determine to the increase in the House

case as provided by Ordinance No 1 which provides a sum quite inadequate for the needs of the Municipality they have recommended an increase of taxation in another form sufficient to yield a revenue of more than Rs. 150,000 per Annum.

I have the honor &c &c.

Sd/-

Your Most Obdt Servant

A Brundell

President.

Municipal Commission.

Copy
Letter

Financial (Cess) Depo

1882.

Madras Municipality.

From

THE PRESIDENT,
Municipal Commission,
MADRAS.

To

The Chief Secretary
to Government
Fort St George.

G. No. 811

Dated. 15th
Despd. 16th
Recd. 17th

November 1882.

Enc. 1

CURRENT No. 3401

Subject.

Forwards certain suggestions regarding Levy of Octroi in Madras City in Compliance of the orders of Government.

Financial (Cess) Depo

DEPARTMENT.

No. 1455 & 3408.

From

The President. Municipal Commr. Madras.

FOR ORDERS.

I should accept the proposals of the Commissioners in all respects save the levy of Octroi duty on Wines & Beer which are already taxed for Imperial purposes and a large portion of which is imported for consumption by Europeans. This source should be exempted from duty when imported by Europeans. The total amount expected to be realized by the proposed duty is inconsiderable in proportion to the Establishment

vide G.O. 3rd March 1870 No 255

Under the duty on bottles article is expected to yield. The necessary provision should be made in the next Budget for

Policies are now required whether the new Municipal Bill should make provision for the levy of an Octroi or not. As regards the general merits & demerits of the tax, the arguments in its favour, founded on considerations of Statistic statements which are thought to recommend the levy, is briefly stated in para 12 of the Resolution of the Govt of India dated 8th November 1868. That a duty in many Eastern nations has been easily and demand, & duties have to a limited extent and that Customs duties have been collected

in a measure

by conjecture has been
assumed so often as to
be almost a truism. Unless
there can be no doubt
that the tax cannot be
justified as ~~a~~ any
~~Theory~~ and that
if the introduction of the
tax be determined on, it
must be for other reasons,
chief among which are
its great productiveness and
the ease with which it
lends itself to a large
and elastic revenue.

Subject to certain re-
strictions the duty of the
tax has frequently
received the sanction
afterwards of the Supreme
Govt. These restrictions
are for the most part
observed in the proposals
now submitted by the
Commissioners. But it may
be observed that the
proposal to tax spirituous
liquors differs from the
objection alluded to in the
Resolution quoted above
and para 3 of Resolution
of 28th September, 1877. as
an encroachment on
Municipal or Provincial
taxation. Spirituous liquors
are for the most part

[1] In the memorial the Municipal Commissioners are praising measures in its favour.

in G.O. 31st October 1877. No. 2629.

The discouragement of importations by land carriage alluded to the Abkari Revenue.

imported by sea under a
bridge of the Customs Re-
venue which would
obviously suffer if a Mu-
nicipal import duty were ad-
ded. — The Govt of India
would appear, indeed, to
object generally to the levy
of octroi on any articles
imported by sea whether
included in the customs
tariff or not (vide the
para 25. Resolution of 28th
last January. Do. of 1877.
But however, in the
case of the latter class
of goods, the objection
formed by such
taxation arrangements as
regards bonding and
refunds. The Supreme
Govt. themselves attribute
the rejection as regards
textile fabrics in the
resolution last quoted.
Setting liquors aside, the
articles which the Com-
missioners propose to tax
are Grain, Cattle, firewood
Sheep, Cattle, & general ob-
jects are all customs
free.

The system of refunds
(or drawbacks) is the
most difficult part of
the whole question, and
the difficulty is vastly
increased by the practice

The direction of
of Levying and Collecting
the Octroi Tax. Page 25
Rules of 1877. It appears
to be desirable to substitute
practice
the collection, though
indeed it does not
appear to be anticipated
at present. The
Commr. proposes that the
tax should be collected
by the Collectors of the
Customs, the Railway
Agents, and the D.C. No
alteration in charge of the
Canal. This is obviously
if the System in Bengal
Steps might be taken
in the Madras Presidency
to entrust the
Collection of these Octroi
could be made available.
The octroi in Madras
the Commy. is said to collect
by direct agency. Other
Rules which the Govt. of India
have from time to time
issued in addition to
from page 25 of the Rules of 1877
and (as regards the Rates
System) in para 9. Resolt.
4th November 1880. These
matters could then be
provided for by means of
by Law in due
Notification of the Govt.
Secretary
Secretary
Commissioner
Collector
Customs
Railway Agents
Canal
Bengal
Madras
Presidency
Collection
Octroi
Rules
Govt. of India
Resolt.
November 1880.

FOR ORDERS.

No. 5 in S.O. 7th December 1880. No 2277.

Submitted with the previous
Ref: to the previous
notes on the
subject

Financial Department.

No. 5 1458 & 3401

From

The Secretary to Govt. of Madras.

To

The Secretary to Govt. of India.

Financial Department.

Sir,

I am directed to acknowledge the receipt of your letter No. 5-12-82- dated the 29th ultimo, and to say that the Madras Government are not aware of any reasons why the Octroi Tax should not be collected by the Customs Department, as suggested by the Commissioner of Salt and Customs.

2. The Collection of the Octroi Tax in the Madras Presidency is entrusted to the Municipal Councils, and the Government are not aware that any steps could be taken to entrust the collection of the Octroi to the Customs Department.

3. The Octroi in Madras is not collected by direct agency, but by the Municipal Councils, which are empowered to levy it, and the Government are not aware that any alteration in the present system is desirable.

4. The Government of Madras are not aware that any alteration in the present system is desirable.

5. The Government of Madras are not aware that any alteration in the present system is desirable.

6. The Government of Madras are not aware that any alteration in the present system is desirable.

theory, is briefly stated
in para 20 of the Resol-
ution of the Government
of India dated 6th March
1882. That among Eastern
nations the law of supply
and demand applies
but to a limited extent
and that customs in a
measure taken the place
occupied in Europe
by competition, has been
affirmed so often as
to be almost a truism.
Nevertheless there can
be no doubt that the
tax cannot be justified
on any economic theory,
and that if the introduc-
tion of the tax be deter-
mined on, it must
be for other reasons,
chiefly among which

It shall not be
introduced with any
inadequate inquiry
into Local
Opinion.

If I am directed by
superior authority
to assent to it I will
instantly do so; but
until that time arrives
I shall oppose it by
every means which
the Constitution of the
Government places in
my hands.

Allen Dec.r 6th/82

I am not in love with
the measure but know
of no other which would
be so popular - and
friends are wanted
badly at
present

In the present case the
Municipal Commissioners
are practically unanimous in its favor.

I am entirely
for an octroi being
introduced, for altho'
I believe the tax is
not unpopular it
does not reach the
rich, and accords
the land upon the
poor inhabitants
of a city.

R.

Dec.r 8th

in G.I. 31st October 1877. No 2629.

Save in exceptional
and the case with which
it is evaded appears to
a large
revenue.

Subject to certain
restrictions the Octroi
of the tax has frequently
received the
approval of the Supreme
Government. These restr-
ictions are for the most
part observed in the
proposals now submitted
by the Commissioners.
But it may be observed
that the proposal to tax
specimens liquors ap-
pears to be objectionable
under Judicial Resolution
quoted above and para
3 of Resolution dated 20th
September 1877 as an en-
croachment of Municipal

on Imperial taxation.
Spirituous liquors are
for the most part im=
ported [illegible] and en=
cent: duty to the Customs
Revenue which would
obviously suffer if
a municipal impost
were added. The Govern=
ment of India would ap=
pear indeed to object ge=
nerally to the levy of
octroi on any articles
imported by sea whether
included in the customs
tariff or not (vide para
25. Resolution of 1868 and
para 27. Do. of 1877.).
But probably in the case
of the Cutter trade class
of goods the objection
would be sufficiently
met by suitable ar=
rangements [illegible]
London

The disconnexion of im=
portations by land would si=
milarly affect the Khasya=
[illegible]

FOR ORDERS.

bonding and refunds.
The Supreme Govern=
ment themselves with
drew the objection as
regards textile fa=
brics in the Resolution
last quoted. Letting
liquors aside the ob=
ject which the Com=
missioners propose to
tax are grain, timber
firewood, sheep, cattle
and mineral coals.
These are all customs
free

The system of
refunds (or draw=
backs) is the most
difficult part of the
whole question, and
the difficulty is
[illegible]

partly increased by the practice of leaving out the collection of the tax (see especially para 25. Resolution of 1877) It might be advisable to prohibit this practice altogether though indeed it does not appear to be contemplated at present. The Commissioners propose that the taxe should be collected by the collector of Sea Customs, the Railway Agents, and the D.P.W. Officer in charge of the canal. This it appears is the system in Bombay. Steps might be taken

---

in G.O. 7th December 1880. No. 2277

---

on the proper departments to ascertain whether the services of these officers could be made available. The Petroleum Road Traffic in the Presidency might be found to collect the direct expenses. Other rules which the Government of India from time to time may direct will be observed on the lines laid down in para 25 of the Resolution of 1868 and (as regards the Sind system) in para 9. Resolution 4th November 1880. There matters would have to be provided for by means of the Taxes in case

the introduction of the
Act is decided on.
In that event the form
of draft order might be
issued, in which
Bombay.

Hon Dr Cunningham
H E the Governor

Recirculated to the
Hon Dr. Cunningham K.C.S.I.
with reference to
H.E.'s instructions

Papers to be read in Proceedings:—

Again G.O., dated 188 , No.

Current No. 1458 of 1882, dated 26th May 82 from Municipal Dept. to Chairman

" 3401 of 1882 dt. 16th Nov 82 from do

Current No. of 188 , dated from

order

ordered that the
papers be forwarded
for consideration to
the Select Committee
on the Bill for the
Amendment of the
Bombay Municipal
Act V of 1878.

(From order)

C.A.L
8-12-82.

I do not see
why the papers
should go to the
Select Committee.
The proposal for an
Octroi with must be
supported by some such
statement as that
in the above letter
before anything
is done with it

Papers to be read in Proceedings:—

Again G.O., dated 188 , No.

Current No. 1458 — of 1882, dated 26th May from President Fort St. George Madras

Current No. 3401 — of 1882, dated 16th November from Do — Do — Do

Order.

The Government cannot consent to so retrograde a measure as the introduction of the octroi into Southern India; the only portion of the Empire which has hitherto been happily and completely free from this objectionable impost. Nor can they accept the distinction which the President seems to draw between objections theoretical and practical, for there can never be a reasonable practice which is not founded on and in harmony with sound theory. The Government have already

But how can the Government be in the minority — should the question be referred to the Select Committee

Jan 11th 83

My hon Colleagues & I have considered and must dissent from the Commander in Chief. The Govt is not in a minority

Jan 11th 83

* I do do — the only question that remains is whether the matter should be referred to a Select Committee

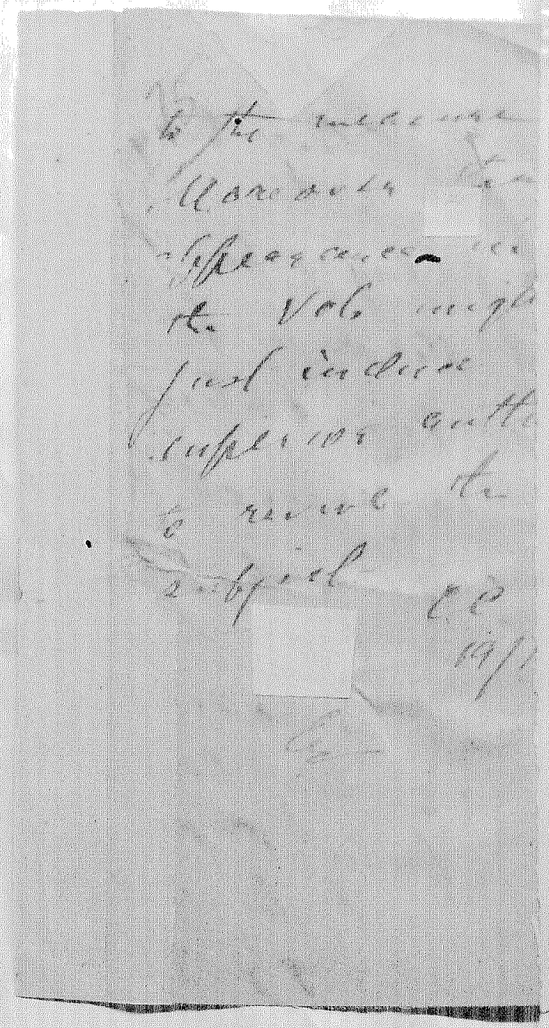
assisted the Municipality to
the utmost of their financial
power by relieving them of the
charges and by suspending for
a time at least the levy of the
contribution to the General Hospital,
and they are ready and anxious
to consider favourably any practical
suggestions that may be made
to them, consistent with a sound
and statesmanlike policy, for
the future improvement of the
Municipal revenues. In any
case, however, and whether such
improvement be practicable to
any appreciable extent or not,
it is clear that the immediate
duty of the Municipal Commissioners
lies in the observance of the
strictest economy.

Exc

for 132 Am 72 of 1897

brief.
Relating to the
papers to be laid before Council.
23-13

the levy levy
levy & general
the papers
for future
reference?
To be laid before
the Council
to the levy
specially
for the
strictly observed



Madras Municipality.

23RD JANUARY 1883, MISC. No. 134, FINANCIAL.

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

READ—the following papers :—

From A. T. ARUNDEL, Esq., President of the Municipal Commission, Madras, to the Acting Chief Secretary to Government, dated Madras, 26th May 1882, G. No. 409.

As the question of an increase of taxation in Madras is now before Government in connection with the revision of the Madras Municipal Act, I beg leave to forward a copy of memorandum written by me in 1880 to show the prospective requirements of the city that must be met, if met at all, by the raising of loans.

2. It will be seen that to complete the drainage of the whole of Madras, no less than six different schemes must be undertaken, the cost of which is approximately estimated as follows :—

	Rs.	
I. Black Town	8,07,500	One lakh of rupees raised
II. Ráyapuram	1,40,000	and the work com-
III. Choolay and Vepery	1,20,000	menced.
IV. Pursewalkum	60,000	
V. Triplicane and Chintadripettah	3,20,000	
VI. St. Thomé	80,000	
Total ..	15,27,500	

3. The extension of the water-supply through the limited area proposed will cost at least Rs. 2,50,000, an amount which has this year been raised on loan.

4. The delivery channel from the Red Hills lake is in an unsatisfactory state, and moreover draws off its supply from the lake at so high a level that more than thirty-one millions of cubic yards of water must always remain in the lake unutilized by Government for irrigation, because if any portion of this be drawn off, the Madras delivery channel would run dry. An iron main pipe with accessories in lieu of the channel would cost six lakhs.

5. There is thus a total of about 24 lakhs of rupees which we must look forward to as being required in loans by the municipality.

6. Loans can probably be raised in the market at 5 per cent., to which 2 per cent. must be added for sinking fund. Seven per cent. on 24 lakhs gives a total of Rs. 1,68,000, which would annually be required in payment of interest on all these loans together.

7. In my letter to Government, No. 389, dated 15th May, forwarding Mr. Jones's report of the conservancy of Madras, I have explained that for thorough and complete conservancy the following additional expenditure must be incurred :—

	Rs.
Additional carts and sweepers and peons	52,600
House-to-house night scavengering	65,000
Total ..	1,17,600

8. The increase of the house-tax by a 2 per cent. scavenger cess, as I have suggested, would be an unpopular course, as the house, water, and lighting rates already stand at 15¼ per cent. It would, moreover, yield only Rs. 6[illegible],000 per annum or enough for night scavengering and for that only. No other considerable improvements in sanitation and conservancy from that source could be expected.

9. The increase in the professional tax provided for by Government in the draft Bill at the request of the Commissioners will yield about Rs. 26,000 per annum, and will therefore just cover the interest at 7 per cent. of the new loans, amounting to Rs. 3,50,000, raised this year.

10. Every succeeding year as further loans are raised to carry out and complete the drainage of Black Town already commenced, the amount available for ordinary municipal purposes will be diminished. For instance, if in 1883 a further loan of two lakhs be raised for this purpose, the interest at 7 per cent. will be Rs. 14,000, which must be withdrawn from some object whereon it is now usefully spent. In 1884 another two lakhs may be raised, and Rs. 28,000 must be provided for interest and so on till, at the completion of the scheme, Rs. 56,000 per annum will be absorbed from current revenue to pay interest on the loan.

11. Too much stress cannot be laid on the utter inadequacy of the municipal revenue, present and prospective, to meet these demands coupled with those other prospective ones to which I have alluded. The 2 per cent. scavenger cess, rigid and inelastic, which I have suggested, will afford no material aid for anything beyond its own special object. Fresh taxation of any kind must be unpopular; if therefore it is imposed, it should at any rate be sufficient for the ends in view.

12. There is but one lucrative source of taxation to which we can turn, and to this sooner or later I believe the municipality must inevitably come. I refer to the octroi or town duties. This tax has the advantage of the greatest elasticity. It can be introduced with little difficulty as a tax on articles of bulk only, such as timber and grain, and extended to other articles, such as tobacco, betel, &c., only as financial requirements compel.

13. I am aware of the theoretical objections to this tax urged by political economists, but in a poor and backward country such as this theoretical objections dwindle before overwhelming practical advantages. I know of only one serious practical objection, viz., the danger that the tax may become a tax on goods in transit, but this, I believe, can be guarded against as is successfully done in Bombay. The tax would of course be unpopular at the outset. It was introduced into the Legislative Council in 1876, but was withdrawn without being passed into law. A tax of one anna per bag of grain alone would, it is calculated, yield a revenue of at least Rs. 67,000 per annum, or more than a 2 per cent. increase of house-tax. The octroi is paid in infinitesimal fractions by every consumer, and the payment is spread over every day in the year. Nothing, save exemption from taxation altogether, can be more consonant with native feeling than indirect taxation such as this, and it is a form in which the natives are accustomed to tax themselves for social and religious objects. To ensure the proper utilization of the octroi, and to anticipate objections that would certainly be raised against it, as against any other increase of taxation, it should be enacted that the revenue derived from it should be spent solely in meeting charges for interest and sinking fund on loans raised with the sanction of the Commissioners for municipal purposes.

14. I feel strongly that every other course hitherto suggested must prove a mere temporary expedient thrusting the financial difficulty out of sight for a year or two more, but nowise disposing of it in any satisfactory complete fashion.

15. Among other claims on the municipal fund, that of Government for a moiety or less of the town police charges must not be omitted. This charge the Government have taken power to levy by Act VII of 1876, but the municipality have never been able to pay it, and in past years the charge has been foregone. In the G.O., No. 2512-A, dated 26th December 1882, on the current year's budget, the charge, amounting to about Rs. 80,000, is ordered to be provided for pending future orders.

The trifling surplus of the current budget is therefore turned into a huge deficit by a demand which it is impossible to meet. Whatever course the Government may think fit to adopt with regard to any increase of taxation, I trust that no loophole will be left through which funds raised primarily for direct municipal purposes may be diverted to the payment of charges for police. If the municipality is to pay for its police, then I would urge that a special police tax be imposed for the purpose.

ENCLOSURE.

MEMORANDUM.

* * * * * * *

Finances.

From the foregoing statement it will be seen that the municipality are in immediate need of two loans, one of eight lakhs for the drainage of Black Town, and one of three lakhs for the extension of the water-supply.

If the Government of India will grant these loans on the same terms as the loan already raised for the original water-works, the charge for interest and sinking fund will be—

	Rs.	Rs.
Black Town drainage loan Rs. 8,00,000—		
Interest at 4 per cent.	32,000	
Sinking Fund at 2 per cent.	16,000	
		48,000
Water-supply extension loan Rs. 3,35,000—		
Interest at 4 per cent.	13,400	
Sinking Fund at 2 per cent.	6,700	
		20,100
Total ..		68,100

The annual expenditure on interest and sinking fund for the two loans will thus be Rs. 68,100, and the important question remains for consideration, how is this sum to be met? The existing taxes are already insufficient to meet the proper charges of the municipality. Fresh taxation is therefore inevitable if these two important works are to be carried out. After a careful scrutiny, there seems to me practically to be only one sufficient source of taxation to which the Commissioners can turn. An enhancement of the rates payable for the different classes under the tax on arts, professions and trades would give additional revenue, but quite inadequate to the present purpose. If the schedule were modified by raising the tax, the following additional income might be secured :—

	Raised from	To	Increased Revenue.
			Rs.
Class I	(150)	.. ..	..
„ II	(100)	.. ..	..
„ III ..	50	75	3,250
„ IV ..	25	50	4,800
„ ..	15	25	3,210
„ VI ..	8	15	4,930
„ VII ..	3	8	5,290
„ VIII ..	at 3 say	.. ..	5,000
		Total ..	26,680

The house, water, and lighting taxes already amount to 15¼ per cent. on the annual value of property, and any proposal for a further enhancement would cause great popular dissatisfaction.

The tolls are already levied at the [illegible]num rates and yield Rs. 38,000, they are less productive than formerly owing to the opening of the South Indian Railway and the Buckingham canal. Enhancing the tolls on goods brought into the city by road, while goods arriving by sea, by rail, and by canal pay no toll at all, would be impolitic and unfair.

The only remaining source of revenue sufficient to provide for the interest on the proposed loans is the octroi or town duties which were proposed in 1876 to the present Municipal Act, but omitted before the Bill became law.

If this tax were imposed by legal enactment it might be under the express stipulation that its proceeds should be expended on no other object than the payment of the interest and sinking funds of loans raised *with the consent of the Commissioners* for municipal purposes. With this

distinct proviso there would be no fear that the tax might be enhanced to carry out measures which were not desired by the Commissioners, and one important objection formerly urged against the tax would thus be removed.

The tax would be limited in its incidence so as to afford only the amount necessary to pay interest and sinking funds on the loans.

If articles of bulk only, such as grain, jaggery, timber, firewood, &c., were taxed, there would be little expense in preventive service, and the cost of collection would be moderate. The Collector of Sea Customs would collect the duty on imports by sea. The imports by rail and by canal would be ascertained and collected without difficulty in communication with the railway and canal authorities. The collection of the duty on imports by road would be let out on contract, and so long as bulky goods only were taxed, there would be no likelihood of smuggling, as it would scarcely pay even if detection were evaded.

The tax might be expected to yield with ease between one and two lakhs of rupees, which would meet the interest on both the proposed new loans, and that payable on the original water works loan, thus setting free an equal amount for the other general municipal purposes for which funds are so urgently needed.

MADRAS,
30*th August* 1880.

(Signed) A. T. ARUNDEL,
Acting President.

From A. T. ARUNDEL, Esq., President of the Municipal Commission, Madras, to the Chief Secretary to Government, dated Madras, 16th November 1882, G. No. 811.

I have the honor to reply to your demi-official letter, dated the 22nd June last, desiring me to make suggestions as to the method that might be adopted for the introduction of the octroi, on what allowable articles the tax might be levied, under what checks against its becoming a transit duty, and with what pecuniary results.

2. Much delay has been caused in endeavouring to procure trustworthy statistics of trade. Those which have been obtained relate solely to imports and exports by sea, railway, and canal, and have been procured direct from the heads of the departments concerned. None at all have been procurable for road traffic.

3. There are three principles which should be observed to ensure that the octroi shall be neither burdensome as a tax nor obstructive to trade—

(i) To select for the octroi duty only those articles which are so extensively consumed as to yield a large revenue from a trifling duty.

(ii) To levy the duty, as far as practicable, on articles imported into the city for local consumption and not intended for re-export.

(iii) To levy the duty on bulky goods only, so as to preclude smuggling and inquisitorial search of person or property.

4. These principles, it will be found, are closely adhered to in the taxation of the following articles—(1) food-grains of all sorts, (2) timber, (3) firewood, (4) cattle, sheep, goats and pigs for slaughter.

5. The imports, exports, and consumption of the first three items by sea, rail, and canal (as given in traffic returns) are as follows :—

	Imported.	Exported.	Consumed.
Grain (bags of 164 lb.)	1,2[illegible]4,500	113,000	1,141,500
Timber (tons)	[illegible]3,400	2,600	5,800
Firewood (tons)	6[illegible],000	70	63,930

The consumption of grain here given is understated. This may be shown by taking the standard of consumption per head of the population per annum as accepted by the Government of India, viz., 7 maunds = 576 lb., and multiplying it by the known population 406,000. This gives an annual consumption of 2,338,56,000 lb., or 1,425,950 bags. Imports by road would probably account for most of the difference, say 280,000 bags. The amount grown within the city is not large and may be omitted from the calculation. The figures indicating the export of timber are misleading. Almost all timber imported by sea in the log or rough sawn. Before it is exported by rail wines and spars are wrought, and would therefore receive no refund of duty. Nearly the whole [illegible] imported therefore should be regarded as consumed, *i.e.*,

wrought, manufactured, or otherwise used within the city. The whole of the firewood imported is intended for local consumption. It is known that a large quantity is imported by road.

6. The minimum consumption of cattle, sheep, &c., within the city is known from the returns kept at the slaughter-houses, where the octroi duty would be levied.

The consumption is—

Cattle	10,500
Sheep, goats, and pigs	360,000

7. At the outset it would be sufficient to tax the grain at one anna per bag (of 164-lb.) all round, or fourteen annas per ton for such small quantities as are imported in bulk by boat or cart. The price of a bag of rice is about Rs. 6. The price has fluctuated during the past year—a fair average year—between Rs. 5 and Rs. 6 per bag, or by sixteen times the amount of the proposed tax. A tax of one anna per bag is thus far less than the ordinary market fluctuations of price. Half a Madras measure of rice may be taken to suffice for one person for a day. The octroi upon this would be $\frac{3}{20}$ of a pie for a day, or three annas six pies per annum. The duty on timber might be fixed at Rs. 3 per ton, which would, in the case of the cheaper timbers, be rather more, and in the case of teak, &c., a good deal less, than 3 per cent.; or, following the example of Bombay, the tax might be levied at $2\frac{1}{2}$ per cent. on market-value. Firewood sells wholesale at Rs. 10 per ton. A tax of four annas per ton (two annas a cart-load) would be $2\frac{1}{2}$ per cent. Cattle for slaughter which are worth from Rs. 5 to Rs. 25 each might be taxed at eight annas each, and sheep, goats, and pigs worth from Rs. $1\frac{1}{4}$ to Rs. 5 each at one anna each.

8. Taking the figures already given, which I have shown in the case of grain, timber, and firewood to be far below the actual truth, the results are—

		Consumed.	Rate. Rs. A. P.	Amount of duty. Rs.
1. Grain	Bags	11,41,500	0 1 0	71,340
2. Timber	Tons	5,800	3 0 0	17,400
3. Firewood	„	63,930	0 4 0	15,980
4. { Cattle	No.	10,500	0 8 0	5,250
{ Sheep, goats, and pigs ..	„	3,60,000	0 1 0	22,500
				1,32,470

9. *Collection; Imports by Sea, Railway, and Canal.*—The collection of the duty on imports by sea, railway, and canal should follow the system in force in Bombay. The Collector of Sea Customs would collect the duty on imports by sea, and the Agents of the Madras and South Indian Railways and the officer in charge of the Buckingham Canal would collect it on imports by rail and canal, together with rail charges and boat dues. The cost of this method of collection varies in Bombay from 5 to 7 per cent. Taking it at 8 per cent. to allow a safe margin, the charges of collection would be Rs. 10,600. The net revenue from the four items of taxation would thus be not less than Rs. 1,21,870. I have intentionally under-estimated, rather than over-estimated, the receipts.

10. *Imports by Road.*—There is little or no timber imported by road. I have found it impossible to estimate the imports of firewood, but it is known to be largely imported by road from casuarina plantations in the neighbourhood. As already explained, it is probable that the grain imported by road would amount to 280,000 bags. That the imports by road are very considerable is further known from the fact that the rice grown on large areas irrigated by the Chembrambakum tank, Red Hills lake, &c., besides dry grains, finds its way into Madras. With respect to the collection of the octroi at the toll-gates the traffic may would be reduced to a minimum as only grain and firewood with a small quantities of timber would be taxed. In addition to the toll charge, each cart laden with grain would pay a commission charge of one anna per bag, and each cart laden with firewood would pay two annas, to which a cart-load is taken as equal to half a ton. Head-loads of firewood would pass free under the bye-laws.

11. Grain and firewood would be chiefly imported at six out of the seventeen toll-gates, and at these only would the officers for collecting the duty be stationed in the first instance. A brief experience would show where the staff would be permanently required. The following establishment would probably be needed. No warehouses for storage would be required.

Probable Establishment.—For each toll-gate three peons—one for night, two for day—at Rs. 7 monthly :—

		Rs.
	Rs. 17 × 3 × 7 =	357
One extra peon to each of six chief gates	.. „ 6 + 7 =	42
Two clerks at each of six gates at Rs. 20	.. „ 2 × 6 × 20 =	240
Two inspectors at Rs. 30 × 15 carriage allowance.	„ 2 × 45 =	90
Two peons for two inspectors at Rs. 7	„ 2 × 7 =	14
	Monthly =	743
	Annually =	8,916

The establishment here estimated would cost about Rs. 9,000 per annum, and the cost should be set off against the receipts from the imports by road. The grain alone would probably yield about Rs. 17,500 at one anna per bag on 280,000 bags. To obviate any fear that too favorable an estimate is being taken, it will be better to omit both receipts and charges under this head from the present consideration.

12. The net result of the foregoing proposals is that a clear revenue of at least Rs. 1,20,000 after deducting all charges would be derived from a moderate octroi on only four articles of general consumption in the city, viz., 1, grain; 2, timber; 3, firewood; 4, cattle and sheep, &c.

13. *Refunds.*—The refunds of duty on the export of goods would be trifling. There will practically be none in the case of firewood, and but little in the case of timber. Where, however, timber is exported in the same state as when imported, the marks under which it was shipped at the time of import will serve to identify it and ensure a refund of the duty. In the case of grain no identification is necessary, as the refund will be paid on the quantity exported without reference to marks, bags, or packages. The municipal import duty bill would be filed by the exporter in the municipal office for comparison with the *memorandum* of export, and the refund would be paid on the certificate of the proper officer that the goods were actually exported from the city. The bye-laws in force in Bombay would, with some slight modifications, be applicable to Madras.

14. I will now refer to certain other articles of large consumption which are proper objects for an octroi duty, but which infringe one or more of the principles already laid down. These articles are wines, spirits including arrack, and beer. Figures showing the quantity of these articles imported have been obtained from the Collector's office, but are not altogether trustworthy, while the figures as to the exports by sea, rail, and canal are altogether useless. There is no doubt, however, that a very large quantity is exported again inland to different parts of the country, and principle (ii) is thus infringed. On the other hand intoxicating liquors are in every other respect most suitable objects of taxation, and, as arrangements already exist by which large quantities are held in bond until required for local consumption or for export, there would be no difficulty in arranging for the due collection of duty or for passing refunds.

15. For the purpose of a rough estimate it may be assumed that half the amount imported is exported again. In Bombay the amount thus exported on which duty is refunded is in the case of wines and spirits one-eighth of the imports, and in the case of beer one-seventh. The assumption, therefore, that in Madras only one-half is consumed against one-half exported is most moderate. The following rates of octroi might be imposed :—

Sparkling wines and spirits including arrack ..	4 annas per gallon.
Other wines	2 „ „

The anticipated revenue would be—

		Imported.	Consumed.	Rs.	A.	P.	Amount of duty. Rs.
Wines and spirits, gallons ..		350	$\frac{175,800}{2}$	0	2	0	16,480
				0	4	0	
Arrack	do. ..	105,000	$\frac{98,600}{2}$	0	4	0	13,570
Beer,	do. ..	115,900	$\frac{115,900}{2}$	0	0	6	1,810
			Total ..				31,860

Deducting 8 per cent. as cost of collection say Rs. 2,550, the net revenue would be about Rs. 29,500. This, however, judging by analogy from Bombay, would be greatly under the mark. If then alcoholic liquors were added to the grain, timber, firewood, cattle, and sheep, &c., a revenue would be obtained which would considerably exceed Rs. 1,50,000 per annum.

16. I here enter for comparison the rates of octroi in Bombay and the articles there taxed :—

	Rs.	A.	P.
1. Grain of all sorts, per candy (= 500 lb.)	0	4	0
2. Wine and spirits, per gallon	0	4	0
3. Beer, per gallon	0	0	6
4. Sugar including molasses and goor, 1½ per cent. on tariff value.		..	
5. Ghee, per Bombay maund	0	10	0
6. Timber excluding railway sleepers, 2½ per cent. on market value.		..	
7. Firewood, per candy (500 lb.)	0	2	0

The net receipts in Bombay in 1881 were as follow :—

	Rs.	A.	P.
Grain of all sorts	1,79,544	4	11
Wines and spirits	1,57,302	1	2
Beer	5,949	3	2
Sugar including molasses and goor	73,726	11	6
Ghee	1,08,148	10	7
Timber	60,316	1	5
Firewood	61,371	15	9
Total ..	6,49,359	0	6

17. Having completed the suggestions offered in compliance with the orders of Government, I now beg leave to add that with the concurrence of Government the whole of this question was laid before the Municipal Commissioners of Madras who appointed a Committee to examine into it and submit a report. This report (a copy of which is enclosed) embodies the unanimous opinion of the committee and recommends the introduction of the tax. It is right to mention that Messrs. the Honorable Mir Humayoon Jah Bahadur and V. Kristnama Chariar, Members of this Committee, both sat in 1875 on a Committee appointed by Government to report on the Municipal Act, and both then recorded minutes of dissent against the octroi. Two other Members of the present Committee, Messrs. P. Somasundram Chetty and W. S. Venkataramanjulu Naidu, took part in 1875 in a public demonstration and meeting in Madras against the proposed octroi. All four gentlemen now recognize the changed condition of affairs, the need for increased revenue, and the unobjectionable character of the methods proposed for imposing the octroi. They have unanimously adopted the report, and at the meeting of the Commissioners on the 1st November they publicly explained the reasons for their change of opinion.

18. After a lengthy discussion, the Municipal Commissioners, at the meeting on the 1st November, resolved, by nineteen votes against three, to recommend Government to increase the municipal revenue by introducing the octroi.

The following were the resolutions passed:—

"I. That the introduction of the octroi be recommended to Government, subject to the following provisoes:—

"1. That the increase proposed by Government of 2 per cent. to the house-tax as a scavenger cess be abandoned.

"2. That house and buildings bearing an annual valuation of under Rs. 24, be exempted from houses, water, and lighting taxes.

"II. Proposed by Mr. J. P. Nicholas, seconded by Mr. V. Kristnama Chariar, and carried by 16 pro to 2 con:—

"That the octroi be upon the following articles only and at the rates noted:—

	Rs.	A.	P.	
Grain	0	1	0	per bag.
Timber	3	0	0	per ton.
Firewood	0	4	0	"
Sheep, goats, and pigs for slaughter	0	1	0	each.
Cattle for slaughter	0	8	0	"
Mineral oils	0	0	3	per gallon.
Spirits and sparkling wine, including arrack	0	4	0	"
Other wines	0	2	0	"
Beer	0	0	6	"

"That the report of the Octroi Committee be adopted subject to the foregoing resolutions."

19. The Municipal Commissioners have by their almost unanimous vote on this matter taken a position which is probably without example in the history of municipal institution in this country, and which, I venture to think, will secure the favorable consideration of Government. They are so thoroughly convinced of the necessity for a large increase in the municipal revenue that, demurring to the increase in the house-tax as proposed by Government, which would yield a sum quite inadequate for the needs of the municipality, they have recommended an increase of taxation in another form sufficient to yield a revenue of more than Rs. 1,50,000 per annum.

ENCLOSURE.

Report of the Octroi Committee.

This Committee was appointed at a general meeting of the Commissioners on the 26th July "to consider the expediency of introducing the octroi and the methods that might be adopted for imposing it in case such a system be decided on."

2. In accordance with the terms of the resolution, the Committee will deal in their report with—

(1) The expediency of introducing the octroi.
(2) The method of imposing it.

(1) *The expediency of introducing the octroi.*—The estimate of the receipts and expenditure of the municipality for 1882 is as follows:—

Receipts.

	Rs.
I. Taxation	6,92,120
II. Rents	37,745
III. Fines and Fees	6,200
IV. Contributions	15,058
V. Profits Work	8,000
VI. Miscellaneous	35,770
VII. Loan for extension of Water-supply	2,50,000
VIII. Loan for drainage of Black Town	1,00,000
Total	11,44,893
Opening Balance	20,906
Grand Total	11,65,799

Expenditure.

	Rs.
I. Public Works	5,70,619
II. Education	11,236
III. Sanitation	2,83,319
IV. Miscellaneous	73,545
V. Supervision	1,03,471
VI. Pension	4,404
Repayment of Debts	1,11,732
Total	11,58,336
Closing Balance	7,463
Grand Total	11,65,799

3. The receipts from taxation, amounting to Rs. 6,92,120, are derived from the following sources:—

Profession-tax	44,000
House-tax at 10 per cent.	3,40,000
Water-tax at 4 per cent.	1,32,000
Lighting-tax at 1¼ per cent.	41,500
Tax on Vehicles and Animals	64,000
Tolls	43,620
Tax on Liquor-shops	13,000
Fees from Dangerous and Offensive Trades	9,000
Tax on Salaries	5,000
Total	6,92,120

4. The Committee observe that the taxes are already levied at maximum rates with the exception of the lighting-tax, which is reserved by law for the special function of lighting. The revenue is practically fixed, and no considerable increase can be looked for from the present taxes.

5. The insufficiency of the existing revenue is already well known to the Commissioners, but may be briefly indicated by the following facts.

The night-soil conservancy is at present so seriously neglected that the Commissioners in 1880 recommended to Government a system that will require an annual expenditure of about Rs. 60,000 to bring it into efficient working.

6. The outbreak of cholera at the end of 1881 led to the preparation of a report on the sanitation of Madras by the Vice-President, which proved that the ordinary street conservancy required a further allotment of at least Rs. 40,000 per annum for thorough efficiency. This estimate did not include the cost of a permanent Health Officer and staff, which may be roughly estimated at Rs. 10,000 per annum.

7. The extension of the supply to the populated portions of the city required a loan during this year of Rs. 2,50,000, of which the interest at 5 per cent. and the sinking fund at 2 per cent. amount to an annual charge of Rs. 17,500.

8. The Black Town drainage scheme is estimated to cost Rs. 8,00,000. Of this sum, Rs. 1,00,000 has been raised this year, and the interest and sinking fund amount to Rs. 7,000 annually.

9. In 1883 a loan of Rs. 3,00,000 will be raised to continue the same work, and the charge for interest and sinking fund will amount to Rs. 21,000.

10. The Commissioners are thus in need of an almost immediate increase of revenue of about Rs. 1,50,000 annually, and require the means of still further increase, not only to meet the charges of Rs. 25,000 annually as interest and sinking fund on the 4 lakhs that will still remain to complete the drainage of Black Town, but also to meet those further charges of the same kind that must be incurred when other parts of the city are drained, and when the water-supply is increased and purified as it undoubtedly must be.

11. These further charges, which may at some future time have to be incurred above and beyond those for the complete drainage of Black Town, may be roughly estimated as follows:—

		Rs.	Annual charge for interest and sinking fund. Rs.
Drainage of Rayapuram		1,40,000	9,800
Do.	Choolay and Vepery	1,20,000	8,400
Do.	Pursewaukum	60,000	4,200
Do.	Triplicane and Chintadripet	3,20,000	25,400
Do.	St. Thomé	80,000	5,600
New Main from Red Hills		5,66,000	39,620
Filtering beds, &c.		8,00,000	56,000
		20,86,000	1,49,020

12. It is thus abundantly clear that any increase of taxation which is not intended to be merely a temporary palliative must yield a considerable revenue at the outset and be capable of future expansion. The Committee find the only alternatives to be either an increase of the existing taxation or the introduction of the octroi. The Commissioners have already recommended to Government an increase in the tax on arts and professions, which has been embodied by Government in the Municipal Amendment Bill now before the Legislative Council. This

increase may yield the sum of Rs. 20,000. It is, however, also proposed to change the incidence of the water-tax, levying 4 per cent. on houses, &c., within 150 yards of a fountain and 2 per cent. on all others. This will cause a decrease of about Rs. 10,000. The net increase will therefore be only Rs. 10,000.

13. With a view to dispose of the question of night-soil conservancy the Government have in the Municipal Amendment Bill added 2 per cent. to the house-tax as a scavenger cess. The taxes on houses and buildings would thus be raised to 17¼ per cent. with a possible maximum of 18 per cent. The Committee are satisfied that the house, water and lighting taxes, which now stand at 15¼ per cent., cannot be increased without bearing with great hardship on numerous owners of houses and lands throughout the city. They consider that such an increase in the house-tax would lead to a great increase in the number of appeals against the annual assessment, and a reduction in the assessed value would at once affect the revenue. They find moreover that the revenue from a 2 per cent. cess would amount to only Rs. 65,000 per annum, and, although this sum would suffice for a thorough system of night-soil conservancy, it would leave untouched the other equally urgent demands which have already been enumerated. For these reasons the Committee would earnestly deprecate the imposition of the scavenger cess now proposed by Government, if any efficient substitute can be found. This substitute can be found, the Committee believe, in a moderate octroi in the form of town duties.

14. From the octroi properly imposed and collected the Committee consider that all the increase of revenue now needed by the Commissioners can be raised with the least practicable hardship to the tax-payer. It is a tax that existed formerly under a different title in Madras; it provides the city of Bombay with an annual revenue of Rs. 6,37,000 out of a total income of Rs. 32,50,000; it exists in 98 towns in the Bombay presidency, 39 in Sind, 69 in the North-West Provinces, and 195 in the Punjab.

15. The Committee believe that the objections to the octroi lie entirely in the method of its imposition and collection. After considering how it can best be imposed and collected in Madras, they are of opinion that the circumstances of the city will allow of the introduction of the tax in a manner fairly free from such objections; and, apart from its necessity to meet present financial needs, they consider it to be a less objectionable means of raising revenue than certain of the rates and taxes now in force, and one that may enable the Commissioners to reduce some of the present direct taxation (and especially the house-tax) that bears so heavily on the poorer classes.* Holding these convictions and bearing in mind the great financial needs of the city of Madras they are of opinion that the introduction of the octroi is expedient, subject to the following conditions:—

(*a*) That the proposed increase of 2 per cent. to the house-tax as a scavenger cess be abandoned.

(*b*) That all buildings in the city assessed at an annual value of under Rs. 24 be exempted from house, water and lighting taxes.

At present all buildings of the annual value of less than Rs. 14 are exempted from house-tax, and all under Rs. 24 are exempted from water and lighting tax. In the Municipal Amendment Bill, however, only those buildings which bear an annual value of under Rs. 14 are to be exempted from water and lighting taxes. The recommendation now made will exempt from taxation 6,500 houses at a loss to the municipal revenue of Rs. 12,000. For the collection of the house-tax in 1881, 4,000 out of 16,600 warrants were issued against these houses.

16. *II.—The methods that may be adopted for imposing the Octroi.*—In disposing of this question the Committee have kept in view the following principles:—

(1) To select for the Octroi duty only those articles which are so extensively consumed as to yield a large revenue from a trifling duty.

(2) To levy the duty as far as practicable on articles imported into the city for local consumption and not intended for re-export.

(3) To levy the duty on bulky goods only so as to preclude smuggling and inquisitorial search of person and property.

17. The Committee have had the greatest difficulty in procuring trustworthy statistics of imports into and exports from the city of Madras. The returns of sea-borne traffic compiled in the office of the Board of Revenue had to be set aside, and special returns were finally procured from the Collector of Sea Customs, the officer in charge of the Buckingham canal, and the Agents of the Madras and South India Railways. No returns whatever were procurable as to the imports and exports by road which are of very considerable importance, especially in grain and firewood.

18. The Committee find from their inquiries that the principles already laid down will be fairly adhered to in levying the octroi from the following articles:—

1. Food grains of all kinds. 2. Timber. 3. Firewood. 4. Cattle, sheep, goats and pigs for slaughter. 5. Mineral Oils. 6. Wines and spirits, including imported arrack. The inquisitorial search of person and property would be avoided if these articles only were taxed, and special provision would be made to avoid interference with passengers by road, rail, sea or canal.

19. The rates of taxation recommended are—

	Rs.	A.	P.	
1. Grain, per bag	0	1	0	or 14 annas per ton in bulk.
2. Timber, per ton	3	0	0	
3. Firewood	0	4	0	
4. Sheep, goats and pigs, each	0	1	0	
5. Cattle „ „	0	8	0	
6. Mineral oils, per gallon	0	0	3	
7. Spirits (including arrack) and sparkling wines	0	4	0	
Other wines	0	2	0	
Beer	0	0	6	

20. The imports and exports of these articles by sea, railway and canal may be approximately estimated as follows:—

	Imported.	Exported.	Consumed.	
Grain, bags	12,54,500	1,13,000	11,41,500	
Timber, tons	8,400	2,600	5,800	
Firewood, „	64,000	70	63,930	
Sheep and goats, No.	3,60,000	..	3,60,000	actually killed in the municipal slaughter-houses.
Cattle	10,500	..	10,503	
Mineral oils, galls.	96,000	Unknown.		
Wine and spirits	1,75,800	Unknown.		
Arrack	1,08,600	Unknown.		
Beer	1,15,900	Unknown.		

21. The consumption of grain as here given is understated as may be inferred by taking the standard of consumption accepted by the Government of India, viz., 7 maunds or 576 lb. per head per annum. This applied to the population of Madras 4,06,000 gives a total consumption of 14,25,950 bags of grain per annum. The difference is no doubt imported by road. The returns of timber and firewood are both within the truth, as road traffic is omitted. As regards timber the figures are misleading inasmuch as timber is usually imported unwrought; the exports are chiefly of wrought timber which would not be subject either to duty or to refund. The numbers of sheep, goats and cattle, are those actually killed in the slaughter-houses. The sea imports of wine, spirits, arrack, beer, mineral oils, as stated by the Collector of Sea Customs are entered, but the exports by land and the consumption within the city are unknown. For the sake of an estimate of revenue, as probably well within the truth, but pretending to no accuracy, the consumption may be taken at 50 per cent.

22. The estimated revenue from these sources will thus be as follows:—

	Consumed.	Amount of duty. Rs.	A.	P.	Rs.
Grain, bags	11,41,500	0	1	0	71,340
Timber, tons	5,800	3	0	0	17,400
Firewood, „	63,930	0	4	0	15,980
Sheep and goats, No.	3,60,000	0	1	0	22,500
Cattle, „	10,500	0	8	0	5,250
Mineral oil, galls.	96,000 / 2	0	0	3	750
Wine and spirits	1,75,800 / 2	{2 / 4}	0	0	16,480
Arrack	1,08,600 / 2	0	4	0	13,570
Beer	1,15,900 / 2	0	0	6	1,810
					1,65,080

23. *Collection—Imports by Sea, Railway and Canal.*—With regard to the collection of the octroi the Committee recommend the adoption of the Bombay system as regards imports by sea, rail and canal. The Collector of Sea Customs, the Agents of the Madras and South India Railways, and the officer in charge of the Buckingham canal, would levy the duties at the time of import into the city together with sea customs duty, if any, and the freight charges by rail or canal.

* Mr. Venkataramanjulu Naidu would increase the articles subject to octroi, and even raise the rates, in order to secure a reduction of the house-tax to 7 per cent.

24. The cost of collection varies in Bombay from 5 to 7 per cent. on thereceipts, and assuming for safety the higher rate for Madras, the charges of collection by sea, rail and canal would amount to about Rs. 11,550.

25. *Imports by Road.*—The levy of the tax on goods imported by road would be effected by an establishment employed by Municipality for the purpose and working under the Vice-President in the Revenue department. The President in consultation with the Revenue Vice-President considers that the following staff would in all probability be required. There are 17 toll gates, at six of which the traffic is so considerable that arrangements would be needed for collecting the octroi at them :—

PROBABLE ESTABLISHMENT.

		Rs.
For each toll-gate three peons, one for night, two for day, at Rs. 7 monthly	Rs. 17 × 3 × 7 =	357
One extra peon to each of six chief gates..	Rs. 6 × 7 =	42
Two clerks at each of 6 gates, at Rs. 20	Rs. 2 × 6 × 20 =	240
Two inspectors, at Rs. 30 + 15 carriage allowance ..	Rs. 2 × 45 =	90
Two peons for ditto, at Rs. 7	Rs. 2 × 7 =	14
		743

BONDED WAREHOUSE FOR GOODS TO BE EXPORTED.

Two clerks, at Rs. 25 and Rs. 30	=	55
Two peons, at Rs. 7 each	=	14
Monthly ..		812
Annually ..		9,744

26. A suggestion has been made that at the outset the import and export of dutiable goods by road might be disregarded. The Committee, however, consider that if the octroi be sanctioned the arrangements for levying it should be complete throughout. A brief experience in actual practise would show at what toll-gates it might be necessary to maintain establishments for collection of the octroi, and at what strength the establishments should be maintained. The cost of the establishment now indicated would, if required and employed, cost nearly Rs. 10,000 per annum, and would be in addition to the charges on collection by sea, railway and canal.

27. In the absence of statistics the Committee feel that it will be better to omit from their estimate both the receipts from, and the charges against, imports by road, merely remarking that a certain but unknown addition to the octroi revenue would accrue from this source.

28. *Refunds.*—The Committee have had before them the rules for refunds of octroi duty in force in Bombay, and find they would apply with slight modifications to Madras. The refunds would be *nil* in the case of cattle, sheep, goats, and pigs, and of no importance in the case of firewood. With regard to grain and firewood, the refund would be payable on the quantity actually exported without reference to marks, bags or packages. In the case of other articles liable to octroi, the Import duty bill would be filed for comparison with the memorandum of export, and the refund would be paid on the certificate of the proper officer that the goods were actually exported. Town duties on goods in bond would be levied on removal from bond for local consumption, or passed through free of duty if exported direct. The Committee think it needless to enter into further detail on this subject at present. If the octroi be sanctioned by Government, bye-laws would have to be framed by the Commissioners for its detailed working, refunds included.

29. *Summary.*—To sum up their report, the Committee consider that to provide the revenue required by the Commissioners there is no alternative to the introduction of the octroi, and they accordingly recommend it to the Commissioners with the following provisos :—

1. That the increase proposed by Government of 2 per cent. to the house-tax, as the scavenger cess, be abandoned.
2. That houses and buildings bearing an annual valuation of under Rs. 24 be exempted from house, water and lighting taxes.

The Committee further recommend that the following articles only be taxed and at the rates noted :—

	Rs.	A.	P.	
Grain	0	1	0	per bag.
Timber	3	0	0	per ton.
Firewood	0	4	0	do.
Sheep, goats and pigs for slaughter	0	1	0	each.
Cattle for slaughter	0	8	0	do.
Mineral oils	0	0	3	per gallon.
Spirits and sparkling wines (including arrack)	0	4	0	do.
Other wines	0	2	0	do.
Beer	0	0	6	do.

The Committee are satisfied that an octroi on these articles at these rates will yield a net revenue considerably exceeding Rs. 1,50,000 per annum.

(Signed) L. STRANGE.
(„) J. G. COLEMAN.
(„) J. P. NICHOLAS.
(„) J. BALFOUR SALISBURY.
(„) V. SUBRAMANYAM.
(„) P. SOMOOSOONTHRUM CHETTY.
(„) P. RAMASAWMY MUDALIAR.
(„) A. T. ARUNDEL.
(„) HOMAYEON JAH.
(„) W. S. VENKATARAMANJULU NAYUDU.
(„) V. KRISHNAMA CHARI.
(„) H. M. A. BA[illegible]HA SAHIB
MADRAS, („) G. MAHADI CHE[illegible]
23rd October 1882. („) C. SINGARA[illegible]

ORDER—dated 23rd January 1883, Mis. N

The Government consider that the intr[illegible]roi is [illegible]pedient and should not be regarded as an available mean[illegible] municipal revenue.

(True Ext[illegible]

C. G. MASTER,
Chief Secretary.

To the President of the Municipal Commission, Madras—*in M.S.*

Exd. J. Wright.

G.O., 23rd January 1883, Mis. No. 134

Relative to the introduction of the octroi in Madras.

READ the following

89

97

Current No 1458 dt 18 . From the Vice President Municipal Commission. Madras.

Current No 3401 dt 2 . From the Collr. from the Same

Recd 23 January 1883 No 134

The Government consider that the introduction of the Octroi is inexpedient and should not be regarded as an available means of increasing the Municipal revenue. —

Vice President Municipal Commission Madras

Recorded in Council 16th 1883

DESPATCHED 23 Jan 1883

53

17 Feb 83

Miscellaneous

1883

Financial

134 Finance

Dated 23-1-188

Mis: 1 to 6

(6 - 57 / 7)

Subject

Relating to the Sale

of the Letters (Mr. Mc