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(1) Number of pages 74

H (2) Date of repair May 1987

(3) Initials of the Referencer

TAMIL NADU ARCHIVES

GOVERNMENT OF TAMIL NADU

FINANCIAL DEPARTMENT

G.O. No. / ~~B.P. No.~~ 2381 Press. / Mis.

Dated 5 . 12 . -1881 ~~197~~.

Not to be folded or roughly handled

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2381
1

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

5th December 1881, No. 2381.

Municipal—Quit-rents.

Read again—

Board's Proceedings, dated 6th July 1881, *No.* 1305.

Read also the following papers:—

Letter from the Secretary to the Government of Bombay, dated 17*th February* 1881, *No.* 992.

Memorandum from the Secretary to the Government of Bengal, dated 12*th March* 1881, *No.* 733—317-L.R.

Demi-official from the President, Madras Municipality, forwarding papers regarding the levy of quit-rents in the Presidency towns of Calcutta and Bombay.

ORDER THEREON, 5th December 1881, No. 2381.

His Excellency the Governor in Council has given his careful consideration to the application made by the President of [illegible] Municipal Commission, Madras, for improving the financial condition of the Municipality by transferring to Municipal revenues the quit-rents of the City of Madras, which at present are credited to the Imperial revenues of the Presidency. The President justifies his application on the ground that the quit-rent was originally levied for the improvement of the town and quotes the original proclamation in which the object of the impost was alleged to be "towards the better fortifying and accommodation of the town" and "for the good and conveniency of the town and inhabitants." Mr. Arundel adds that he "cannot discover from the records how the special revenue from quit-rents was expended."

2. The Board of Revenue, who were requested to report on the subject, observe that the better fortifying of the town can hardly be considered a purely local object; that on no occasion do the quit-rents appear as forming part of the Municipal revenue; and that the disposal of the fund thus raised has ever remained with the Government and not with the town authorities—whereas the contrary course has been observed with reference to the Scavenger Cess (first levied in 1678) and other really local imposts. They do not therefore recommend the alienation to the Municipality of this item of revenue, it being by its nature and past history a legitimate part of the Imperial revenue of the country.

3. With every wish to help the Municipality, His Excellency the Governor in Council regrets that he is unable to see any justification for the proposed transfer. The Madras quit-rents were originally imposed in A. D. 1688 with the view mainly of securing the territories of the Honorable East India Company from the risks of foreign invasion, and in a measure to recoup Government for the outlay incurred by them on fortifications and other works calculated to ensure permanently the safety and protection of the inhabitants. They were probably regarded as in the nature of a commutation of Military services, which were at that time considered to be due from all inhabitants of whatever race or col

4. The Government have as d that a similar policy was pursued by the Company in Bombay and that Milita y ice was there required of the inhabitants on the ground that "the inhabita s Madras and of all other English, Dutch, French, and Danish Colonies are bou nd urnish Military service upon emergencies." The obligation continued until the 2 h 1718 when the Government laid a "tax or ground-rent on all the inhabitan s r ding within the town walls in order to reimburse the Right Honorable Com ny, some part of the great expense and charge they have been at in fortifying and uring the said town." It would thus appear that the quit-rents both in Madras nd Bombay had precisely the same origin and that they belong and have always be ged exclusively to the State. With regard to quit-rents imposed subsequent to th ate of the proclamation they appear to have been regarded as partaking of the na e of ground-rents in waste lands (the existing Cawny rate being the aggregate of p y Manai rates), which the Company were free to dispose of as they thought fit u r the original grant of the site of the Factory and Fort St. George. In either cas he Municipal body can have no claim to them as a matter of right.

5. The Government understan hat similar imposts are levied in the City of Calcutta, where, however, they appe to have been more completely merged in the ordinary land revenue, and where as Bombay they are not required for Municipal purposes. The Government cannot u der the circumstances expect that the Supreme Government will consent to treat the adas Municipality in an exceptional manner.

(e Extract.)

R. DAVIDSON,
Chief Secretary.

To the President of the Municipal Com
" Board of Revenue.

Exd. J. Wright.

2381/2

2381/2

Govt. of [1881] Madras.

FINANCIAL.

To

THE PRESIDENT OF THE
MUNICIPAL COMMISSION,
Madras,
&c., &c., &c.

Dated December, 5th.

Issued.

Recd. Reml.

G.O., 5th December 1881, No. 2381

DECEMBER.

Municipal—Quit-rents.—The application made by the President, Municipal Commission, Madras, for the transfer of the quit-rents of the Town of Madras to the Municipal revenue, not complied with.

No. 992 of 1881.
Revenue Department,
Bombay Castle 17th February 1881.

2381/3

From

J. Nugent Esquire,
Acting Secretary to the Government of
Bombay.

To

The Secretary to the Government of
Fort Saint George.

Sir,

I am directed to acknowledge the receipt of Mr. Under Secretary Maclean's Memo: No. 120, dated 19th ultimo, and in reply to state that Quit-rent and other ground rents on house sites and other lands in the City of Bombay are levied by the Collector of Bombay on behalf of Government. The amount of land-revenue for the past year, i.e. for 1879-80, on account of Quit-rent, was Rupees 34,779-3-10. and on account of other ground-rents, Rupees 50,810-5-.

2 As regards the circumstances under which the quit-rents were imposed in Bombay, I am to forward herewith[+] copy of Selections from the records of this Government, No. LXIV, containing Mr. Warden's report, dated 20th August 1814, on the landed tenures of Bombay. From para 174 of this report it will be observed that the quit-rent was first imposed in 1718 by the British Government in order to reimburse the late Honorable the East India Company some

+ By Book Post
1

part of the heavy expense incurred by them in fortifying and securing the town of Bombay.

I have the honor to be,
Sir,
Your most obedient Servant.

Acting Secretary to Government.

W.B. Tull

IVED
22 MAR 81

No. 733/307 L.R.

CURRENT No. 749.

OFFICE MEMORANDUM.

2381/5

Revenue **DEPARTMENT.**
Land Revenue.

Calcutta, the 12th March 1881.

With reference to his Memorandum No. 119 dated the 19th January 1881, in connection with the realization of rents on house-sites and other lands in Calcutta, the undersigned has the honor to refer the Under Secretary to the Government of Fort St. George to Sections 1 and 11 of Act XXIII of 1850, published at pages 282 to 284 of Volume I of the Lower Provinces Code, and to Volume I of Dr. Hunter's Statistical Account of Bengal.—

Chas. S. Bayley

Offg. Under Secy. to the Govt. of Bengal.

Under Secretary to the Government of
Fort St. George.

B. O. F. No. 1442—100—1-2-81.

Fin. G / 431

Financial (1881) DEPARTMENT.
[Quit-rents & ground rents]

From
The Govt. of Bombay.
Revenue Departt.

No. 992.

[illegible] APR 81

Dated 17th }
Recd. 22nd } February '81.

No. 434.

SUBJECT.

Furnishing certain information regarding the levy of Quit-rents and other ground rents on house sites & other lands in the City of Bombay

[illegible] APR 81

File.

In G/431

To be registered

2381/6

9/431

Financial (1881) DEPARTMEN
(Quit Rent)

From The Govt. of Bengal.

No. 733/307 L.R.

Dated 12th
Recd. 22d } March 1881

10 2381/81

No.

CURRENT No. 749.

SUBJECT.

Regarding the subject of the realization of rents on house-sites and other lands in Calcutta.

~~4~~

Transferred to the President, Madras Muni. Commission.

Rolfe Murray

April 4/81. by [illegible] Secretary

G. No. 151.

Municipal Office,

Madras, 6th April 1881.

CURRENT No. 911

From
A. T. Arundel Esqr.
Ag. President, Municipal Commission,

To
The Honble. R. Davidson, C.S.I.
Chief Secretary to Government
Ootacamund

2381/7

SIR,

I have the honor to submit for the consideration of Government an application for improving the financial condition of the Municipality by transferring to the Municipal revenue the Quit rents of the Town of Madras which are at present credited to the general revenues of the Presidency.

2. The Government are aware that the Municipal revenue is at present unable to meet the charges thrown upon it, much less to afford means for carrying out the extensive sanitary improvements that are required. In proof of this I may refer to the fact that for the year 1880 the Government have withheld the charge for Police, R[illegible] and Rs 12000 of the charge for Hospitals, and that for the year 1881 the charges for Police, Rs 77974 have been

DISPOSED OF
5 DEC 81
BY G. O. No.

been withheld together with Rs 20,000 of the charge for Hospitals. The scheme for the drainage of the City which has repeatedly been desired by the Secretary State and by all Sanitary authorities, now lies before Government and remains in abeyance until means can be devised for raising the needful funds.

3. In urging that the Quitrents of the Town of Madras should be credited to the Municipal revenue, I merely advocate, as will be seen below, that they should be formally devoted to the purpose for which they were originally raised.

I will state first of all what the Quitrents are and how they are assessed and collected, and will then explain the conditions and promises under which they were originally imposed by Government.

4. The Annual revenue from Quitrents is estimated to average Rs 60,000. It is levied on all lands throughout the Town of Madras that are used for private purposes and

have

have not been alienated by Government to others. The rate at which the Quitrent is levied, is Rs 12-8- per Cawni (=1.32 acres or 57,600 square feet) within the limits of the old Town, and ranges from Rs 10-8- to Rs -7- beyond those limits. The amount collected varies from year to year from various causes, such as reductions of rate, deductions in favour of religious or charitable institutions, in favour of lands utilized for public purposes such as roads, fountains, burning and burial ground, losses of land from erosion by the sea &c &c.

The collection of the Quitrents is carried on by a Tahsildar with almost the usual Taluk establishment but aided by a special staff of fifteen bill Collectors and fifteen attenders. The total cost of the Taluk establishment is Rs 11,748 per annum of which Rs 5,400 is chargeable to the special staff aforesaid.

The foregoing facts are mainly derived from an Extract of a letter from the Deputy Collector of Madras forwarded to me by the Collector of which a Copy is enclosed.

5

5. I now beg leave to adduce the proof that the Quitrents of Madras were originally imposed and should be strictly devoted to the interests of the City of Madras, and should not be credited, as they now are, to the general revenues of the Presidency. So long as the Government continued to make grants to the Madras Municipality for Police, Hospitals, Education, Water Supply &c. &c. out of the general revenues, the anomaly of which I now speak was of comparatively small importance. Now, however, the Provincial allotments for the Madras Presidency are assigned in definite amounts, — the contributions to Municipal purposes are necessarily restricted, while it has entirely escaped attention that the very fund, namely the Quitrents of the Town of Madras, from which assignments could properly be made for Municipal grants, continued to be credited to the general revenues instead of being specially reserved for the objects for which it was originally raised.

6. The imposition of the Quitrents of Madras was effected about fifty years after the acquisition of the Madras Settlement by purchase in 1640.

The

The following extracts from the minutes of consultation and other ancient documents of the Madras Government which I have searched with the kind permission of the Chief Secretary will show how and why the Quitrents were imposed.

(a) Extract from letter from England dated 24th December 1675.

2381/9

"The Fort and Town of Madras so falen being made over to us by the King of Golcondah, we would have you consider whether we have not a right to a quit rent for the houses in the Town, and what other improvement may be made by virtue of that grant. But herein to be very cautious of raising any disorder or discontent among the inhabitants, or to move the King of Golcondah to augment the rent upon us."

Note.— The correspondence that ensued prior to the next extract is missing.

(b) Extract from letter from England dated 9th June 1686, from Sir Josiah Child to the Honorable the Governor in Council.

"This pro and con between us and you, which was begun by Sir William Langhorne, ended with Mr Master, is now revived on the subject, will come out well. Pray let us have no more of it.... It revives we will have a liquamodo for that infinite charge we have been at to raise that Town (which hereafter we shall call a City) from so despicable a condition as it was in when we settled there. -- With your leave we will have a ground or quit rent yearly for every house within your precinct, and a small poll money for every head, as the Dutch have at Batavia."

7 The next record that I can discover bearing upon the subject is the proclamation announcing the imposition of the Quitrent and the objects to which it was to be devoted.

(c) Minutes of Consultation, July 1688.

"The Order for the Paying of the Quittrent.

To all the Inhabitants of the Citty and suburbs of Madras both Christians, Moors, Gentues, and Mallabars, that dwell and live under the protection and benefitt of the English Government.

That whereas the Rt. Honble East India Company Lords and Proprietors of this their garrison and Citty have been at very long and great charge in purchasing raising

2381/10

raising building repairing defending and maintaining the same with little or noe assistance from the Inhabitants, nor any other revenue near proportionable to the vast expence they have been and are constantly at in securing their Lives Libertyes and Estates from the danger troubles and Exactions that are too common in other governments, in consideration whereof and the undenyable reason justice and Custome that all Persons who partake such great benefitts and safety should readily contribute to the charge thereof, more especially since they have lately been graciously pleased to release a great part of the usuall Customes of the place for the encouragement of Trade and ye poor. The said Rt. Honble Compy have therefore order'd and appointed us and all their Inhabitants to pay a reasonable yearly Quittrent for the ground of their houses towards the *better fortifying and accomodation of the Town*; and this Law being made by the Rt. Honble Compy some years past, but ye execution thereof forborn and deferred till now in Compassion and consideration of the late famine and troubles in the Country which now by God's mercy and blessing being indifferently well recover'd towards a plenty, We the Governt and Council doe therefore lately hereby order and appoint Mr. Jno. Pitt and Mr. Jonah. Troughton to be Collectors of the sd. quitrents, and to receive the same from each house, Godowne, Garden or Lands within this Government only for 2 Years past to the 29th September 88. according to a rentroul signed and deliver'd by us to them, and to destrain for the same upon such as shall contemptuously refuse the payment of so just and small a contribution for the good and conveniency of the Town and Inhabitants. Dated from Fort St George in the City of Madras, this thyrtieth day of July Anno 1688.

Elihu Yale
Nath: Higginson
John Biggs
John Littleton
Willm. Fraser
Robt Freeman
William Cawley."
Thom. Wavell

8 It is to be noted that the foregoing order directed not only the future yearly collection of the Quitrent, but also arrears for a period of two years ending with 29th September 1688, or two months later than the date of the proclamation. That this is the meaning

of

of the words "to receive the same - - only for 2 years past to the 29th September 88", is shown by the fact that from the date the Collections began and were continued, and were from time to time reported on by the Collectors as shown in the minutes of Consultation.

9. The first subsequent entry I can find is as follows:-

2381/11

(d) Extract from minutes of Consultation dated 2d August 1688.

"He [Governor Elihu Yale Esqr.] also gave in a Rent Rowl of the Houses Godowns &ca within the Garrison or Christian Town with their settlement Quitt rents which was examined, approv'd and signed and ordered to be collected accordingly as entered next after this Consultation.

× × ×"

(e) Extract from minutes of Consultation dated 23d August 1688.

"The Collectors of the Revenues demanding the ground Quitt rents according to a rent Roll drawn and ordered to be received by them, severall of our Inhabitants produced Deeds under Agent Masters &ca hands and the Rt Hon: Compa's seal for a full and free sale the ground their houses stand on in behalf

of

quote more, as they merely reiterate what has now been established.

11. It may be as well to note here that prior to the levy of the Quit rent namely on the 1st August 1678 the minutes of Consultation record an order for the levy of a Scavenger cess to keep the Town free from filth, and this cess continued to be levied from that time forward. It was however entirely distinct from the quit rent, and finally merged into the Sanitary fund administered by the Town authorities as distinct from Government.

12. The following extract shows that the company's general fund into which the quit rent was paid, was drawn on for the improvement of the Town.

(g) Extract from the minutes of consultation dated 6th April 1677.

"The wall of the Christian town to the river side, being upon a view by the Governor and Councill and severall of the principal inhabitants found very defective, and is so low in many places that severall soldiers have made their escape over them

whereupon

of the Rt Hon: Company the severall summs being brought into their cash. The legality whereof being debated in Councill, 'twas concluded to bee firme and binding to us being confirm'd by the Government and Company's seal, but for the great conveniency and uniformity of the Government, 'tis agreed and ordered that Mr Wavell, Renter general, doe endeavour to prevaile with those severall people to deliver up their deeds upon payment of the severall summs they paid the Rt Honble Compy in consideration thereof, and that all may be brought under the same order of Quitt Rent".

The next entry is eighteen month's later:

(c) Extract from minutes of consultation dated 16th February 1690/1.

"Mr Thomas Wavell paid into the Right Honble Company Cash Pags. One thousand eighty eight on account of the Quitt rents &ca revenues".

10. From this time forward frequent entries occur noting the amounts of quitrents collected and credited to the Company's Cash together with matters of audit and account. I have copied a number of these extracts but it is needless to

quote

whereupon 'tis thought absolutely necessary for security of the Place, that the same be rebuilt or repaired;

Resolved that where said wall is defective it be repaired and where there is occasion rebuilt of a convenient thickness and heighth, such part thereof as belongs to the Rt Honble Company be done by the Paymaster, who is also to take care that private persons do repair or rebuild such part as belongs to them substantially."

Subsequent to this date other funds were raised for the Town wall. I cannot discover from the records how the special revenue from quitrents was expended.

The original proclamation, however, (Extract (c) para 7) announces in the clearest language the purposes for which the quitrent was imposed viz "towards the better fortifying and accommodation of the Towne," and "for the good and conveniency of the Towne and Inhabitants."

13. The Government by G.O. No 781 dated 30th May 1870 transferred to the Municipality the right of collecting petty rents from Stallkeepers and

and others occupying the sites of Streets &c. These rents however were called ground rents and were not covered by a general quit rent certificate. The right of collection was subsequently vested by law in the Commissioners by Section 100 Act V of 1878.

I now beg that the Government considering the necessitous financial condition of the Madras Municipality and the professed abandonment of the objects for which the quitrents were first imposed, will direct the assignment of the quitrents to their original purposes, and transfer them for the future to the Municipal revenue.

2381/13

I have the honor to be,
Sir,
Your most Obedient Servant,
A. T. Arundel
Acting President
Municipal Commission

A.T.

Madras Dy. Collector's Office
8th March 1881.

No. 225.

R. D.
9 APL 81

From,
The Ag. Dy. Collector of
Madras.

To,
The Ag. Collector of
Madras.

2381/14

Sir,

+ \+ \+

5 The annual Quit Rent demand is ever varying on account of numerous causes, such as acquisitions of Lands for public purposes, purchases of lands by Government at auctions held for arrears of Revenue, Levy of water rates, when sources of Government Water supply other than tank are utilized, reductions in the rates of Quit Rent on account of bad soil, erosions of the sea, Beriz deductions in favor of Religious and charitable Institutions, and cancellation of Quit rent, whenever new churches, Pagodas, Mosques, and Burial and Burning Grounds are brought into existence. Making due allowances for all the above causes, and excluding altogether Ground rent, which is

nothing more than the rent charged on Government lands to the Tenants and the demand on unknown Localities, which is a burden on the demand, the average annual Quitrent may be estimated at Rs 60,000 only, and the Collections can never exceed that figure unless arrears accrue.

6. The rates at which Quit Rent are collected vary from Annas 7 to Rs 10-8- per Cawny per annum in the Suburban villages and are fixed at Rs 12-8- per Cawny per Annum inside the Town, but these rates are subject to reduction when good causes are shown for abatement. The nucleus of these rates is given in Government order No 1513 dated 19th July 1879.

1. Tahsildar	150-"-"
1. Head Gumastah	35-"-"
1 Gumastah	30-"-"
2 Gumastahs on 20 Rs each	40-"-"
8 Gumastahs on 15 Rs each	120-"-"
1 Shroff	25-"-"
1 Dufterbund	7-"-"
15 Conicopillays on 21 Rs each	315-"-"
15 Attenders on 9 Rs each	135-"-"
1 Duffadar	10-"-"
10 Peons on 7 Rs each	70-"-"
6. Nerganties on 7 Rs each	42-"-"
Per mensem	979-"-"
	12
Per annum	11,748-"-"

7. The establishment maintained for the Taluq Department are given in the margin and its annual cost is Rupees 11748-"-" besides a further charge of 4,00 Rs per annum on account of Saderward and Contingencies while the Stationery and printing charges are separately provided for by Government. The Government order of July 1688 is herewith returned.

I have &c.

(Signed) A. Sudarshana Row

Ag. Dy. Collector

(True Copy)

2381/15

(Sig) R.W. Barlow

Ag. Collector of Madras.

(True Copy)

A. Arundel

Ag. President

Municipal Commission

2381/16

Lu Smel. 9 11/87

p. 53 – 11 – 1 – 81
105 – 21 – 1 – 81
1513 – 19 – 7 – 79
– 4 – 7 – 1600
2011 – 30 – 5 – 70

Fin. (1881) Dept
(Muncl. – Quitrent)
Madras Municipality

From 1407

The Acting President
Municipal Commission
Madras.

To,

The Chief Secretary
to Government
Ootacamund

G. No. 151

No. 677.

To the Board of Revenue
for remarks
G. Forbes
12th Ag. Under Secretary

Dated 6th
Despd. 6th
Recd. 9 } April 1881
12/4

~~Enc. 1~~

CURRENT No. 911

Subject

Requesting the transfer of the Quit rents of the Town of Madras to the Municipal revenue for reasons stated.

NOTE.—This paper should be returned with reply, and should not be marked in any way by the receiving office 12 APR 81

CURRENT No. 2328

[6th July 1881, No. 1,305.

2381/17

PROCEEDINGS OF THE BOARD OF REVENUE, dated 6th July 1881.

No. 1,305.

Read—the following letter from A. T. ARUNDEL, Esq., Acting President, Municipal Commission, Madras, to the Chief Secretary to Government, Ootacamund, dated Madras, 6th April 1881, G. No. 151; and Endorsement by G. S. FORBES, Esq., Acting Under Secretary to Government, dated 12th April 1881, No. 677:—

ENCLOSURE No. 1.

From A. SUDARSHANA ROW, Acting Deputy Collector, to the Collector of Madras, dated Madras, 8th March 1881, No. 225.

* * * * *

5. The annual quit-rent demand is ever varying on account of numerous causes, such as acquisitions of lands for public purposes, purchases of lands by Government at auctions held for arrears of revenue, levy of water-rates when sources of Government water-supply other than tank are utilized, reductions in the rates of quit-rent on account of bad soil, erosions of the sea, beriz deductions in favor of religious and charitable institutions, and cancellation of quit-rent whenever new churches, pagodas, mosques, and burial and burning-grounds are brought into existence. Making due allowances for all the above causes, and excluding altogether ground-rent, which is nothing more than the rent charged on Government lands to the tenants and the demand on unknown localities, which is a burden on the demand, the average annual quit-rent may be estimated at Rs. 60,000 only, and the collections can never exceed that figure unless arrears accrue.

6. The rates at which quit-rent are collected vary from Annas 7 to Rs. 10-8-0 per cawny per annum in the suburban villages and are fixed at Rs. 12-8-0 per cawny per annum inside the Town, but these rates are subject to reductions when good causes are shown for abatement. The nucleus of these rates is given in G.O., No. 1,513, dated 19th July 1879.

7. The establishment maintained for the Taluk Department are given in the margin and its annual cost is Rs. 11,748, besides a further charge of Rs. 400 per annum on account of Saderward and Contingencies, while the Stationery and Printing charges are separately provided for by Government. The Government Order of July 1688 is herewith returned.

		RS.
1	Tahsildar	150
1	Head Gumastah	35
1	Gumastah	30
2	Gumastahs on Rs. 20 each	40
8	Do. on „ 15 „	120
1	Shroff	25
1	Dufterbund	7
15	Conicopillays on Rs. 21 each	315
15	Attenders on „ 9 „	135
1	Duffadar	10
10	Peons on Rs. 7 each	70
6	Nirganties on Rs. 7 each	42
	Per Mensem ..	979
		12
	Per Annum ..	11,748

Letter—

I HAVE the honor to submit, for the consideration of Government, an application for improving the financial condition of the Municipality by transferring to the Municipal Revenue the quit-rents of the Town of Madras which are at present credited to the general revenues of the Presidency.

2. The Government are aware that the Municipal revenue is at present unable to meet the charges thrown upon it, much less to afford means for carrying out the extensive sanitary improvements that are required. In proof of this I may refer to the fact that for the year 1880 the Government have withheld the charge for Police, Rs. 59,980, and Rs. 12,000 of the charge for Hospitals, and that for the year 1881 the charge for Police, Rs. 79,974, has been withheld, together with Rs. 20,000 of the charge for Hospitals. The scheme for the drainage of the City, which has repeatedly been desired by the Secretary of State and by all Sanitary authorities, now lies before Government, and remains in abeyance until means can be devised for raising the needful funds.

5 DEC 81

BY G. O. No

3. In urging that the quit-rents of the Town of Madras should be credited to the Municipal Revenue, I merely advocate, as will be seen below, that they should be formally devoted to the purpose for which they were originally raised.

I will state first of all what the quit-rents are and how they are assessed and collected, and will then explain the conditions and promises under which they were originally imposed by Government.

4. The annual revenue from quit-rent is estimated to average Rs. 60,000. It is levied on all lands throughout the Town of Madras that are used for private purposes and have not been alienated by Government to others. The rate at which the quit-rent is levied is Rs. 12-8-0 per cawny (= 1·32 acres or 57,000 square feet) within the limits of the old Town, and ranges from Rs. 10-8-0 to Annas 7 beyond those limits. The amount collected varies from year to year from various causes, such as reductions of rate, deductions in favor of religious or charitable institutions; in favor of lands utilized for public purposes, such as roads, fountains, burning and burial-ground, losses of land from erosion by the sea, &c. &c.

The collection of the quit-rents is carried on by a Tahsildar with almost the usual Taluk Establishment, but aided by a special staff of fifteen Bill Collectors and fifteen Attenders. The total cost of the Taluk Establishment is Rs. 11,748 per annum, of which Rs. 5,400 is chargeable to the special staff aforesaid.

The foregoing facts are mainly derived from an extract of a letter from the Deputy Collector of Madras forwarded to me by the Collector, of which a copy is enclosed.

5. I now beg leave to adduce the proofs that the quit-rents of Madras were originally imposed and should be strictly devoted to the interests of the City of Madras, and should not be credited, as they now are, to the general revenues of the Presidency. So long as the Government continued to make grants to the Madras Municipality for Police, Hospitals, Education, Water-supply, &c. &c., out of the general revenues, the anomaly of which I now speak was of comparatively small importance. Now, however, the Provincial allotments for the Madras Presidency are assigned in definite amounts, the contributions to Municipal purposes are necessarily restricted, while it has entirely escaped attention that the very fund, viz., the quit-rents of the Town of Madras, from which assignments could properly be made for Municipal grants, continued to be credited to the general revenues instead of being specially reserved for the objects for which it was originally raised.

6. The imposition of the quit-rents of Madras was effected about fifty years after the acquisition of the Madras Settlement by purchase in 1640.

The following Extracts from the Minutes of Consultation and other ancient documents of the Madras Government which I have searched, with the kind permission of the Chief Secretary, will show how, and why, the quit-rents were imposed :—

(*a.*) Extract from letter from England, dated 24th December 1675.

> "The Fort and Town of Madrassapatam being made over to us by the King of Golcondah, we would have you consider whether we have not a right to a quit-rent for the houses in the Town, and what other improvement may be made by virtue of that grant. But herein to be very cautious of raising any disorder or discontent among the inhabitants, or to cause the King of Golcondah to augment the rent upon us."

Note.—The correspondence that ensued prior to the next extract is missing.

(*b.*) Extract from letter from England, dated 9th June 1686, from Sir Josiah Child, to the Honorable the Governor in Council.

> "This *pro* and *con* between us and you, which was begun by Sir William Langhorne, ended with Mr. Master, is now revived on the subject, will never end well. Pray let us have no more of it. A revenue we will have *aliquo modo* for that infinite charge we have been at to raise that Town (which hereafter we shall call a City) from so despicable a condition as it was in when we settled there. With your leave we will have a ground or quit-rent yearly for every house within your precinct, and a small poll money for every head as the Dutch have at Batavia."

2381/18

7. The next record that I can discover bearing upon the subject is the proclamation announcing the imposition of the quit-rent and the objects to which it was to be devoted.

(*c.*) Minutes of Consultation, July 1688.

> "The order for the Paying of the quit-rents.—
>
> "To all the Inhabitants of the Citty and suburbs of Madras, both Christians, Moors, Gentues, and Mallabars, that dwell and live under the protection and benefitt of the English Government.
>
> "That whereas the Right Honorable East India Company Lords and Proprietors of this
> their garrison and City have been at very long and great charge in purchaseing raiseing build-
> ing repairing defending and maintaining the same with little or noe assistance from the Inhabi-
> tants, nor any other revenue near proportionable to the vast expence they have been and are
> constantly at in securing their Lives Libertyes and Estates from the dangers troubles and
> Exactions that are too common in other governments, in consideration whereof and the undeny-
> able reason justice and custome that all Persons who partake such great benefitts and safety
> should readily contribute to the charge thereof, more especially since they have lately been
> graciously pleased to release a great part of the usuall customes of the place for the encourage-
> ment of Trade and ye poor. The said Right Honorable Company have therefore order'd and
> appointed us and all their Inhabitants to pay a reasonable yearly Quitt-rent for the ground of
> their houses towards the better fortifying and accommodation of the Town, and this Law being
> made by the Right Honorable Company some years past, but ye execution thereof forbourn and
> deferred till now in compassion and consideration of the late famine and troubles in the country
> which now by God's mercy and blessing being indifferently well recover'd towards a plenty,
> We the Governor and Council doe therefore hereby order and appoynt Mr. Jn. Pitt and Mr.
> Tomh. Troughton to be Collectors of the said Quitt-rents, and to receive the same from each
> House Godown Garden or lands within this Government only for two years past to the 29th
> September 1688, according to a rent rowl signed and deliver'd by us to them, and to destrain
> for the same upon such as shall contemptuously refuse the payment of so just and small a con-
> tribution for the good and conveniency of the Town and Inhabitants. Dated from Fort St.
> George in the Citty of Madras, this thyrtieth day of July Anno 1688.
>
> ELIHU YALE. ROBT. FREEMAN.
> NATH. HIGGINSON. THOM. WAVELL.
> JOHN BIGGS. WILLIAM FRASER.
> JOHN LITTLETON. WILLIAM COWLEY."

8. It is to be noted that the foregoing order directed not only the future yearly collection of the quit-rent, but also arrears for a period of two years ending with 29th September 1688, or two months later than the date of the proclamation. That this is the meaning of the words "to receive the same only for two years past to the 29th September 1688," is shown by the fact that from this date the collections began and were continued, and were from time to time reported on by the Collectors as shown in the Minutes of Consultation.

9. The first subsequent entry I can find is as follows :—

(*d*). Extract from Minutes of Consultation, dated 2nd August 1688.

> "He [Governor Elihu Yale, Esq.] also gave in a Rent Rowl of the Houses, Goedowns, &c., within the Garrison or Christian Town with their Settlement Quitt-rents which was examined, approved, and signed and ordered to be collected accordingly as entered next after this Consultation."

* * * * *

(*e.*) Extract from Minutes of Consultation, dated 23rd August 1688.

> "The Collectors of the Revenues demanding the ground Quitt-rents according to a rent rowl drawn and ordered to be received by them, severall of our Inhabitants produced Deeds under Agent, Masters, &c., hands and the Right Honorable Company's seal for a full and free sale the ground their houses stand on in behalf of the Right Honorable Company, the severall summs being brought into their cash. The legality whereof being debated in Councill, 't was concluded to be firme and binding to us being confirm'd by the Government and Company's seal, but for the great conveniency and uniformity of the Government, 'Tis agreed and ordered that Mr. Wavell, Renter General, doe endeavour to prevaile with those severall people to deliver up their deeds upon payment of the severall summs they paid the Right Honorable Company in consideration thereof, and that all may be brought under the same order of Quitt-rent."

The next entry is eighteen months later.

(*f*) Extract from Minutes of Consultation, dated 16th February 1690-91.

"Mr. Thomas Wavell paid into the Right Honorable Company Cash Bags One thousand eighty-eight on account of the quit-rents, &c., revenues."

P/

10. From this time forward frequent entries occur noting the amounts of quit-rent collected and credited to the Company's cash together with matters of audit and account. I have copied a number of these extracts but it is needless to quote more, as they merely reiterate what has now been established.

11. It may be as well to note here that prior to the levy of the quit-rent, viz., on the 1st August 1678, the Minutes of Consultation record an order for the levy of a *scavenger* cess to keep the Town free from filth, and this cess continued to be levied from that time forward. It was, however, entirely distinct from the quit-rent, and finally merged into the sanitary fund administered by the Town authorities as distinct from Government.

12. The following extract shows that the Company's general fund into which the quit-rent was paid was drawn on for the improvement of the Town.

(*g*.) Extract from the Minutes of Consultation, dated 6th April 1699.

"The wall of the Christian Town to the river side, being upon a view by the Governor and Councill and severall of the principal inhabitants found very defective, and is so low in many places that severall soldiers have made their escapes over them, whereupon 'tis thought absolutely necessary for security of the Place that the same be rebuilt or repaired."

"Resolved that where said wall is defective it be repaired and where there is occasion rebuilt of a convenient thickness and heights, such part thereof as belongs to the Right Honorable Company be done by the Paymaster, who is also to take care that private persons do repair or rebuild such part as belongs to them substantially."

Subsequent to this date other funds were raised for the Town wall. I cannot discover from the records how the special revenue from quit-rents was expended.

The original proclamation however [extract (*c*), paragraph 7] announces in the clearest language the purpose for which the quit-rent was imposed, viz., "towards the better fortifying and accommodation of the Town" and "for the good and conveniency of the Town and Inhabitants."

13. The Government by G.O., No. 781, dated 30th May 1870, transferred to the Municipality the right of collecting petty rents from salesmen and others occupying the sides of streets, &c. These rents however were called ground-rents, and were not covered by a formal quit-rent certificate. The right of collection was subsequently vested by law in the Commissioners by Section 100, Act V of 1878.

I now beg that the Government, considering the necessitous financial condition of the Madras Municipality and the proofs here adduced of the objects for which the quit-rents were first imposed, will direct the assignment of the quit-rents to their original purpose, and transfer them for the future to the Municipal Revenue.

Endorsement—

To the Board of Revenue for remarks.

Resolution—

By their order read above the Government refer, for the remarks of the Board, a letter from the President of the Madras Municipal Commission, requesting that the proceeds of the quit-rents levied in the City, may be transferred from "Land Revenue," to which head of account they are at present credited, to the Revenue of the Municipality.

2. After reviewing at length the history of the origin of the tax referred to, Mr. Arundel concludes with the request that, in view of the proofs which he has adduced of the objects for which the quit-rents were first imposed, the Government will be pleased to direct the assignment of their proceeds to their original purpose, and transfer them for the future to the Municipal Revenue.

3. While willing to concede that, in the early days of their imposition, a portion at least of the quit-rents levied were devoted to Municipal purposes, for which the Commissioners are now expected to provide from taxes levied under recent local enactments, the Board are by no means prepared to admit that the arguments adduced by the President amount to proof that the sole or even the principal object for which they were raised was Municipal as opposed to Imperial in its character.

4. The first factory of the East India Company at Madras was established in the year 1639; the settlement then formed was at once surrounded by a fortification for the double purpose of protecting the inhabitants and affording confidence to the Native merchants. At this time the Company was by its charter purely an Association for trade, possessing none of the usual attributes of Government, except such as were necessary for the maintenance of their commercial monopoly in its integrity. In the year 1661, however, a fresh charter was granted which, in addition to the commercial privileges which had been assigned previously, conferred upon the Company extensive powers of Government.

5. The records of Fort St. George relating to this period are not available in the Board's Office, but from the extract from the Directors' letter, dated 24th December 1675, quoted by the President, it may reasonably be inferred from its wording and from its very cautious tone that this was one of the first attempts made by the Company to assert on the Coromandel Coast the increased power conveyed to them by the Charter of 1661. That the proceeding inculcated by the Directors in 1675 was an innovation, may, however, be gathered from the reluctance manifested by their local representatives to carry out the instructions given to them. For thirteen years the authorities at Madras demurred to obey the orders of the Directors, and it was only at the close of a protracted and acrimonious correspondence that the local Government at length gave way. It appears to the Board that these considerations point to the conclusion that the tax thus imposed was in its nature Imperial as opposed to what is now understood as a local impost.

6. But if the foregoing reasons are regarded as inconclusive, further evidence in support of this view is contained in the extracts furnished by the President. In Sir Josiah Child's letter to the Governor in Council, dated 9th June 1686, the following passage occurs: "A revenue we will have *aliquo modo* for that infinite charge we have been at to raise that Town (which hereafter we shall call a City) from so despicable a condition as it was in when we settled there," and then follow instructions to levy not only quit-rents but also a poll-tax "as the Dutch have at Batavia." In the order issued with Minutes of Consultation, dated July 1688, the Government of Madras give some details of the "infinite expense" incurred by the Company in forming and maintaining the settlement: amongst the items enumerated are building, repairing, defending, and maintaining the garrison and City, and one of the objects of the tax is said to be the better fortifying of the Town—a charge which even in the circumstances of the time could hardly be considered a purely local one.

7. At paragraph 11 of his letter the President mentions that a scavenger cess was levied *pari passu* with the quit-rent, and what he says regarding this cess goes to show that a distinction was even then maintained between a Municipal rate and an Imperial tax. Again, by Section 158 of 33, Geo. III, Cap. 52, power was given to Justices of the Peace at Calcutta, Madras, and Bombay to levy assessments upon the owners or occupiers of houses, &c., with a view to the effectual cleaning, watching, and repairing of the streets for the health, security, comfort, and convenience of the inhabitants. This was in 1793. By Act XXVIII of 1836 the Governor in Council was empowered to exempt any district from the operation of the above law, and Act XXII of 1841 was passed for the purpose of specifying the particular objects to which the rates should be applied. The Act last mentioned was superseded by Act XXVI of 1856, the Madras Municipal Rates Act.

8. In none of these enactments do the quit-rents appear as forming part of the Municipal Revenue, and whatever arguments may be adduced from the history of their origin, the fact remains, which admits of no dispute, that the disposal of the fund thus raised has ever remained with the Government and not with the Town authorities.

So far back as 1803 the Board in a letter, dated 11th February, addressed to the Collector of Madras, wrote: "The commutation of the Sircar share of the produce of nunjah land which it has been determind to fix at two pagodas per cawny the Board desire may be immediately carried into effect as well at St. Thomé as at the villages of Ettapalliam and Tondiavadam;" and in his letters, dated 12th February 1821 and 12th May 1827, the Madras Collector refers to the quit-rents as being the commutation of the Government share of the produce of the land. Similarly in their letter to Government, dated 28th February 1828, the Board in forwarding for the approval of Government a new form of quit-rent certificate prepared by the Advocate-General, cited that officer's opinion that the quit-rent was a commutation for the Sircar interest in the land; and the form which was then adopted and has been in use ever since contains a clause to that effect.

Thirty years ago an Act* was passed for securing the Land Revenue of Madras, of which the Preamble runs: "Whereas it is expedient that the Land Revenue accruing due to the East India Company at Madras, within the limits of the Town of Madras as defined in Section 12, Regulation II of 1802, of the Madras Code, should be ascertained and collected in as summary a manner as in other parts of the Territories under the Government of the East India Company; It is enacted," and from this it is evident that the quit-rents were then regarded as Land Revenue on the same footing as Land Revenue elsewhere. Doubtless this was at the time no new idea, but merely the recital of an unquestioned fact.

9. The Board can see no ground for recommending the alienation to the Municipality of an item of revenue, which, whether considered with reference to its history or to its character, they cannot but regard as a legitimate part of the Imperial Revenue of the country.

(True Copies and Extract.)

Acting Secretary.

To the Chief Secretary to Government, Financial Department,
with original Endorsement, No. 677, dated 12th April 1881, returned.

Copy to the Collector of Madras.

Exd. W. J. Lewis.

---

* XII of 1851.

[6th July 1881, No. 1,305.

2381/20

(Municipal - Quit-rents)

Financial 1881. Deptt.

Board of Revenue,
R.D. MADRAS.
2 SEP 81

~~To~~
THE CHIEF SECY: TO GOVT.,
FINANCIAL DEPARTMENT.

8 23/11/

CURRENT No. 2328

Prined August 16th.

Received 1st Sept

PROCEEDINGS 6TH JULY 1881, No. 1,305.

Depd 30 Augt/81

[illegible] 12/9

Quit-rents—levied in the City of Madras.—Submitting remarks regarding the transfer of the proceeds of the — from "Land Revenue" to the revenues of the Municipality.

Commr Pillay to send paper [illegible] complete
[illegible] 2/9

2381
22

No. 62

2381
21

Financial Department

Official Memo.

The undersigned is directed to request that the Accountant General will be so good as to report what payments have been made during 1880 to Government by the Madras Municipality & on what account and how the arrears account ? with with the Government stands under each head of liability

12th Jany. 1881

To
The Accountant General

2381/22

Official Memo.
No. 62.
d/ - 12th Jany. 1881.

This Memo was sent as directed in the last para of the Hon. W. H.'s note attached to the Fund G.O. No. 109 d/ 21 Jany/81.

Statement showing the Liabilities of the Madras Municipality to Government, the payments made by them during 1880 and the amount of balance still due by them.-

Items	Liabilities	Payments	Balance due	Remarks
				2381/82
Hospitals and Dispensaries.				
Amount of Contribution for the 4th Quarter ended 31st March 1879 as per G. O 2717 dated 19: November 1877 F. D.	9,837 4 -			
Do for the 3 Quarters ended 31st December 1879 as per G. O. No 820 dated 30: April 1879 F. D.	31,863 - -			
Do for 1880 as per G. O No 715 dated 7: April 1880 F. D.	41,680 - -			
Total	83,380 4 -			
Deduct. Amount of pay of Dr. Mohiuddin Shariff for 1880 remitted by Government as per G. O. No 1663 dated 31st Augt 1880 F. D.	3,300 - -			
Net Liability on account of Hospitals and Dispensaries	80,080 4 -			
Payments - Amount adjusted in October 1880 by bill for assessment due to Municipality on Govt Buildings as per letters 1140 & 632 dated 30: August & 22d Octr 80 from the President	- -	35,185 15 1		
Do - Amount paid into the Bank of Madras on 16: Decr 1880		32,826 4 11		
Balance - due on the 31: December 1880 on Account of Hospitals and Dispensaries	- -	- -	12,068 - -	V. p 3 G.O. 25/1/81 No 126
Medical College.				
Amount of contribution for 1879 as per G. O. 1167 dated 18 June '79 F. D.	4,185 - -		-	
Do for 1880 as per G. O 715 dated 7 April '80 F. D.	3,921 - -			
Total	8,106 - -			
Payments. Amount paid into the Bank of Madras on 18: Decr 1880	- -	7,426 - -		
Balance - due on 31: Decr 1880 on account of Medical College	- -	- -	- 680	
Police Charges.				
Amount of Contribution for the 3 quarters ended 31: December 1880 as per G. O. 1663 dated 31: August 1880 F. D.	62,620 - -			
Payments in 1880 - Nil	- -	- -		62,620 59,980 2,640
Balance - due on the 31: December 1880 on account of Police Charges	- -	- -	62,620 -	
Special Establishment in Government Secretariat				
Amount due for 1880 - 81 as per G. O. 1876 dated 29: Septr 1880 F. D.	1018 12 -			
Payments in 1880 - Nil	- -	- -	- -	
Balance - due on the 31: December 1880	- -	- -	1,018 12 -	Rs 593 of this was paid into the Bank on 3d January 1881.
Interest				
Half yearly interest due on 31: December 1879 on the loan for the Water Supply and Irrigation extension	⁰ 28,931 2 6	⁰ 28,931 2 6	- -	⁰ This includes compound interest Rs 96. 1 5 for non payment on due date.
Half yearly interest due 30: June '80 on Do	28,443 11 5	28,443 11 5	- -	
Do 31: Decr '80 Do	28,756 4 7	28,756 4 7	- -	
Total	2,37,956 2 6	1,61,569 6 6	76,386 12 -	
Deduct - Amount paid into the Bank of Madras, on the 3d Jany 1880 on account of Special Establishment in Govt Secretariat	- -	- -	593 - -	
Net balance due			75,793 12 -	

Fort Saint George,
Accountant General's Office,
20 January 1881.

Offg Accountant General.

Book Department.

No. 161 2381 Fort Saint George,
23 Accountt. Genls Office,
20 January 1881.

R. D.
JAN 81

From
The Accountant General
to the Government of Madras,

To
The Chief Secretary
to Government,
Financial Department.

Sir,

With reference to your Under Secretary's Official Memorandum No. 62 dated the 12th January 1881, I have the honor to enclose a statement shewing the liabilities of the Madras Municipality to Government, the payments made by them during 1880 and the balance still due. This balance amounts to Rs. 76.386. 12. " of which Rs. 593 have since been paid into the Bank of Madras.

2. The liabilities &ca. of the Municipality on account of Quit-rent and Water supplied from the Red Hills Tank are not known to this Office.—

I have the honor to be
Sir,
Your obedient Servant
A Cotterell Tupp,
Offg. Accountant General.

In Fincl: 155/81

2381/24

No. 119.

No. 120

5 APR 81

Financial Department

Memorandum

The undersigned has the honor to request that he may be informed whether quit rents or ground rents on house sites & other lands in Calcutta are levied either by the Government or by the Municipality the amount of such rents & the circumstances under which they were first imposed

Madras
19th Jany. 1881

(Sigd) C. D. Maclean
Under Secretary

To The Under Secretary to the Govt. of Bengal

To
No. 120
The Under Secretary
Govt. of Bombay

21/1/81 Dr. 109 ol.
25/1/81 Dr. 126

Fin. (1881) Department
(Munl. — Accts.)

From

The Accountant General
Madras

To
The Chief Secretary to Government
Financial Department
Fort St George.

No. 161 (Genl.)

Dated 20th
Received } January 62
1881
20

O. M.

No. 155

forwards a statement
shewing the liabilities of the
Madras Municipality to Govt.
and the payts made by them
during 1880 and states that the
balance still due by them
amounts to Rs. 76386-12-"
and of which Rs 593 have since
been paid

Ind.G/431

Financial Department

Memorandum

Nos. 119 & 120 d/

19th January 1881

Ootacamund
15th October 81.

2381/20

Dear Mr. Arundel.

With reference to your letter to the Chief Secretary of 6th April 1881 ~~No~~ No 151 I am to enquire whether any steps were taken to ascertain the practice regarding Municipal quit rents in Calcutta & Bombay as suggested to you personally by the Hon. the Governor & if so with what result.

Yours sincerely
(Sd) E. S. Laffan

To Mr. Arundel

[illegible]

15/10/81

Lr. over to
Mr. Arundel
addresses Government
regarding Quit=rent.

2381
25A.

1 les
30. 3. 81

Ord. No. 62 of 1881
C. No. 155 of 1881.

Financial DEPARTMENT.

No. 155

2381/26

From

The Accountant General Madras dated 20th January 1881 No 161, forwarding a statement showing the liabilities of the Madras Municipality to Govt. & the payments made by them during 1880 & stating that the balance still due by them amounts to Rs 76,386-12-" & of which Rupees 593 have since been paid.

FOR ORDERS.

Note. There is no other current now before Government regarding the Madras Municipal Finances. Mr. Arundel will be addressing us shortly regarding Imperial quit-rents.

Appd

CM
5.2.81

Send this by [illegible] to Presid.t for remarks & ask how acct. stands for Quit Rent & water Supply & how payts. made.

JB

WPG

2381/28

Note

Ascertained from the Municipal Office that the following payments on account of Quit-rent and water supply were made during 1880.

Quit-rent.	Arrears	Rs. 3,266-9-6	By cheque to Collr. of Madras d/. 27th July 1880.
	Current.	631-1-0	

[No arrears remain]

Water-supply.	Current	Rs. 6,000	Paid into Bank of Madras to credit of Government d/. 17th December 1880. Accountant General informed by No. 745 d/. 17th Decr. 1880.

Outstanding arrears Rs. 26,778 to be paid in 1881 as directed by Government.

[illegible] 10.3.81

M

Keep these till orders
from the Bd. [illegible] abt.
the Quit Rents 2381/~~2617~~ 27
The payt. made on
acct. of Govt. Office
Estabt. shd. I think
be adjusted agst.
other Items. We
decided I think
that the Govt. does

Financial Dept.

Liabilities of the Madras Municipality

Under disposal docket.

Papers to be read in Proceedings.—
O. M. No. 62 of 1881.
C. No. 155 of 81

C. O. 9th June 81

Mr. President

Referred to the Board of Rev. Subsect No. 677

[illegible]

Financial DEPARTMENT.

No. 911
2328

From Ag. President Municipal Commission. Madras dy 6th April 1881. G. No 157.

Proceedings of the Board of Revenue dy 6th July 181 1303.

2381/29

FOR ORDERS.

The Ag. President of the Municipal Commission submits an application for improving the financial condition of the Municipality by transferring to the Municipal Revenue the quit rents of the Town of Madras which are at present credited to the general revenue of the Presidency. The Ag. President justifies his application on the ground that the quit rent was originally imposed for the improvement of the Town and

I was a party to the Board's Proceedings and though I should be very glad to help the Municipality I don't think we should be justified in devoting to this purpose what has always been regarded as an item of general revenue on the plea that the quit rents have hitherto been wrongly credited. Until a ~~[illegible]~~ very recent period there was no distinction between local & Imperial taxation — Every thing

the Municipality who certainly accommodate the townspeople, & rectify the town agst the incursions of disease. To keep the tax once levied — tho' the purpose is long past, is a truly native idea. I remember in Sir John Malcolm's Central India, there is a tax mentioned, as kept up to the time of writing (a very prosperous time) in Scindia's dominions tho' it was really the tax levied by the great Dowlut Rao, on each village, for supplying bullocks to drag his guns, during many campaigns! [illegible] 23/-

quotes the original proclamation in which the object of the impost was alleged to be "towards the better fortifying and accommodation of the Town" and "for the good and conveniency of the Town and Inhabitants."

Mr. Arundel adds that he "cannot discover from the records how the special revenue from quit-rents was expended."

The Board of Revenue observe that the better fortifying of the Town can hardly be considered a purely local object; that on no occasion do the quit-rents appear as forming part of the Municipal Revenue, and that the disposal of the fund thus raised has ever remained with the Government and not with the Town authorities, whereas the contrary course has been ~~the case~~ observed with ~~the~~ reference to the

that into a general fund and local requirements were met therefrom at the will & pleasure of the Govt.

This I think clear that the town quit rents were originally imposed mainly with the view of maintaining the fortifications and if made over to the Municipal Commissioners they must accept the concurrent liability of repairing Fort St. George!

But whilst of opinion that the Quit rents contention that the Quit rents are of right an item of Municipal revenue cannot be sustained, I think that in existing circumstances as distinguished from the conditions of local requirements when the impost was first levied, their assignment by the State for the purpose of improving the City would be perfectly equitable and I would not oppose any action having the object in view.

H.S.

I do not altogether agree with my Hon. colleague & the Bd. for I think there can be no question

that these quitrents were originally imposed for a strictly local purpose. & that no question of Imperial taxation can be properly raised in the matter. The fact being that Imperial rights were not possessed by the Coy. at the time except in so far as they could be asserted on the strength of a Delhi confirmn. of the Zemindar's grant of the site of Fort St. George & Factory. I am also of opinion that they cannot be placed in the category of ordinary Land Rev. derived from the State share in every crop. They were in fact strictly a rent for sites in an almost vacant tract on the seashore &c. which had been granted to the Compy. by the local chiefs & the Coy. were free to deal with it as they pleased, & were at liberty to fix their own terms for leave to occupy for building sites — The existing Quit rent Rate is the aggregate of petty

scavenger cess (first levied in 1678) and other really local imposts. 9381/330

The Board proceed to show that at least since the beginning of the present century the Madras quit-rents have been regarded, as well by ~~the [illegible]~~ the Board itself as by the Law Officers of Govt. and by the Supreme Council, as being "the commutation of the Government share of the produce of the land." They are therefore unable to see any ground for recommending the alienation to the Municipality of "an item of revenue which whether considered with reference to its history or to its character they cannot but regard as a legitimate part of the Imperial Revenue of the country."

Submitted.

That the words quoted by Mr. Arundel from the original proclamation can apply only to quit-rents in properties situated within the Black Town walls and that whether it be correct or not to regard these quit-rents as a commutation of the Circar interests in the land, there can be no doubt that quit-rents on properties situated without the Town walls should be so considered.

16.5.81

"Mamul" rates) I would be inclined to think that the amount raised has for many years been merged in general revenues. The question is whether it w'd be reasonable to separate it from them & assign it for local purposes. & I think the question turns a good deal on whether or no any similar quit rent or ground rent is levied on the residents of Calcutta or Bombay & credited to genl. revenues.

I suggested to Mr. Arundel that he should ascertain

M.17.9

Municipal Quit Rents

FOR ORDERS.

this. and I have some recollection that I did make enquiries & commund. the result as D.S. and I don't remember what it was —

How is this?

Extract the "Lts. from the Records" Dr. [illegible] years ago. I think there is something in them as to the origin of these Quit Rents —

Do we want better evidence of the origin & object of these Quit-rents, than that afforded by the Proclamation of 1688? As we no longer fortify the town, i.e. we [illegible] the town, as we had then, nor accommodate it in any way — is it just to go on exacting the taxes laid on for those purposes? Sh'd we not make over to

---

the attention of Government should be copied out of the books & the books themselves, except in rare cases, kept upon their shelves.

M.G.D.
17 Nov/[illegible]

Financial DEPARTMENT.

No.

From The President: Madras Municipal Commission. (demi-officially) forwarding papers regarding the levy of quit-rents in the ~~two~~ Presidency towns of Calcutta & Bombay, as requested demi-officially under orders from the Hon. the Governor.

2381/31

FOR ORDERS.

I am afraid we can't make out a case for asking G.I. to relinquish the quit rent to the Municipality as an exceptional impost for Stat. Rev. purposes & doubtless G.I. w'd not entertain a proposal to relinquish them in all the 3 Pres. Towns alike then.

The Govt. of Bengal merely refer to Act XXIII of 1850 and to Dr. Hunter's Statistical Account of Bengal — Vol. I. The 24 Parganas. The Act quoted provides that all assessable land in Calcutta of which the assessment is unknown shall be assessed at "three annas for each cottah" and that this land revenue shall be collected by the Collector under the Superior Rev.

rue Authorities. Sec 12 declares ground rents to be revenue. Dr. Hunter's volume does not apparently distinguish between quit-rents or ground-rents in the Presidency and land revenue in the rest of the district, as regards the nature of the impost. Apparently such rents are regarded there as ordinary Imperial land Revenue.

The Bombay Govt. state that "Quit-rent and other ground rents on house sites and other lands in the City of Bombay are levied by the Collector of Bombay on behalf of Govt." and forward copy of a printed report on the Landed Tenures of Bombay d/ 20th August 1814 —

In paras 53 and 69 of this report mention is made of a despatch from the Court of Directors in which it

Bombay & Calcutta M. are wealthy & don't want any assistance.

14/11/8

is stated that "the inhabitants of Madras and of all other English, Dutch, French, and Danish colonies were, we are informed, bound to furnish military service upon emergencies". Consequently the inhabitants of Bombay were required to do the same till the 24th June 1718 when the Govt. "laid a certain tax or ground rent on all the inhabitants residing within the town walls in order to reimburse the Right Hon. Compy. some part of the great expense and charge they have been at in fortifying and securing the said town" (quoted from a deed of a free grant of ground d/ 13th April 1721. See para 174 of the Report). "This tax" says the report "may be considered as a commutation of the military service", and the same remark will

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probably apply to the quit-rents in Madras where also the land tenures were apparently regarded at first as in some sort feudal. The Bombay quit rents were subsequently extended to all houses within cannon shot of the walls. The distinction between property within the walls and without prevails also in Madras. See G.O. of 19th Aug 1879 No 1,513. – Hence it there appears that both in Madras & Bombay the quit-rents are an imperial tax originally levied for military purposes, i.e. the defence of the Company's settlements, in commutation of personal military service supposed to be due from all "the inhabitants" of those settlements. –

E.F. 31/10/81

Shown in Council [illegible] [illegible] some [illegible]

FOR ORDERS.

Council [illegible] 19

Circulate to H.E. the Governor
Hon'ble D. F. Carmichael

9th [illegible] 81.

Documents of this kind should be copied in the Secretariat & sent up to the members of the Government in a clear clerkly hand. Business would be expedited by a more careful arrangement of papers. Little good is done by circulating a library. The points to which it is desired to draw

Financial Department.

PROCEEDINGS of the MADRAS GOVERNMENT.

READ the following ~~letter~~ papers

Boards Proceedings d/6th July 1881 No 1305
also
Letter from Secretary to Govt Bombay, dated 17th February 1881 No 992
Memo from Secretary to Government Bengal, d/12th March 1881 No $\frac{733}{307}$ L.R. &
D.O. from the President Madras Municipality forwarding papers regarding the levy of Quit rents in the Presidency towns of Calcutta and Bombay. $\frac{2381}{33}$

Order thereon ~~23~~ 5th Decr 81 No 2381

"His Excellency the Governor in Council has given his careful consideration to the application made by the President of the Municipal Commission, Madras, for improving the financial

Mr. Arundel adds that he "Cannot discover from the records how the special revenue from quit rents was expended".

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The Board of Revenue, who were requested to report on the subject, observe that the better fortifying of the town can hardly be considered a purely local object; that on no occasion do the quit rents appear as forming part of the Municipal revenue; and that the disposal of the fund thus raised has ever remained with the Government and not with the town

authorities

financial Condition of the Municipality by transferring to ~~the~~ Municipal revenues the quit rents of the City of Madras which ~~are~~ at present are credited to the Imperial revenues of the Presidency. The President justifies his application on the ground that the quit rent was originally imposed for the improvement of the town and quotes the original proclamation in which the object of the impost was alleged to be "towards the better fortifying and accommodation of the town" and "for the good & Conveniency of the town & inhabitants"

Mr

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2381/33 P The Board of
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authorities, whereas the Contrary Course has been observed with reference to the Scavenger Cess (first levied in 1678) and other really local imposts. They do not therefore recommend the alienation to the Municipality of this item of revenue, it being by its nature and past history a legitimate part of the Imperial revenue of the Country.

With every wish to help the Municipality, His Excellency the Governor in Council regrets that he is unable to see any justification

for

for the proposed transfer –

The Madras quit Rents were originally imposed in A.D. 1688 with the view mainly of securing the territories of the Hon^ble^ East India Company from the risks of foreign invasion and in a measure to recoup Government for the outlay incurred by them on fortifications & other works calculated to ensure permanently the safety & protection of the inhabitants. They ~~are~~ were probably regarded as in the nature of a commutation of military services which were at that time considered to be due from all inhabitants of whatever race or color.

The Government have ascertained that a similar policy was pursued by the Company in Bombay & that military service was there required of the inhabitants on the ground that "the inhabitants of Madras & of all other English, Dutch, French & Danish colonies are, ~~we are informed~~, bound to furnish military service upon emergencies." The obligation continued until the 24th June 1718. When the Government laid a "tax or ground rent on all the inhabitants residing within the town walls in order to re-emburse the Right Honorable Company some part of the great Expence

expense and charge they have been at in fortifying and securing the said town". It would thus appear that the quit-rents both in Madras and Bombay had precisely the same origin and that they belong and have always belonged exclusively to the State. With regard to quit-rents imposed subsequent to the date of the proclamation they appear to have been regarded as partaking of the nature of ground rents in waste lands (the existing Cawny rate being the aggregate of petty Manai rates) which the Company were free to dispose of as they thought fit under the original grant of the site of the Factory and Fort St. George. In either case the Municipal body can have no claim to them as a matter of right.

The Government understand that

Similar

Similar imposts are levied in the city of Calcutta where however they appear to have been more completely merged in the ordinary land revenue; and where as in Bombay they are not required for municipal purposes. The Government cannot under the circumstances expect that the Supreme Government will consent to treat the Madras Municipality in an exceptional manner.

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To The President M. C. Madras. 6 } Desp
" Bd. of Revenue 13 } 9/12

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Financial DEPARTMENT.

Quit Rents in Madras.

Under Disposal Docket.

PAPERS to be read in Proceedings:—

No. of

No. of

No. of

E

12 R5/12

1

2381/37

2

2381/37

4/12/02

[illegible]

Govt. of 1881 Madras.

Fuil

DISPOSED OF

5 DEC 81

BY. G. O. No. 2381.

Munl - Quit Rents. The application made by the President, ~~Muni~~ Munl Commr, Madras, for the transfer of the quit rents of the town of Madras to the Municipal revenue, not complied with.