

(1) Number of pages 4.(2) Date of repair 14-6-40.(3) Initials of the Referencer J

MADRAS RECORD OFFICE.

Government of Madras.

Finance DEPARTMENT.

G.O. No. 28

(Part No. 25-26)

Press
Mts.

Dated 3rd January 1947.

Not to be folded or roughly handled

Government of Madras.

Local Administration Deptt.

Memorandum No. 26176-2 CS., dated 14th October 1940.

From the Curator, Madras Record Office, No.216-D.III-40,
dated 14th June 1940.

Sub:--Records-Madras Office-Missing-Substitution of.

The Curator, Madras Record Office is informed that the records under reference reported to have been furnished to this department are not traceable either in this department or in any other department of the Secretariat. In the circumstances he is authorised to substitute copies for originals in the case of the press G.Os. noted in the margin*. The Miscellaneous G.Os. the number and date of which are shown below ² are certified as lost.

*Press G.Os.

² Miscellaneous G.Os.

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|---|--|
| 1. G.O.No.750-51 Public,
d/29th September 1909. | G.O.No. 2634 L & M, dated
23-11-1923. |
| 2. G.O.No.28(Back No.25-26)
Finance, d/3-1-1877. | G.O.No.1401, Finance, dated
5-10-1882. |
| 3. G.O.No.2207, Finance,
d/24-11-1880. | G.O.No.917, Local, d/15-3-1914. |
| 4. G.O.No.1404 W, dated
23-5-1891. | G.O.No.661, Public, dated
5-7-1902. |
| 5. G.O.No.995, Revenue,
dated 21-10-1887. | G.O.No.13, Public, dated
4-11-1873. |
| 6. G.O.No.1795, Judicial,
dated 18-11-1890. | G.O.No.790 Works, d/14-3-1887. |
| 7. G.O.No.469, Municipal,
d/3-9-1885. | G.O.No.167, Local, d/18-5-1885. |
| 8. G.O.No.642, Local,
dated 2-4-1887. | G.O.No.164, Municipal, dated
15-2-1894.
G.O.No.1975, Municipal, dated
14-9-1897.
G.O.No.1916, Local, d/6-10-1897.
G.O.No.644, Finance, d/21-2-1877. |

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

3rd January 1877, No. 28.

Local Funds—Tolls.

Read the following:—

No. 25. *Proceedings of the Board of Revenue, dated 14th December 1876.*

Read the following Proceedings of the Madras Government, dated 27th November 1876, No. 2,126, Financial Department:—

ABSTRACT.—*Municipal—Budgets.*—Detailed instructions issued regarding the preparation of Municipal Budgets.

With reference to paragraph 6 prescribing a certain way of showing the payments to Local Funds on account of tolls, the Board submit that it is desirable that the gross tolls should be shown on the receipt side and the payment to Local Funds entered as a contribution.

2. This course will make the Budget and Municipal accounts accord with the actual facts of the transaction. The tolls are collected by the Municipalities and the gross sums must appear at least in their accounts. A portion is paid over and this transaction also should be shown in the Budget inducing a direct charge. Under the course proposed, the total taxation from tolls will be understated.

3. There can be no objection in point of principle to the payment being shown as contribution. In many cases it has been sanctioned and adjusted strictly with reference to the use made of Local Fund roads, and the benefit which the Municipality derives from their existence. Even where the share has been settled, with reference to the amount of through traffic, this reasoning applies.

4. In the Local Fund Budgets, the payments are entered under Contributions and not under Tolls. It would be incorrect to enter them under the latter head, as the tolls are not levied under the Local Funds Act, nor collected by the Local Fund Boards. It is necessary, however, that a similar course should be adopted in Municipal and in local Budgets, else the total taxation in the country in the shape of tolls will be understated.

5. The Board respectfully request further consideration of the matter with reference to the above remarks, and further orders for their guidance in dealing with the Local Fund Budgets.

(True Extract.)

(Signed)

H. E. STOKES,

Acting Secretary.

No. 26. ORDER THEREON, 3rd January 1877, No. 28.

In G.O., dated 27th November 1876, No. 2126, the Government directed that in the case of Municipal tolls the proceeds of which are shared with a Local Fund Board the entry should be made as shown in the margin and the net proceeds only brought to account as a Municipal receipt.

Tolls:—	
Gross Receipts	
Deduct Local Fund Share ...	
Municipal Income ...	

2. The Board of Revenue consider that the gross proceeds should be shown on the receipt side and the payment to Local Funds entered as a contribution.

3. The main argument of the Board is that the course recommended by them accords with the actual facts of the transaction and they further urge that it is unobjectionable in point of principle as in many cases the contribution was sanctioned and adjusted strictly with reference to the use made of Local Fund roads and the benefit which the Municipality derives from their existence.

4. The Government are of opinion that while the course recommended by the Board is technically more in accordance with the actual facts of the transaction, it is at the same time calculated to give a totally false idea of the policy of Government, as it would make it appear that large sums were actually handed over from *Municipal funds* to Local Fund Boards for the upkeep of roads beyond Municipal limits.

5. The actual origin of the present arrangements is explained in detail in G.O., dated 11th January 1875, No. 46 and previous Orders. Briefly, it was found that a large number of Municipalities were levying large sums in the shape of tolls on the through traffic of the country—sums far in excess of what was required for the upkeep of the Municipal roads—and spending a great portion of the money thus raised on miscellaneous Municipal objects. Various remedies for this abuse were taken into consideration and it was eventually decided that the money thus raised on the through traffic, roughly calculated, formed a legitimate part of the income of the Local Fund Boards, and it was directed accordingly that a share of the proceeds of a number of the tolls under Municipal management should be made over to the Local Fund Boards. As pointed out in the Order above quoted, the Local Boards had full legal power to raise the tolls themselves, but it was decided to adopt the plan of dividing the proceeds of existing tolls as being far more simple than any other arrangement.

6. Only one case can be traced in which the amount of the Local Fund share was adjusted strictly with reference to the use made of Local Fund roads and the benefit which the Municipality derived from their existence, but useful as that consideration may have been as a guide for adjustment it is not *per se* a ground which Government would have recognized as sufficient for directing a contribution to the Local Boards from *bonâ fide* Municipal funds.

7. Uniformity of practice is of course to be desired in the case of Municipal and Local Fund accounts, but the Board of Revenue urge that the Local Fund share of these tolls cannot be entered under the head of "Tolls" as they are not levied under the Local Fund Act nor collected by the Local Fund Board.

8. The Government would remark that the customary tolls in Malabar which have always been credited to "Tolls" without question are not levied under the Local Fund Act. The agency by which the collection is made is a mere matter of administrative convenience.

9. The Government resolve to adhere to the course directed in the Order above referred to. It does not put on record every step in the transaction, but it simplifies accounts and represents with substantial accuracy the true facts of the case.

(True Extract.)

W. HUDLESTON,
Chief Secretary.

To the Board of Revenue.

„ Presidents of all Local Fund Boards.
„ „ of all Municipal Boards.
„ Accountant-General.
„ Public Works Department.

Exd. A. S. Rodgers.

Book of 1877-78 orders.

FINANCIAL.

To

THE BOARD OF REVENUE,

Sec.

Sec.

Sec.

Dated January, 3rd.

Issued

Recd.

Recd.

G. O., 3rd January 1877, No. 28.

JANUARY.

Nos. 25-26.

at Bank—Tolls.—Orders passed respecting
the method of crediting Municipal and Local
Fund shares of tolls.

