

DEPARTMENT.

Paper taken out of the Records from the charge of the Referencer.

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Miscellaneous
Routine

No. _____, dated _____

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28-7-97

Order complete. 537

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G.O., No. 1657 m

DATED: 26-7-97

Grant of Loans

Comm^{rs} to all Local Boards and Mun.
Councils G.D. H.D. Comm^{rs} resolution from the
Gov^t of India regarding — to local bodies
for the construction of markets, ornamental
works &c.

Communicating to all Local Boards and Municipal Councils Government Order, Financial Department, communicating resolution from the Government of India regarding — to local bodies for the construction of markets, ornamental works, &c.

GOVERNMENT OF MADRAS.

LOCAL AND MUNICIPAL DEPARTMENT.

Read—the following paper :—

G.O., No. 530, Financial, dated 8th July 1897.

Read—the following paper :—

Resolution of the Government of India, Finance and Commerce Department (Accounts and Finance—Loans, &c.), dated Simla, 25th June 1897, No. 2691-A.

Read—

From the Government of India, to the Secretary of State for India, dated 24th March 1897, No. 78.

We have the honour to acknowledge the receipt of your Lordship's despatch, No. 203 (Financial), dated the 19th November 1896, in which your Lordship desires to be furnished with a detailed explanation of the reasons which have led to the alteration of the rules for the grant of loans to municipalities, so as to permit of loans being made for works which are merely or mainly ornamental or convenient.

2. We beg, in the first place, to explain that we do not think that there can be any objection in principle to the construction, out of borrowed money, of works which are mainly ornamental or convenient. The money, however, at the disposal of the Government for lending purposes is limited, and the demands upon them for loans heavy; and it was for this reason thought desirable, at the time that the local loans scheme was first introduced, to restrict the grant of loans to works of public and general convenience and utility.

3. The question again came before us recently in connection with representations received from the Governments of Madras and Bengal on the subject of the grant of loans for the construction of market places. Copies of the letters from these Governments are enclosed for your Lordship's information. In order to measure the burden that had been thrown upon the Government under the local loans scheme we caused an examination to be made of the loans and repayments made each year since the scheme was introduced. Copies of the statements prepared for this purpose are forwarded herewith. It was found that the burden, though considerable, was not very great, and we therefore came to the conclusion that works, such as market places, might without objection be included among the objects for which loans might be granted.

4. While, as above explained, we were of opinion that loans for market places, &c., might be allowed, having regard both to the question of principle and to the ability of the Government to find the money, still we recognised that in the case of works which are not of such permanence or necessity as drainage and water-supply schemes and the like, the terms of repayment of the loans should be such as to throw the burden mainly on the present rate-payers and prevent it being thrown too far forward. It was accordingly decided that the period of repayment of loans for works which are merely or mainly ornamental or convenient should not exceed ten years.

ENCLOSURE.

From the Secretary of State for India, to the Government of India, dated 13th May 1897, No. 94 (Financial).

I have considered in Council your letter, No. 78, of the 24th of March, in which you furnish further explanations of your reasons for altering the rules for the grant of loans to municipal and other local bodies, as reported in your letter, No. 299, of the 21st of October 1896.

2. You explain that you received applications from the Local Governments of Madras and Bengal, each of which desired to grant to a municipality a loan for the construction of a market; and that, considering that there was no objection on principle to the grant of loans for such a purpose, you altered the rules accordingly. I agree that there is no objection on principle to the grant of loans for the construction of markets and for other purposes of general utility; but, in view of the demands to which, at the present time, your resources are subject, I consider that such grants should be made with extreme caution.

Order.—Ordered that copies of the despatches be forwarded to the Home Department; to all Local Governments and Administrations (except Hyderabad, Coorg, Ajmere-Merwara and Baluchistan); to the Comptroller and Auditor General; and to all Accountants-General and Comptrollers (except Comptroller, India Treasuries, Comptroller, Hyderabad, and Comptroller, Post Office), in continuation of Resolution in this Department, No. 4149-A., dated the 30th September 1896.

(Signed) R. A. GAMBLE,
Under Secy. to the Govt. of India.

Order—No. 530, Financial, dated 8th July 1897.

Communicated to the Local and Municipal Department, in continuation of G.O., No. 684, Financial, dated 10th October 1896.

(True Extract.)

(Signed) J. F. PRICE,
Chief Secretary.

To the Local and Municipal Department.
Copy to the Accountant-General.

ORDER—No. 1657 M., dated 24th July 1897.

Communicated to all Local Boards and Municipal Councils, in continuation of G.O., No. 1875 M., dated 5th November 1896.

(True Extract.)

G. S. FORBES,
Secretary to Government.

To all Presidents of District Boards.
„ Chairmen of Municipal Councils.
„ Collectors.

Exd. A. Raiff.

Government {1897} of Madras.
LOCAL AND MUNICIPAL.

C.A.

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1897.

Enclosures

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G.O., No. 1657 M., 24th July 1897.

JULY.

Grant of Loans.

Communicating to all Local Boards and Municipal Councils Government Order, Financial Department, communicating resolution from the Government of India regarding — to local bodies for the construction of markets, ornamental works, &c.

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3. The question again came before us recently in connection with representations received from the Governments of Madras and Bengal on the subject of the grant of loans for the construction of market places. Copies of the letters from these Governments are enclosed for your Lordship's information. In order to measure the burden that had been thrown upon the Government under the local loans scheme we caused an examination to be made of the loans and repayments made each year since the scheme was introduced. Copies of the statements prepared for this purpose are forwarded herewith. It was found that the burden, though considerable, was not very great, and we therefore came to the conclusion that works, such as market places, might without objection be included among the objects for which loans might be granted.

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Secretary to Government.

To all Presidents of District Boards.
" Chairmen of Municipal Councils.
" Collectors.

Exd. A. Raitt.

Government {1897} of Madras.
FINANCIAL.

LOCAL & MUNICIPAL DEPT.
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G.O., No. 530, 8th July 1897.

JULY.

P.S.
Order No. 1657 m 8 24-7-97
Communicated to all local
Boards and municipal Councils.
in continuation of G.O. No. 1875 m
4/5 Nov/96
P.R.
24/7/97
To, All Presidents of Bd. Collectors
Chairmen of Municipal Councils.
24/7/97

Grant of Loans.

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C. M. M. M.
Chief Secretary.

To the Local and Municipal Department. ✓
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