[L./16]
250—12-2-98.

Legislative (1898) Department.

ORDINARY MS.

G.O., No. 74-75

DATED 15-11-98

10/11

INDEXED.

Issued Letter – printed

[Despatch Abstract.]

Bill further to amend the Madras Local Board Act, 1884.

Directing that the sanction of the Govt of India be solicited for the amendment proposed in the ________ in regard to the levy of a tax not exceeding three pies in the rupee on the annual rent value of land to be expended solely on tramways or railways.

To Letter. Requesting the sanction of the Govt of India for the amendment proposed in the Local Board Act 1884 [illegible] ________ in regard to the levy of a tax not exceeding three pies in the rupee on the annual rent value of land to be expended solely on railways or tramways.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

E

Local & Munl. (1898) Department.

~~CURRENT No.~~
Office Note 14

From The P. W. D. (Ry Branch)

Order

No. 73 R. M.

Dated 4 - 8 - 98
Received 8 - 8 - 98
Registered
Enclosures
Spare copies.

SUBJECT.

Inviting the attention of the Secy L & M Depts to the note by the Joint Secy, P. W. D. reg. light railways & the grant of power to D.B. to levy a special Ry Cess in addition to the cess at present authorized

9/8/98

BACK PAPERS.

G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.

Form No. 6.

Public Works Department,
Railway Branch.

L & M office Note No. 14

OFFICE NOTE No. 73 R. W.

Dated the 4th Augt 1898.

SECRETARY TO GOVERNMENT LOCAL & MUNICIPAL DEPARTMENT 5-AUG-1898

From

The Joint Secretary to Government, P. W. D. (Railway Branch),

To

The Secretary to Government,
Local and Municipal Department.

Put for note
[illegible]
5-8-98

The attention of the Secretary, Local and Municipal Department is invited to the following extract from a Note by undersigned, and His Excellency the Governor's comments thereon.

"It seems to me that it would be "worthy of the consideration of Government "whether it would not be wise to give District Boards power, by legislation, to "levy a special Railway cess in addition "to the cess at present authorized. Light "Railways will, if carefully selected, differ "from roads in this respect that they may "be expected to pay not only working expenses and maintenance but interest on "capital also. The Tanjore Board are by "this time very glad that they taxed themselves. Perhaps at first they thought it "a hardship."

This proposal should go to Local and Municipal for consideration.

(Id) A. E. H.,
2/8/98.

Francis J. Spring
Joint Secretary.

Levy of a Special Railway Cess.

Local and Municipal Department.

Office Note No. 14.

For Orders.

H. M.

In his note, an extract from which is forwarded with the office note read above, the Joint Secretary to Government, Public Works (Railway) Department states that Government should consider whether it would not be wise to give District Boards power, by legislation, to levy a special railway cess in addition to the cess at present authorized, on the ground that light railways, if carefully selected, will pay not only the working expenses and maintenance, but also interest on the capital. He also observes that the Tanjore District Board is by this time very glad that it taxed itself, although perhaps at first it thought it to be a hardship.

2. Under Section 57 of the Madras Local Boards Act V of 1884, the cess on land is leviable at a rate not exceeding two annas in the rupee on the annual rent value of all occupied lands, in the districts of Malabar, South Canara and the Nilgiris, and not exceeding one anna in the rupee on the annual rent value of such lands elsewhere. In connection with the Bill to amend the Local Boards Act, now under consideration by the Select Committee of the

Legislative

Legislative Council, the Hon'ble Sir Henry Bliss suggested that with a view to enable local administration to get on more satisfactorily than hitherto, the Government should take power to make some increase in the rate of land-cess. The Hon'ble Mr. Arundel, however, did not accept this suggestion and remarked as follows:-

" I am of opinion that it would not be wise to take this step at the present time. The Presidency has only just emerged from a famine; we have now before the Government of India a representation that this Presidency is already spending more out of local taxation than other Presidencies and we have based thereon a claim to large grants from Imperial revenues; and finally the condition of unrest in India to which the Hon'ble Sir Henry Bliss referred as one of the reasons against initiating legislation to restrict the marriage of young girls has not passed away. I would leave the land-cess as it is."

His Excellency the Governor having agreed with the Hon'ble Mr. Arundel, the proposal was dropped. The same arguments would, it is submitted, weigh against the proposal now made by the Joint Secretary to Government, Public Works (Railway) Department.

3. Mr. Spring's statement that the Tanjore District Board taxed itself for the purpose of railway construction is not accurate. What really happened is this. Up to 1880, the rate of cess in Tanjore was only nine pies and in that year it was raised to one anna, which is the maximum

mum allowed by the Act, the additional three pies being expressly designed for guaranteeing repayment, with interest, of loans which might be raised for the construction of branch railways and tramways in substitution for road communications, as owing to the special character of the soil of the district and the peculiar conformation of its surface, the construction of roads and their maintenance in an efficient condition is very difficult and expensive, while on the other hand there are peculiar facilities for the cheap construction of tramways or railroads which may reasonably be expected to yield a fair net return above the mere cost of maintenance.

Please see the correspondence printed in G.O. no. 606 J. dated 1.4.98

V.R.
6/9/98

No special Ry. cess appears advisable.

H.T.
16 9 98

Tanjore is not the only district to which this description applies. Godavary, Kistna & the S.E. of Madura are in much the same state as Tanjore as regards road making. Incidentally, in amending the L. Bd. Act, power should not be taken to levy an addl. cess for Railway purposes. The power might be so worded as to leave the matter entirely to the Dt. Bd., free from any interference by Govt.

H.S.
17/9/98

Circ:
Hon. Mr. Arundel
H.E. The Governor

H.T.
20 9 98

Note G.O. No 424 L dated 8-3-98 has to be obtained from the Legislative Department at Ooty.

I see no objection to an addition of 3 pies in the rupee to the land cess to be expended solely on railways or tramways provided the Dt. Bd. is safeguarded as suggested by my Hon. Colleague. The law might provide that the additional cess should be sanctd. by Govt. only ~~after~~ on a resolution ~~passed~~ agreed to by not less that 75 p.c. of the ~~[illegible]~~ existing members of the Dt. Bd. and after such resolution – published meanwhile in the Dt. Gazette – had been ratified ~~[illegible]~~ six months later by another resolution of the Dt. Bd. also passed by 75 p.c. of the existing members.

Godaveri, Kistna, Tinnevelly, Madura & Malabar, to say nothing of other districts wd possibly make use of the legal provision.

AS 24.9.98

I accept the views of the Members.

7.10 1.10.98

AT 3/10/98

27/10/98

AS 28.10.98

Order.

Under section 57 of the Madras Local Boards Act V of 1884, the cess on land is leviable at a rate not exceeding two annas in the rupee on the annual rent value of all occupied lands, in the districts of Malabar, South Canara and the Nilgiris and not exceeding one anna in the rupee on the annual rent value of such lands elsewhere. From the year 1880 the District Board of Tanjore has been reserving a fourth of the collections under this tax, that is, three pies in the rupee on the rent value of land, for the purpose of guaranteeing repayment , with interest, of loans which might be raised for the construction of branch railways and tramways in substitution for road communications, as owing to the special character of the soil of the district and the peculiar conformation of its surface, the construction of roads and their maintenance in an efficient condition is very difficult and expensive, while on the other hand there are peculiar facilities for the cheap construction of tramways o railroads. A portion of the funds thus r served reserved has been utilised on the construction of a railway line from Mayavaram to Muttupet and the District Board has derived a net annual profit of 3.9, 4.05, and 4.5 per cent respectively on the capital outlay during the last three years.

2. The Government considers that there are many other districts in the Presidency such as Godavari, Kistna, parts of Madura, Malabar and Tinnevelly which are in much the same state as Tanjore, as regards the difficulties in road making and the facilities for the construction of railways or tramways. As, however, the reservation for this purpose, of a portion of the landcess as in Tanjore, ~~will~~ would probably land ~~the~~ some Boards in financial difficulties, the Government is of opinion that the rate of the cess authorised by law should be raised by three pies in the rupee, subject to the conditions that this additional cess should be expended solely on railways or tramways and that its levy should be sanctioned by Government only on a resolution agreed to by not less than three-fourths of the existing members of the District Board, such resolution being published in the next issue of the District Gazette and ratified six months later by another resolution of the District Board also passed by three-fourths of the existing members.

six
HS
MA

two
HS
MA

3. The advisability of amending the Local Boards Act in the manner indicated in the previous paragraph will be commended, in the Legislative Department, to the select committee of the Legis-

Legislative Council now sitting on the Bill further to amend the said Act.

(From orders)
~~HT 26/10/98~~

V.R.
19/10/98

F.A. v.u.

Please draft letter to India, informing them of what Govt proposes.

In Select Comm ee today, The Hon Sir H Bliss & the Hon Mr Arundel suggested 6. pies; so the draft letter shd be circd., in order that Govt may decide whether 3. P. or 6. P. is proper.

HT
21/10/98

To
The Legislative Department.
Copy to the Public Works Dept (Railway Branch)

L. & M.
200—17-8-97.

NOTE FOR THE

Hon. Mr. Arundel.
Hon. Mr. Winterbotham.
with ref. to H.E. The Governor's note.

H.T.
9.11.98.

NOTE FOR THE Secretary

May not the letter to the Government of India now issue in the Legislative Department, with the alterations noted in pencil in para 2.?

V.R.
15/11

Yes
KI
15/11/98

Levy of a special Railway cess

Legve.

~~Local and Municipal~~ Department.

ORDER: No. 74 Legve Dd 15.11.98

The following letter will be addressed to the Government of India:-

LETTER: No. 75 ~~Legve~~ Dd 15.11.98

Despatched on 15.11.98

TO

The Secretary to the Government
of India,
Legislative Department.

SIR,

In its telegram No.3, Home Department, dated 5th March 1898, the Government of India agreed to the introduction at once in the Local Legislative Council of a Bill further to amend the Madras Local Boards Act V of 1884, subject to the consideration by the Select Committee, of the remarks which might be made by the Government of India later on. The Bill was accordingly introduced in the Legislative Council at its meeting of 4th April 1898 and was referred to a Select Committee, with whom it is now under consideration. Subsequently, in its letter No.4, Home Department, dated 25th March 1898, the Government of India conveyed the sanction of

Hm & Circ.

Attention is solicited to two points; whether the limit of 3 P. shd be adhered to (in Select Commee) (the two Hms suggested 6 P.); & whether two or six mos shd elapse before confirmation by district board. These two points are marked I & II on the next page. A

H.T.
26.10.98.

It will be best, I think, to say 6 pies — Take a poor district such as Kurnool, with a land cess of (say) Rs 1,50,000, and assume that 3 pies is the rate — Then we shd get Rs 37500 as the amt of the Railway cess; & about 7½ lakhs wd be the maxm amt which could be borrowed for railway construction, 5% being about the amt of interest & sinking fund which wd be needed to pay off a loan in 35 years. But no great things could be done with a loan of 7½ lakhs. No doubt 6 pies (or 50%) would be a ~~too~~ large addition to the existing rate of land cess; but the whole 6 pies need not be charged because it is lawful to charge them, and, in any case, the matter wd be in the hands of the Dt Bd — men resident in the district & acquainted with its capabilities & A of a large extent themselves subject to the addl. charge. As to the length of time which the

the Governor-General in Council to the penal clauses of the Bill, subject to certain observations and suggestions and these have been duly communicated to the Select Committee.

2. The Select Committee now proposes to amend Section 57 of the Act so as to authorize the raising of the tax on the annual rent value of land, by ~~six~~ three pies in the rupee, subject, however, to the conditions that this additional cess ~~should~~ shall be expended solely on railways or tramways and that its levy ~~should~~ shall be sanctioned by Government only on a resolution agreed to by not less than ~~two-thirds~~ three-fourths of the existing members of the District Board, such resolution being ratified ~~two~~ six months later, by another resolution of the District Board, also passed by ~~two-thirds~~ three fourths of the existing members. // 3 The circumstances under which the imposition of this special cess, is recommended are as follows. Under Section 57 of the Madras Local Boards Act V of 1884, the cess on land is leviable at a rate not exceeding two annas in the Rupee on the annual rent value of all occupied lands in the Districts of Malabar, South Canara and the Nilgiris, and not exceeding one anna in the Rupee on the annual rent value of such lands elsewhere. From the year 1880, the District Board of Tanjore has been reserving a fourth of the collections under this tax, i.e. three pies in the Rupee on the annual rent value of land, for the purpose of guaranteeing the repayment, with interest, of loans which might be raised for the construction of branch railways and tramways in substitution for road communications, as owing to the special character of the soil of the district and the peculiar conformation of its surface, the construction of roads and their maintenance in an efficient condition ~~is~~ are very difficult and expensive, while on the other hand there are peculiar facilities for the cheap construction of railways and tramways. A portion of the funds thus reserved has been utilized on the construction of a railway line from Mayavaram to Muttupet and the District Board has derived a net annual profit of 3.9, 4.05 and 4.5 per cent respectively on the capital outlay during the last three years. This Government agrees with the Select Committee of the Legislative Council in considering that there are many other districts in the Presidency, such as Godavari, Kistna, parts of Madura, Malabar and Tinnevelly which are in much the same state as Tanjore, as regards ~~the~~ difficulties in road making and ~~the~~ facilities for the construction of railways and tramways, but that the reservation for this purpose, of a portion of the land cess as in Tanjore ~~will~~ would probably land the Boards in financial difficulties.

3. In the circumstances above set forth, I am to request that the sanction of the Government of India may be accorded at a very early date to the proposed amendment.

Note:

In the notes flagged C, the Hon'ble Mr. Arundel and His Excellency the

elapse between the two meetings for the consideration of the subject, I think 2 months should suffice, or three at the outside. We don't all live now to the age of Methuselah. Fourteen days is the time allowed in the similar case of the confirmatory meeting for company.

HS
27/10/98

I Six
HS AA

In the draft order 3/4 is the proportion. I think that was what we agreed to in Sel: Comm.
HS
AA

II two
HS

three quarters
HS
AA

With a vote of 3/4 of the members I don't see any danger in the confirmatory Resol. being after 2 months.
AA
28.10.98

I should stick to the ~~[illegible]~~ 3 pies and the 6 months. Six pies is a large increase, which will be much felt in a poor district. Railways might [illegible] this district in a certain sense, [illegible] generally [illegible] more than other

[illegible]

The people receiving a larger degree of advantage from the railway might pay 3 pies without much feeling it; I should doubt that rate might be a heavy drain upon them. The ryots are not still represented on the Dist. B'd, officials and vakils direct the proceedings but the ryots are the people who will pay the cess. I am clearly of opinion that this fact should protect the ryots by limiting this increase of cess to three pies.

With regard to the question of six months or two months interval between the resolutions, I prefer six months, because it gives all parties concerned sufficient time to consider the matter, and to prevent the question being rushed by enthusiasts or interested parties. The construction of railways always moves slowly. I cannot see that a delay of six months, instead of two months, can do any harm.

I should be much obliged to Hon. Members if they will kindly reconsider these points.

1.11.98

I.S.
25/10/98

15 11 98 I have &

26 10 98

the Governor agreed to the addition of a cess of three pies in the Rupee, subject to the condition that it should be ~~saved~~ sanctioned by Government only on a resolution agreed to by not less than 75 per cent of the existing members of the District Board and after such resolution published meanwhile in the District Gazette had been ratified six months later by another resolution of the District Board, also passed by 75 per cent of the existing members.

No.7 of the instructions to Local Governments regarding legislation in Local Councils requires that " where after a Bill has been introduced in a Local Council . . . an amendment is proposed in it which the Local Government is prepared to accept, but which owing to its being outside the principle of the Bill as introduced, or for any other reason, it considers that it cannot accept without a reference to the Government of India, the requisite steps should be taken to delay the progress of the Bill through Council, pending the result of a reference to the Legislative Department of the Government of India."
Hence this reference to India.

Three pies increase and a six months' interval between the two resolutions was my original proposal to which H.E. assented. As H.E. considers it safer to adhere to this and not to increase the rate to six pies & diminish the interval to two months as proposed by Hon Sir H. Bliss. I am ready to concur.

AH 12-11-98

I am happy to concur -
I think the three-pie proposal goes far enough -
There is much truth in what H.E. says as to the small proportion of the ryots of a District who directly feel the benefit of a local branch line -
It may be doubted whether one in ten of the Tanjore ryots could be brought to vote for a continuance of the railway cess HS -
12-11-98 -

FA
H1
12.11.98

[illegible] 3-11-98

When given for copying
When copied
When examined
When signed
189 .

READ AGAIN G.O., No. , DATED
189 ,

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT .. .. .. A A A A A A A

LETTER OF GOVERNMENT

STATEMENT WITH DITTO

FAIR; NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.

N.B.—
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