

MADRAS RECORD OFFICE.**Government of Madras.***Public* **DEPARTMENT.**

G.O. No.	1243	Press ~~Mis.~~
Dated	8-10-1867.	

Not to be folded or roughly handled

*Proceedings of the Madras Government, Public Department,
8th October 1867.*

No. 71. Read the following Proceedings of Government, Legislative Department.
Read the following letter from the Secretary to the Government of India, to the
Acting Assistant Secretary to Government, Fort Saint George; dated
Simla, 5th September 1867, No. 4539.

Home Department.

I am directed to return, with the assent of the Governor General signified thereon, the authentic copy of the Law received with your letter, No. 181, dated the 2nd ultimo, and to communicate the following observations.

An Act "to amend the Law relating to the appointment of Municipal Commissioners for the Town of Madras, and the management of its municipal affairs, and to make better provision for the Police, conservancy, and improvement of the said Town, and to enable the said Commissioners to levy taxes, tolls, and rates therein."

2. In Sections 27 to 31 provision is made for a yearly Budget Estimate, but there seems a doubt whether a real control is established over the finances of the Municipality, or whether the President of the Commission is bound to abide by the passed estimates. The Governor General, however, understands that the President's estimates are subject to revision by the Commissioners, and finally by Government, who have power to reject or modify any or all of the items, and that in this way the President may be bound by the estimates as ultimately sanctioned.

3. Sections 48 to 55 authorize the levy of tolls on carriages, carts, and animals entering the town. So far as vehicles and animals not carrying merchandise are concerned, the Governor General will only observe that it is notorious that a toll near a town is a great grievance and source of annoyance, and considering the great cost of collecting tolls on roads, as compared with their produce, the proposed mode of raising revenue is objectionable, more especially so when, as in this instance, the revenue to be raised is to be applied to the maintenance of town roads. The proposed toll on carts and animals carrying goods for sale seems still more objectionable on principle, being an obstruction to the commercial vitality of the town; whereas the object of the Municipal Government should be to do all that will bring trade into the town, and nothing that will obstruct it. Such imposts are only excusable when it is impracticable to find any simpler or easier mode of providing for local expenditure.

4. Sections 63 to 67 authorize the levy of what is called a sea toll on all articles exported or imported at Madras. It is to be at the rate of 4 Annas per ton, and is estimated to yield 70,000 Rupees yearly. This toll appears to the Governor General to be a mere impost on trade for the purposes of the Municipality, in return for no service whatever. It is, in fact, an almost undisguised transit duty, and under circumstances in which such an impost is least excusable: Madras being exceedingly difficult of access by sea, is most exceptionally ill-placed in respect to sea borne trade. The expense of landing and shipping goods, and the risk of the transit, are at a maximum, and every effort should be made to relieve commerce from all burdens which are not absolutely necessary. Such a toll is, moreover, generally contrary to public policy: it defeats the object which the Government of India has in view in the interest of trade, in reducing and abolishing Customs duties, and, therefore, while the Governor General is unwilling to withhold his assent from the Act, on account of the provisions in question, he thinks it right to desire that the power of levying sea tolls conferred by them may not be exercised.

5. Section 98 deals with the powers to be given to the Municipality for borrowing money. The Governor General is of opinion that general powers of

the Town of Madras
8/10

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borrowing should not be given to Municipal Bodies in India. Considering the nature of the Madras Municipality, and its relation to the Executive Government, the latter is, to a great measure, practically responsible for the solvency of the Municipality. No consent to borrow money, *except from the Government itself*, should, therefore, be given by the Government of Madras. If the Government should decide upon permitting the loan, the Municipality should contribute, in excess of the ordinary rate of interest payable by the Government, $1\frac{1}{2}$ or 2 per cent. towards a sinking fund for the liquidation of the debt. Further, an absolute limit should be put to borrowing, by rule, that the interest payable for loans should never exceed, say, one-fifth part of the gross income. This would limit the borrowing power of the Madras Municipality to about 20 lakhs of Rupees (£ 200,000); the revenue, as proposed to be increased, being about £ 75,000.

6. Having regard to these objections, the Governor General desires it to be understood that the Bill is confirmed, subject to any legislation which may be adopted by the Council of the Governor General for making Laws and Regulations, with reference, generally, to local taxation.

Order 3rd October 1867, No. 213.

The assent of the Governor General to the "Madras Municipal Act of 1867," and the observations thereon, contained in the foregoing letter, will be communicated to the Madras Council for making Laws and Regulations, in the usual manner.

2. The date from which the Act is to take effect, and which is left blank [in Section 253, will be filled up in the Public Department; and steps will also be taken in that Department for the publication of the Act in the *Fort Saint George Gazette*, and for otherwise bringing it into operation.

No. 72. ORDER THEREON, 8th October 1867, No. 1243.

His Excellency the Viceroy and Governor General having given his assent to the Madras Municipal Act, No. IX of 1867, the Governor in Council is pleased to direct that the said Act shall be published in the *Fort Saint George Gazette*, and that it shall commence and take effect on the 1st day of November 1867.

NOTIFICATION.

Fort Saint George, 8th October 1867.

Under the provisions of Section 5 of the "Madras General Clauses Act, 1867," the Governor in Council directs that Act No. IX of 1867 (an Act to amend the Law relating to the appointment of Municipal Commissioners for the Town of Madras, and the management of its municipal affairs, and to make better provision for the Police, conservancy, and improvement of the said Town, and to enable the said Commissioners to levy taxes, tolls, and rates therein) shall come into operation and take effect from the 1st November 1867.

(By Order of His Excellency the Governor in Council).

A. J. ARBUTHNOT,
Chief Secretary.

To the Municipal Commissioners for the Town of Madras.

Ed. J. H. Burns.

Public Department

PROCEEDINGS of the MADRAS GOVERNMENT.

*Read the following Proceedings
of Government in the Legislative Department*

Res. on 3rd Oct 1867 No 213.

Order thereon 8 October 1867 No 1243.

*His Excellency the
Viceroy and Governor General
having given his assent
to the Madras Municipal
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Governor in Council is pleased
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shall be published in the
Fort Saint George Gazette and
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day of November 1867.*

*W. H. J. P.
To the Municipal Commissioners
for the Town of Madras
Dated 8/10*

W. H. C.

1862 Department.

No. 1043.

PROCEEDINGS OF GOVERNMENT.

Dated. 8th Decr. 1862.

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