

MADRAS RECORD OFFICE.

Government of Madras.

Revenue DEPARTMENT.

G.O. No. 695	Press Mis.
150-151	
Dated 12-5-	18870

Not to be folded or roughly handled

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

No. 150. Read the following Proceedings of the Board of Revenue, dated 2nd April 1870, No. 2,216:—

Read the following letter from the Collector of Trichinopoly, to the Acting Secretary to the Board of Revenue, dated 10th August 1869, No. 179.

I HAVE the honour to reply to Board's Proceedings, dated 10th June 1869, No. 4,182, giving cover to the Government Proceedings, dated 15th May 1869, in which I am requested to report "whether, with reference to the recent reductions of assessment in the Trichinopoly District, there would be any objection to raising the road cess."

2. It must, I apprehend, be admitted that the road cess is practically part and parcel of our Land Revenue. It is paid by the ryot from his profits on cultivation, and although we call this particular item by another name, the tax is met from precisely the same source as the Land Revenue proper, and the ryot's share of the produce is thus proportionately diminished. It must also be borne in mind that "the recent reductions of assessment" were carried out in this Province, because the Land-tax was universally acknowledged to be too high; the reduction was, in fact, a measure of progress and good statesmanship, tending to increase both the spread of cultivation and the spread of wealth. It was, moreover, arranged that this settlement, sanctioned after great deliberation amongst the highest Government Officers, should hold good for thirty years. If then at this early stage we begin to enhance the ryot's dues upon the land, we not only to a certain extent stultify our recent procedure, but we unsettle the ryot's minds, and cause them most probably to wonder with distrust and disgust what will be the next per-centage

* NOTE.—I do not for a moment maintain that the assessment might not have been fixed at a higher rate than Mr. Puckle's; but it appears to me doubtful policy now to raise this authoritatively determined assessment, by extraneous per-centage additions to the cultivators' puttahs.

augmentation to the amount of their Land Revenue puttahs, which amount they had been given to understand was to hold good for a term of years, unless enhanced or diminished by their own acts in taking up new lands, or relinquishing those hitherto held.*

3. Again, in the present instance, the demand is probably caused by State, not Local requirements, that what I have already urged tells with greater force. The necessity for contemplating this augmentation of the taxation has arisen from the fact of five hitherto Imperial Roads being suddenly transferred to Local. The State outlay being thus relieved at the expense of our Local Funds, it becomes necessary to proportionately make good to the latter the amount which has really been gained to Imperial Revenues, in the shape of maintenance for these newly transferred highways.

4. I am of course only too glad to admit that the reduction of assessment aided by a rise in prices has considerably improved the ryot's social position, and that increased wealth and extended cultivation have resulted as anticipated; but I would deprecate this contemplated project of clapping on extra weight as soon as the formerly overburdened ryot begins to move more easily and comfortably under his lightened load. Besides, he has now to bear several items of indirect

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

taxation unknown to him a few years back. I cannot do better than quote the Honourable V. Ramiyengar's own words upon this subject, in one of his Minutes, as a member of the Irrigation Commission now sitting:—

“The high price of agricultural produce has doubtless lightened the incidence of the existing Land-tax; but it is this circumstance which has enabled Government to put on a road cess, to provide for a village servant's cess, to contemplate an education cess, to shift on to the people a portion of the cost of the Police, to provide for Municipal wants by Municipal taxation, to increase the monopoly price of salt within the last nine years by nearly 70 per cent., and to put on an Income-tax.”

5. I may here remark that the original object for which this road cess was inaugurated has been nearly lost sight of. When, about the year 1852, Mr. Edward Maltby first proposed and Government sanctioned the formation of this Local Fund, it was with the understanding that it should be expended chiefly upon cross roads connecting village and village; but it soon began to be laid out upon the main lines in the district, and now it is expended upon the high roads of the Presidency. The ryots thus seeing next to nothing done in the way of roads in the vicinity of their own homesteads are not, I imagine, much gratified with the road cess arrangements as they now stand, and would naturally considerably demur to an enhancement of the impost.

6. There is finally a brief but very weighty objection in addition to those that I have endeavoured to urge against an enhancement of this tax; it is this:—What guarantee have we that this later local bantling would not, soon after its birth, share the fate of its elder brother, and become a prey to the Giant Imperial? In other words, there is nothing to prevent this newly raised assessment being mainly appropriated for State purposes like its predecessor.

7. As requested in the Board's Proceedings under reply, I submit the Statement of maintenance allowance for each road, and have communicated with the Superintending Engineer upon the possibility of reducing the annual expenditure under this head. Captain Oakes agrees with me that the result of reducing the estimate for annual up-keep will merely involve the expenditure of a far larger outlay upon re-constructing what has been allowed to be destroyed and rendered impassable by insufficient attention at the proper time. Captain Oakes says, “I went carefully into the subject, and am sure that the maintenance allowance cannot be reduced without injury to the roads.”

8. In concluding my letter upon this subject, I should bring to the Board's notice that the Trichinopoly road cess has already formed matter for the correspondence marginally noted. The question was mooted whether the two per cent. road cess was or was not included in the newly settled land assessment, and it was finally declared in Board's Proceedings, dated 15th February 1865, No. 910, that this per-centage was included in the Land Revenue as settled by Mr. Puckle.

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

ENCLOSURE No. 1.

Statement showing the maintenance allowance of the several Local Roads in the District of Trichinopoly.

No.	Communications.	Annual Maintenance.		
		RS.	A.	P.
1	Road No. 1 from Trichinopoly to Tanjore, via Torvagudi ...	2,275	0	0
2	Do. 3 from do. to Caroor ...	8,400	0	0
3	Do. 4 from do. to Dindigul ...	4,300	0	0
4	Do. 6 from do. to Arealur and Woodiarpolliem as far as ...	6,420	0	0
	Trunk Road No. 9 ...	1,725	0	0
5	Do. 7 from Museri to Cannanore and Toriore ...	4,200	0	0
6	Do. 8 from Trichinopoly to Salem frontier, via Toriore ...	1,300	0	0
7	Do. 9 from Perambalure to Arealore ...	1,000	0	0
8	Do. 10 from do. to Kristnapuram ...	600	0	0
9	Do. 11 from Tirumalvadi to Pullambadi ...			
10	Do. 12 from Madwakurichi to Jayamcondasolapuram Rajundra- patam and to Puttoor, opposite to Virdachelam ...	1,540	0	0
11	Do. 13 along the Coleroon north bank from the Lower Anicut to the road between Woodiarpolliem and Combaconum, and as far as Shengariore ...	675	0	0
12	Do. 15 from Kulutalai to Manaparai ...	1,400	0	0
13	Do. 16 from Kovilpatti to Manaparai ...	850	0	0
14	Do. 18 from Tottiem to the Ferry opposite to the Railway Station at Lalapettai ...	75	0	0
15	Do. 19 from Sirdoor to Laulgudi ...	56	0	0
16	Do. 20 from Laulgudi to Shengariore ...	600	0	0
17	Do. 21 from Trichinopoly to Combaconum, via Circarpolliem ...	375	0	0
18	Do. 22 from do. to Vyalore ...	300	0	0
19	Do. 23 from do. to Allitorai ...	506	0	0
20	Do. 24 from do. to Pudukottah ...	800	0	0
	Total ...	37,487	0	0

(Signed) G. BANBURY,
Collector.

TRICHINOPOLY,
10th August 1869.

In this letter the Collector of Trichinopoly replies to Government Order, dated 15th May 1869, No. 1,362.

2. This order directed the Board to consult the Collector whether, with reference to recent reduction of assessment under the new settlement of the Trichinopoly District, the rate of road cess might be raised to meet the contingency of the Road Fund being no longer able to provide for the indispensable requirements of the district.

3. The Board had remarked in Proceedings, dated 20th January 1869, No. 330, that “the interests at stake are of great magnitude, for, a total expenditure of Rupees 2,42,000 on six roads now in progress—three others requiring special repair—and two Railway feeders is urgently needed, while the available assets are only Rupees 15,000. At this rate, sixteen years at least must elapse before these roads can be finished, and, meanwhile, the cross roads and village communications must be deferred.” It may be added that the immediate extension of Railways and other circumstances must render the further construction of

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

District lines and Railway feeders, not above enumerated, indispensable, during the next few years.

4. The Collector deprecates any enhancement of the road cess, which he considers an integral part of the Land-tax and payable from the same source. Mr. Banbury observes that, while he does not for a moment maintain that the new assessment of the Trichinopoly District might not fairly have been fixed at higher rates than under Mr. Puckle's settlement, yet, the general reductions took place, because the previous rates were considered to have been too high; and the settlement having been recently carried out on the implied understanding that it was to stand for a term of years, he thinks that any enhancement of the road cess at this early stage of the new settlement would be viewed with distrust by the people. The Collector admits that increased wealth and extended cultivation have resulted throughout the district from the reduction of assessment and other causes; but he notices that some other taxes hitherto unknown have been imposed more or less generally.

5. Mr. Banbury states that the present miserable condition of the Road Fund in the district, which in its original intention was to provide cross roads and village communications, has been brought about by the transfer of State obligation in respect to great lines of communication to the Local Funds, and he does not see any guarantee that, if the rate of road cess be enhanced, the fund will not be again reduced to the same bankrupt condition by further transfer of expenditure properly belonging to Imperial Funds to the Road Fund.

6. The Collector has not, however, stated how he proposes to solve the dilemma, present and prospective, or to meet the obvious and urgent necessities of the district.

7. The difficulty before the Government is a serious one, and Trichinopoly is but one of several districts in which the Road Fund is failing to meet the requirements of the Province. The assets (Rupees 15,000) available in Trichinopoly for new works are likely to decrease, as further maintenance allowances have to be assigned for completed lines; and it is obvious that no material re-adjustment of the existing assignments for maintenance can be looked for. The income of the Road Fund at present rates of assessment has probably nearly reached its maximum, and must naturally become inelastic, if not stationary. In the meantime, the district of Trichinopoly is exceptionally prosperous, and in immediate need of Railway feeders and District roads to meet its rapid agricultural development. The district cannot, therefore, safely be starved in respect to roads, and the liberal remission of land revenue made at the settlement, and low rate of the Land-tax preclude any just claim for larger State contribution.

8. The district of Trichinopoly is in a somewhat peculiar position in respect to this local rate. After the new revenue settlement rate, arrived at on somewhat

inadequate valuations of property, had been decided upon, it was resolved that the assessment should be deemed to include a road cess at two per cent. of the gross revenue demand. This was the rate which had partially subsisted in

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

a few districts prior to the enactment of Act III. of 1866 (Madras), a deduction at the above rate has since been made from the revenue demand, and credited in the village and other accounts to the Road Fund. This assignment has amounted on the average for the five years last past to Rupees 26,196. To this extent the Road Fund is practically an assignment of Land Revenue to Local purposes.

9. In 1866 the Government, in accordance with the recommendation of the Board of Revenue, extended the Road Cess Act (III. of 1866, Madras,) to the whole district of Trichinopoly, observing "as the Land-tax of the newly assessed Ryotwari lands includes two per cent. for road cess, a further charge of two pice only can be levied on such land. All other lands will be charged six pice." Thus supplemented, the Road Funds of the district stand as shown in the following Statement:—

Fuslies.	Road cess at 2 per cent. or 4 Pice in the Rupee deducted from the Beriz.	Add amount collected at 2 Pice in the Rupee or 1½ per cent. over and above the assessment.	Total amount of road cess and other receipts.	Remarks.
	RS.	RS.	RS.	
1274	24,898		24,898	New settlement introduced.
1275	25,407		25,407	
1276	26,539	22,703	49,242	Road Cess Act introduced.
1277	26,342	20,991	47,333	
1278	27,793	33,844	61,667	

10. There has been a marked improvement, but the Board's Proceedings, quoted in paragraph 3, showing the utter inadequacy of the funds, refer to the income of Fusly 1278, which is the maximum up to this time. Further, improvement must be very gradual, and will probably scarcely suffice to meet increasing maintenance allowances, without affording the slightest prospect of furnishing the capital required for constructing Railway feeders and other lines urgently required.

11. Low valuations of landed property arrived at by the Settlement Officers in Trichinopoly, and the very moderate rates of assessment adopted, have, in fact, seriously affected the local road rates, which in Ryotwari districts are, as the Law now stands, assessed on the revenue demand. The facts that the assessment has been so greatly reduced, and that the State Revenues now practically contribute two per cent. of their gross amount to the Local Fund, bar all claim to further contribution from Imperial Funds, and afford valid arguments for enhancing the rate, without which there is no prospect of meeting the requirements of the district. There is no doubt that the rates must be raised. In other more heavily assessed districts, the proportion contributed by the land to the Road Fund is double what it is in Trichinopoly.

*Proceedings of the Madras Government, Revenue Department,
12th May 1870.*

12. The general question as to increasing Local Funds throughout the Presidency being now before Government in connection with the Bill recently introduced into the Legislative Council, the Board will defer further remarks on the subject to the report which they propose to submit on the provisions of that Bill.

No. 151.

ORDER THEREON, 12th May 1870, No. 695.

Local Funds, No. 7.
Civil Works.

ORDERED to lie over.

(True Extract.)

(Signed) R. A. DALYELL,
Acting Secretary to Government.

Ed. F. R. Bantleman.

No. 1183-

From Proceedings of the Off. of Revenue
Dated 2^d April 1890.

FOR ORDERS.

No thing can be done in this
matter while the Local Funds
Bills is being - It is merely
a waste of time to enter into
any discussion -

L. D. S.
N. A.

Colt. of 1870, 1871

REVENUE.

To

Dated May, 12th.

Recd.

G. O., 12th May 1870, No. 635

LIAY.
Nos. 150-151.

Road Cess in Trichinopoly District.
Letter from the Collector deprecating its enhance-
ment, ordered to lie over.

FOR ORDERS.

1183 for order

It is submitted that
the disposal of this
paper may be deferred
until the further report
submitted by the Board
is received. It occurs
to the undersigned
however, that if
the assess^t of Railway
land is to be taken
to be the rent value

in the true rent value
of land, and yet it
is very questionable whether
~~an~~ a rate of the
latter description would
not be the more productive
of the two. In Prichmophy.
the assess^t is less than
one ninth of the gross produce,
and the rent value may
be fairly taken at one third
so that it should be three
times the assess^t.

9.
A.A.

9/

W. 695.
Produced to be over

12th May/70.

In the purpose of
rating it, for local
objects, under the
Bill now before the
Legislative Council,
there will be considerable
difficulty in meeting
the case of Trincomalee
and other Districts,
when the assessment is
historically light, and
cautious by any means.

be considered as a fair
representation of the
"rent value." The difficulty
might be met by making
the maximum taxation
value is the value of rent
value, and only apply
this rate in such cases,
not an act providing,
even in exceptional
cases, for local taxation
at 12 1/2 per cent on land
value, would be
much more unprop-
er than an act providing
for a tax of say 5 per cent

12 1/2