

Friday, May 26, 1871

ABSTRACT OF THE PROCEEDINGS

COUNCIL OF THE GOVERNOR GENERAL OF INDIA
LAWS AND REGULATIONS.

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Abstract of the Proceedings of the Council of the Governor General of India, assembled for the purpose of making Laws and Regulations under the provisions of the Act of Parliament 24 & 25 Vic., cap. 67.

The Council met at Simla on Friday, the 26th May 1871.

P R E S E N T :

His Excellency the Viceroy and Governor General of India, K. P.,
G. M. S. I., *presiding*.

His Honour the Lieutenant-Governor of the Panjáb.

The Hon'ble John Strachey.

The Hon'ble Sir Richard Temple, K. C. S. I.

The Hon'ble J. Fitzjames Stephen, Q. C.

The Hon'ble B. H. Ellis.

Major-General the Hon'ble H. W. Norman, C. B.

The Hon'ble F. R. Cockerell.

LOCAL RATES (PANJÁB) BILL.

His Honour the LIEUTENANT-GOVERNOR of the Panjáb introduced the Bill to provide for the levy of local rates in the Panjáb, and moved that it be referred to a Select Committee with instructions to report in three weeks. He said—

“MY LORD,—I move to introduce a Bill to provide for the levy of rates in the Panjáb.

“This Bill was originally in charge of my hon'ble friend Mr. Ellis, who has contributed much to its present shape, and has been made over to my care to give me an opportunity of stating to the Council the actual condition of the newly-constituted provincial finances.

“The object of the Bill is simply to impose on all productive land in the Panjáb, a rate of three per cent. on its annual value, equivalent to one of six per cent. on the land-revenue; and it may be as well to mention that the assessment even of land, exempt from revenue demand, was determined at the time of settlement.

“The necessity for this additional taxation is two-fold: It is partly caused by the abridgement of the allotments heretofore set apart from imperial funds for the performance of certain services now transferred to the immediate management and control of the Local Government; and, in connection with this part of the subject, I regret to be obliged to trouble the Council with some of the principal figures of the Provincial Budget.

RECEIPTS.		CHARGES.	
	£		£
I.—Imperial grant, corrected to date, and so including that for district dāk now transferred ...	533,300	1—6.—Transferred departments (including local educational charges heretofore taken only against local funds, as well as municipal and other police charges heretofore brought in on both sides of the imperial account)	527,392
II.—Provincial rates and taxes (including all collected under the existing law)	56,420	7.—Miscellaneous ...	22,698
III.—VII.—Transferred departments (including police receipts against direct charge, both which receipt and charge have heretofore been included in the imperial account) ...	93,018	Including local collection and account (except P. W. Office) ...	4,173
VIII.—Miscellaneous ...	13,053	District dāk ...	9,300
Including earnings of— Staging bungalows and serais ...	5,925	Serais and staging bungalows ...	4,262
Cattle pounds ...	6,408	8.—Public Works ...	285,521
IX.—Public Works ...	77,387	Including—	
Including endowments ...	6,700	Communications (roads and bridges) ...	£ 64,502 £ 90,137
Tolls ...	56,233	Miscellaneous public improvements ...	3,348 8,216
		Civil buildings ...	36,616 6,928
		Establishment, local 11,426
		share of general or imperial 32,217
Deficit ...	62,427		
TOTAL ...	835,611	TOTAL ...	835,611

To meet an expenditure of £835,611 a sum of only £773,184 is forthcoming, leaving a deficit of £62,427 to be supplied.

“On the charges I will, in passing, only observe that £148,924 of the expenditure under “Public Works” being for “repairs and establishments,” and only £104,466 for original works, there is *prima facie* a disproportion between the two charges resulting from the contraction of the funds available for construction.

“The second reason for additional taxation is the growing demand amongst the rural districts for improved communications. This is the

consequence of the high price of produce prevalent for some years past, which renders it so much better worth a man's while than formerly to send his grain to distant markets for sale. It is very undesirable that a real want of this kind, arising as it does from the increase of trade and multiplication of business, should remain unsatisfied. Moreover, though now under British Government for a quarter of a century, the Panjáb is in many parts still destitute of the public buildings essential to effective administration, and the long postponement of their erection is highly inconvenient.

“But it will be asked could not the funds required be derived from savings and retrenchment? I need hardly say that this question has been seriously and attentively considered. It was examined in detail by a committee presided over by the able and experienced Financial Commissioner of these Provinces, Mr. Robert Egerton; but I regret to say that no substantial saving has been suggested, except under the head of Police by the abolition of the appointment of Deputy Inspector General. This, if effected, would give £6,300; but the question is one connected with administrative considerations, and under no circumstances could any relief be obtained at an early period.

“The necessity for additional taxation being admitted, is the mode prescribed by the Bill that which most recommends itself by its efficiency and adaptation to the habits of the people laid under contribution? As the principle on which it is founded has already been sanctioned in respect of the North-Western Provinces and Oudh, I need not dilate on its effects. There is a general agreement that the people of the Panjáb, though quite as averse to all taxation as their neighbours, will more readily acquiesce in the imposition of a light rate on the land than in any other demand, for it is in accordance with their remembrance of old times, with their customs and usages, and with the immemorial practice of former rulers.

“The gross yield of the rate calculated on a land-revenue, stated according to the latest returns at £1,859,117, will amount to £132,557. But certain deductions have to be made on account of lands already paying the double road cess under the proceedings of the revised settlement, on account of the remuneration payable to the headmen of villages, to which is due some part of the comparative popularity of this system of fiscal contribution, and on account of unforeseen deficiencies to be expected in actual realization. Hence, I fear that it will not be safe to estimate the net income from this source at more than £110,000. The incidence of the rate will be—

Per head of agricultural population	...	2 annas 2½ pie.
„ acre of cultivated land	...	1 anna.
„ acre of málguzárf land	...	8·2 pie.

and the recital of these figures will, I think, demonstrate that no very heavy burden is being added to the taxes already payable.

“There remains the important question whether the general condition of the country warrants the imposition of any additional burden at all. Having consulted those most competent to judge of the capabilities of the agricultural community, I am enabled confidently to answer this question in the affirmative. I can point to the fact recorded in the census report of 1868 that, whilst population had increased only in the ratio of $11\frac{1}{2}$, cultivation had increased in the ratio of $31\frac{1}{2}$ per cent., as well as to the greatly-enhanced prices obtainable by sale of land. And there is a general consensus of opinion attesting the unprecedented prosperity of all classes connected with the soil. And, although I cannot contend that those classes are identical with the fortunate sections of the community benefiting through the relinquishment by the imperial exchequer of the greater part of the income tax, they nevertheless share in the general relief consequent on the remission of taxation, amounting, as it does in this Province, to £86,860.

“It may, perhaps, be urged that there is some inequality in confining the new demands to the agricultural classes. But I would point out that about two millions of the non-agriculturists are brought under contribution through the agency of the municipalities, and that the town-duties have recently been materially increased by the admission into the schedule of piece goods and metals.

“I am not aware, my Lord, that there is any other point to which I need now advert.

“Having explained to your Excellency in Council briefly, but I trust with sufficient distinctness, the leading objects of the Bill; having shewn that, whilst it is necessitated by the prudent and politic limitation set by the Government of India to the pecuniary grants hitherto made in furtherance of purposes, illimitable in themselves, of provincial improvement, moral and material, it is at the same time designed to raise, by a procedure well understood by the populations concerned, the funds indispensable to the maintenance of even that abated speed of progress demanded by a yet backward civilization; and having further shewn that it is impracticable by any mere process of redistribution and retrenchment to avoid additional taxation, and that the salient and vigorous agricultural industry of these Provinces can sustain, without injury, the moderate rates proposed, it only remains for me to move that the Bill be referred to the scrutiny and revision of a Select Committee.”

The Motion was put and agreed to.

CRIMINAL TRIBES BILL.

The Hon'ble Mr. STEPHEN moved that His Honour the Lieutenant-Governor of the Panjáb be added to the Select Committee on the Bill for the Registration of Criminal Tribes and Eunuchs.

The Motion was put and agreed to.

The following Select Committee was named : —

On the Bill to provide for the levy of local rates in the Panjáb—The Hon'ble Messrs. Strachey, Stephen, Ellis and Cockerell, and the Mover.

The Council adjourned to Tuesday, the 30th May 1871.

H. S. CUNNINGHAM,

SIMLA; }
The 26th May 1871. }

*Offg. Secy. to the Council of the Governor
General for making Laws and Regulations.*