

VIEWS

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GIPE-PUNE-039464

OF

THE AGRA TRADERS

AS SUBMITTED

THROUGH THEIR

TRADES ASSOCIATION, AGRA

TO

**THE COMMITTEE ON MUNICIPAL TAXATION
UNITED PROVINCES OF AGRA & OUDH,**

IN REGARD TO

QUESTIONS OF TAXATION ASKED.

AGRA CANTT.,

PRINTED BY P. KHAYALI RAM MANAGER DAMODAR PRINTING WORKS,

1909.

INTRODUCTION.

OCTROI is not an English word, nor is it in force in England at least under this name. It is a French term and represents a French method of levying duty on provisions, liquors &c., when entering French towns. It is chiefly confined to provisions, spirits, wines and similar articles in its native country. In India, Madras and Bengal are completely free from octroi taxation. Bombay has town duties on about half a dozen commodities. It is the Panjab and the United Provinces of Agra and Oudh that suffer under this form of tax. The tax was originally intended to be levied on a few articles of every day consumption within the town but as time elapsed and the needs of Municipalities expanded, considerable ingenuity was employed to strain its elasticity which has now come to a breaking point. The schedules of octroi rates of some of the Municipalities especially that of the Agra Municipality show to what extent this French tax has been strained. The evil is not all apparent on merely seeing the schedules; it reveals itself in its worst features when one takes trouble to find out what an immense number of articles is taxed under the cover of the schedule. The passion to tax every thing has been on the increase for years past, and were it not for the timely intervention of the Government crying halt, who knows to what temperature it would have gone up.

Sir Hewett, who seems to have been made for this Province has interested himself in this question and has openly condemned it as "involving incalculable hindrance to business and causing trouble and expense to the corporations themselves which are a patent abuse," and His Honor seems to be inclined to abolish it and thus to confer a boon upon the people of this province. Sir Antony MacDonald, formerly Lieutenant-Governor of these Provinces equally condemned the system as is amply evident from his speech delivered at Agra on 14th January 1899.

Respectable papers such as the Civil and Military Gazette, the Pioneer and others have now and then made adverse remarks on this form of taxation. Memorials from the Panjab Trades Association, Agra Trades Association and other institutions have openly decried the evil and have respectfully appealed to the Government in view of its abolition.

When H. H. the Lieutenant Governor of these Provinces remarks in his Provincial Administration Report for 1907-08 that the 'disadvantages of this system are obvious,' it is needless for us to expatiate further on its evils. The history of Indian commerce shows how it has been emancipated to its present position by high statesmen and noble and large-hearted Officers. Customs lines that cramped it were broken-down, insurmountable barriers that existed in the shape of dusty roads, and unapproachable by-paths had to be overcome and Railway lines introduced to bring it out of its incarcerated nooks into the broad day light of the wide world. The expansion of Indian imports

and exports to such immense proportions within the recent times volumes for the efforts, and constant endeavours made by general Government distinguished officers to liberate commerce. Octroi is a fetter cramps local trade to the narrowest areas and its severance is the only remedy that could now save it from being strangled.

We have dwelt at length on octroi in answering the accompanying questions and we hope that the Commission will be pleased to give it their favourable consideration.

We may also point out that the question of election of members which the Government has now taken up, really deserves to be fully thrashed out because under the existing election systems, most incompetent members have often times managed to enter the Board and it would be personal observation if we were to point out the instances.

We are always prepared to answer any further communication and give our humble help whenever the Commission so desire. The outlines of the schemes suggested by us in answering the questions can be developed to all their details if the Commission desire so and allow us further time to complete them.

<p>AGRA :</p> <p><i>Dated 2nd February 1909.</i></p>	}	<p>We respectfully beg to subscribe ourselves as</p> <p>Your honor's most obedient subjects</p> <p>Merchants and Traders of Agra.</p>
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I.—INTRODUCTORY.

What are the principal manufactures of the town?

1. (a) Stone work, Beams, Pillars, Mill stone etc.
(b) Artistic crafts of stone carving and inlaying such as trellis work, fretwork or tracery, fine work in marble.
(c) Carving work in soapstone such as carved boxes, trays, vessels and models of building.
(d) Mosaic or inlaying work stone such as is found in Itimad-ud-daula, the Fort and the Taj-Mahal.
2. (a) Loom work such as *garha*, *gazi*, *nakhuna*, and *pagri*.
(b) Carpet weaving.
(c) Calico printing, such as *kharua*, *jamardi* etc.
(d) Blankets.
(e) Silk weaving, including *susi*, *Ilayacha*, *daryai* and *mashru* etc.
3. (a) Embroidery, which is done on silk, satin, or velvet with silk, gold or silver thread, embroidered velvet caps, belts and *naichas* etc.
(b) Gold, silver and tinsel wire for embroidery used for making *kamkhwab* or cloth of gold, lace, *kalabattoo*.
4. Manufactures of shoes, embroidered otherwise decorated or plain hand-made and factory made.
5. Wood work as carved doorways and facades. Smaller articles such as candlesticks and toys etc.
6. Lacquered ware in the shape of plates, boxes and other small articles.
7. Ivory carving such as models of the Taj etc.
8. Brass and copper vessels for domestic use.
9. Coloured and glazed pottery such as pipe bowls, inkpots etc.
10. Manufacture of tobacco.
11. Gold and silver ornaments.
12. Yarn.
13. Manufacture of *bura*, sugarcandy, *batasha* etc.
14. Flour (hand mills and factory mills manufactured.)
15. Pusle, oil (country), oil cakes (*khal*).
16. Ice.

NOTE.—The above is the entire list of the manufactures, not only of the principal ones.

1b. What are the principal trades of the town?

1. Apparel including drapery, haberdashery and millinery.
2. Coal and coke.
3. Cotton (raw.)
4. Cotton manufactured (1) twist and yarn European and Indian, (2) Piece goods European, Indian and others.)
5. Chemicals.
6. Drugs.
7. Dyes and Tans (Alizarine and Aniline, indigo, myrabolams, tanning-barks, turmeric and others.)
8. Fodder (Oil-cake; hay, straw and grass.)
9. Fruits and vegetables fresh ; pan leaves.
10. Grain and pulse (Gram and Pulse ; Juar and Bajra ; husked and un-husked rice ; wheat, wheat-flour and others.
11. Hides and skins.
12. Horns.
13. Hemps (Indian) and other febrics.
14. Jute (Manufactured and un-manufactured.)
15. Leather (Manufactured and un-manufactured.)
16. Liquors.
17. Metals (Manufactured and un-manufactured such as brass, copper). Iron and steel (un-wrought, wrought) machinery and millwork and other manufactures including hardware and cutlery, mettalic ores and others.
18. Mineral substances (Marble and stone ; chalk and lime and others.)
19. Oils (Kerosine, castor, cocoanut, mustard, rape and others.
20. Oil-seeds (Castor, earthnuts, linseed, poppy, rape and mustard, till or jinjili and others).
21. Paper and paste-board.
22. Provisions (Dried fruits and nuts, ghi and others, oilman's stores.)
23. Salt.
24. Saltpetre and other saline substances.
25. Silk (Piece-goods foreign and Indian.)
26. Spices (Betelnuts, cardamoms, chillies, ginger, pepper and other grocery.
27. Sugar. (Refined or crystallized, including sugar-candy; unrefined; gur, rab, jaggery, molasses and other crude saccharine produce.
28. Tea.
29. Tobacco (Unmanufactured, manufactured, cigars, cigarettes and others.)
30. Wood (Timber unwrought, manufactures and furniture.)
31. Wool (Raw, manufactured, piece goods both European and Indian and other sorts of manufactures.)
32. All other articles of merchandise.
33. Animals (Horned cattle, sheep and goats, horses, ponies and mules and other kinds ; and bird of all kinds.
34. Gold and Silver (Ornaments.)
35. Jewels.

NOTE.—The above is an entire list of the trades, not only of the principal ones.

2. Is your municipal area a distributing centre? If so, for what commodities and to what extent? Are those commodities included in the octroschedule? To what extent is the distributing trade (a) extra-provincial, (b) intra-provincial? As to (b) to what extent are the goods actually exported from India?

Yes. Our Municipal area is a distributing centre and commodities which constitute the distributing factors are shown in statements No. I, II, III, IV, V, VI, VII and VIII. No. I to IV show extra-provincial trade to and from Agra Division, indicating commodities whose exports exceed their imports and *vice versa*. Nos. V to VIII show intra-provincial trade to and from Agra division, in both cases where imports exceed the exports and where exports exceed the imports.

The commodities marked with a star are on the schedule of the Agra Municipality.

As detailed figures for Agra alone were not available, figures for Agra division as taken from the Annual Report on the Inland Trade of the United Provinces of Agra and Oudh for the year ending 31st March 1908 are given. It may be pointed out that Agra absorbs the major portion of this trade, other places in the division being far inferior to it.

INTRODUCTORY STATEMENT No. I.

Extra-Provincial Trade to Agra Division.

No	Articles and whence imported.	Madras. Mds.	Bombay. Mds.	Sindh. Mds.	Bonga'ls. Mds.	Punjab. Mds.	C. P. & Berar. Mds.	E. B. & Assam. Mds.	Rajputana & C. I. Mds.	Nizam's territory. Mds.	Mysore. Mds.	Madras Seaport. Mds.	Bombay Seaport. Mds.	Karachi Seaport. Mds.	Chittagong. Mds.	Calcutta Seaport. Mds.	Total. Mds.
1	Twist and Yarn, Indian°	...	15762	...	1	5579	2	...	7987	...	...	...	704	...	...	255	30200
2	Piece goods, European*	...	...	...	...	13056	...	...	2	...	...	3	35770	3348	...	38412	90591
3	Piece goods, Indian°	1	9443	1	14	840	54	...	1028	3	...	37	7840	14	...	213	19488
4	Chemicals (excepting saltpetre)°	...	...	...	360	...	...	...	48	...	...	...	1193	162	...	888	2651
5	Drugs (non-intoxicating)°	...	...	...	...	62	...	...	...	...	...	...	273	...	...	483	818
6	Tans (Turmeric)°	26795	1824	...	138	548	...	...	35	...	...	...	130	...	...	2146	31616
7	Gram and Pulse*	149	37219	3067	434	383048	7,558	...	73168	8844	...	...	5596	...	...	1297	520400
8	Rice, husked°	...	...	...	5498	2	725	...	1	...	...	...	...	...	...	...	6226
9	Wheat flour°	...	...	...	...	88284	55	...	109	...	...	...	...	...	...	...	88448
10	Gunny bags and cloth°	...	602	5	10926	9851	167	...	4147	...	...	...	1698	...	...	8647	86043
11	Lac*	...	...	...	...	...	...	...	92	...	...	...	...	...	...	6	93
12	Leather (unwrought)°	...	142	...	...	700	...	...	121	...	...	...	117	...	...	...	1080
13	„ (wrought)°	...	146	...	...	52	...	m	48	...	...	1	97	...	...	26	372
14	Brass (unwrought and wrought)°	...	113	...	19	1932	4	...	926	...	...	...	10329	107	...	118	14048
15	Copper „ „°	3	316	...	5	209	1	...	108	3	...	3	1683	...	...	98	2429
16	Iron and Steel (unwrought)°	...	...	...	6315	410	1	...	775	...	...	...	353	...	...	36	7910
17	Others manufacture including hard-ware & cutlery.*	...	54	583	1243	2379	22	...	1680	...	...	2	5422	95	...	4329	15809
18	Paper and Paste-board*	...	8	...	1649	843	1	...	769	...	...	...	2015	232	...	496	6013
19	Sugar (unrefined)°	...	17	...	108141	926	...	...	2628	...	...	...	1514	4158	...	99135	216579
20	Gur, rab, Juggery°	...	43	30	33279	13663	6	...	1179	...	...	...	20	27	...	48802	97249
21	Wood (manufactured)°	...	14	...	209	348	90	...	456	...	4466	1	340	4	...	1010	6928
22	Fodder (Oilcake)°	...	11141	...	689	202	56	...	1928	...	...	...	...	...	...	7116	21132
23	Saline substances	...	...	201	6753	1490	...	...	55	...	...	...	950	204	...	46	9699
24	Milk (raw, Indian)°	...	...	...	...	...	...	...	...	...	...	...	...	...	...	12	12
25	Other oils	...	10	...	...	36	9	...	135	...	...	...	3955	...	...	296	4441

INTRODUCTORY STATEMENT No. III.

Extra-Provincial Trade to Agra Division.

No.	Articles and whence imported.	Madras. Mds.	Bombay. Mds.	Sindh. Mds.	Bengal. Mds.	Punjab. Mds.	C. P. and Berar Mds.	E. B. and Assam. Mds.	Rajputana and C. L. Mds.	Nizam's Territory Mds.	Mysore. Mds.	Madras Seaport. Mds.	Bombay Seaport. Mds.	Karachi Seaport. Mds.	Chittagong. Mds.	Calcutta Seaport. Mds.	TOTAL. Mds.
1	Apparel, including Drapery, haberdashery Millinery &c*	4	12	...	6	1518	5	...	137	1	5	90	289	30	...	318	2415
2	Drugs intoxicating other than Opium*	...	...	...	...	20	...	...	...	...	...	...	...	...	...	...	20
3	Fruits and Vegetables, Fresh*	...	5	...	120	849	2	...	298	1	...	...	6	...	...	10	1289
4	Hides and skins (raw) ...	...	44	...	6	1745	529	...	338	...	...	...	9	...	...	653	3324
5	Skins of sheep and other animals (raw) ...	...	67	...	20	673	825	...	7933	...	...	...	...	...	...	22	9540
6	Horns ...	...	...	...	...	15	14	...	9	...	...	...	...	...	...	...	38
7	Jute (raw)*	...	...	...	1927	140	...	...	9	...	...	...	18	...	...	...	2094
8	Marble and Stone*	...	1	...	...	2585	898	...	196101	...	...	...	1742	...	...	15	21342
9	Castor (Oil) ...	...	...	...	290	6	...	...	...	...	...	...	23	...	...	1	320
10	Mustard and rape (Oil)	...	...	...	...	53	...	...	16	...	...	...	...	...	...	...	69
11	Castor (Oil seed) ...	...	...	...	...	492	53	...	7042	...	...	...	...	...	...	...	7587
12	Linseed ,, ...	...	...	...	...	21	15	...	1889	...	...	...	...	...	...	...	1925
13	Poppy ,, ...	...	...	...	...	19	...	...	127	...	...	...	...	...	...	...	146
14	Rape and Mustard (Oil seed) ...	...	...	...	...	394	129	...	6705	...	...	...	...	...	...	...	7228
15	Till or Jinjili ...	...	768	...	243	389	15102	...	6651	35	...	...	2	...	...	...	23190
16	*Others (Oil seeds)...	1377	22	...	186	920	8964	...	7173	...	...	...	83	248	...	334	19307
17	Ghi* ...	...	100	...	1	232	25	...	8928	...	...	...	1	...	...	44	9231
18	Saltpetre ...	...	...	...	61	39380	...	...	1878	...	...	...	226	...	...	...	41545
19	Other Spices*	...	...	...	323	1026	23	...	66967	...	...	...	620	...	...	48	69002
20	Tobacco (Umanufactured)*	...	61	1	720	120	1	...	166	...	...	...	3	4	...	11	1086
21	,, (other sorts)*	...	46	...	10	86	...	...	3	...	...	...	30	26	...	357	508
22	Hay, straw and grass	...	...	...	...	15667	...	...	12888	...	...	...	4	...	...	347	28906
23	Drugs of other kinds*	...	2	32	...	672	497	...	47	...	...	3	260	28	...	125	1666

INTRODUCTORY STATEMENT No. IV.

Extra-Provincial Trade from Agra Division.

No.	Articles and to where exported.	Madras. Mds.	Bombay. Mds.	Sindh. Mds.	Bengal. Mds.	Punjab. Mds.	C. P. and Berar Mds.	E. B. and Assam. Mds.	Rajputana and C. I. Mds.	Nizam's Territory Mds.	Mysore. Mds.	Madras Seaport. Mds.	Bombay Seaport. Mds.	Karachi Seaport. Mds.	Chittagong. Mds.	Calcutta Seaport. Mds.	TOTAL. Mds.
1	Apparel, including Drapery, haberdashery Millinery &c *	1	182	145	354	1634	132	...	520	95	2	...	56	14	...	1958	5033
2	Drugs intoxicating other than Opium* ...	...	...	...	...	...	...	...	61	...	...	...	...	...	...	...	61
3	Fruits and Vegetables, Fresh*	...	18547	1452	1212	91675	57350	...	96579	201	...	...	56754	801	...	127387	451958
4	Hides and skins (raw) ...	...	...	1	80	2881	10	...	6571	...	...	...	38	...	...	1645	11226
5	Skins of sheep and other animals (raw) ...	329	...	75	5	5516	202	...	62	...	...	2024	659	11	...	1689	10572
6	Horns ...	...	...	...	...	1	4	...	21	...	...	280	9	...	...	43	358
7	Jute (raw)* ...	...	...	...	...	401	...	...	1494	...	...	...	3111	...	...	...	5006
8	Marble and Stone* ...	770	17	999	5877	383770	6528	...	15893	...	...	104	11	...	...	1056	415025
9	Castor (Oil) ...	...	68	...	2	3827	1866	...	2175	...	...	...	...	...	...	...	7938
10	Mustard and rape (Oil) ...	...	2	...	181	79	42	...	827	...	...	...	...	...	...	...	941
11	Castor (Oil seed) ...	...	...	...	...	7596	...	...	638	...	...	...	1461	...	...	...	13335
12	Linseed „ ...	...	...	...	...	...	...	...	37	...	...	...	13470	...	...	2028	23030
13	Poppy „ ...	...	...	...	56	183	6	...	15	...	329	...	161246	...	...	24639	15535
14	Rape and Mustard (Oil seed) ...	...	2	...	20688	910	9	...	398	...	...	...	481815	43369	...	156036	186474
15	Till or Jiujiili ...	...	11814	...	363	5464	46	...	7367	19	...	...	1510	...	...	90	653227
16	Others (Oil seeds)...	...	55	88	...	602620	...	...	23231	1	...	...	3075	27511	...	26673	659902
17	Ghi* ...	1	60	18	627	4909	96	...	484	...	...	...	1577	50	...	101773	109595
18	Saltpetre ...	...	226	...	12	89	456	...	211	...	...	...	...	...	...	118831	110825
19	Other Spices* ...	762	2733	...	6961	1558	7019	...	1895	743	126	5806	17205	457	...	59058	104323
20	Tobacco (Umanufactured)* ...	...	665	3	91	17220	160	...	31064	1	...	...	4	9	...	200	49417
21	„ (other sorts)* ...	...	67	...	3	14	10	...	800	...	...	1	4	...	...	9	908
22	Hay, straw and grass ...	294	...	...	...	45183	13	...	40819	...	...	...	73379	...	...	200	159888
23	Drugs of other kinds* ...	9	11	...	...	4538	49	...	282	...	...	2	44	...	...	540	5275

I—Introductory Statement No. 5.
SHOWING INTRA-PROVINCIAL TRADE TO AGRA DIVISION.

	Articles.	From Meerut	From Cawn-	From rest of	From Benares	From Go-	From Rohil-	From Gonda	From rest of	Total.
		division.	pore city.	Allahabad	division with	rakhpur and	khand divi-	Babraich and	Oudh.	
		Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.
1	Coal and Coke	3,292	4,476	...	...	...	810	2,830	34,784	46,192
2	Cotton Manufactured	13,864	63,432	417	30	7	1,337	27	342	79,456
3	Fodder	22,476	13,003	5,426	69	...	40,955	363	11,975	94,267
4	Grain and Pulse	3,01,419	99,278	11,922	2,720	34,004	29,848	10,121	2,861	4,92,173
5	Hemp (Indian) and other fibres excluding jute	633	2,326	167	161	604	7,479	...	156	11,526
6	Jute	5,512	19,469	988	651	129	1,559	3,947	953	33,208
7	Lac	4	266	...	275	...	33	...	72	650
8	Metals	6,915	31,787	3,210	2,708	29	2,559	273	8,102	55,590
9	Provisions	1,536	5,869	2,079	50	1	2,090	121	47	11,793
10	Saltpetre and other Saline substances	21,069	5,919	1,606	323	...	4,878	1,381	1,445	36,621
11	Spices	6,284	8,342	1,676	...	20	2,433	175	28	18,958
12	Sugar refined or crystalized including sugar-candy.	147	17,055	52	175	40	24	75	65	17,333

I.—Introductory Statement No. 6.
SHOWING INTRA-PROVINCIAL TRADE FROM AGRA DIVISION.

Articles.		To Meerut division.	To Cawn- pore city.	To rest of Allahabad division.	To Benares division with Azam- garh.	To Gorakh- pur and Basti.	To Rohil- khand divi- sion.	To Gonda Bahraich Sitapur and Kheri.	To rest of Oudh.	Total.
		Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.	Mds.
1	Coal and Coke	35,894	8,241	272	...	...	1,203	...	15	45,622
2	Cotton Manufactured	6,148	27,686	9,146	138	211	17,151	233	515	61,228
3	Fodder	15,451	1,586	3,155	...	...	5,992	...	146	26,330
4	Grain and Pulse	49,872	99,869	21,302	93,893	9,476	49,812	7,887	64,250	3,96,355
5	Hemp (Indian) and other fibres excluding jute	781	50	265	200	...	4,717	...	7	6,020
6	Jute	5,819	2,227	491	254	146	2,077	172	144	10,830
7	Lac	2	147	1	349	...	4	...	...	503
8	Metals	6,306	6,371	3,946	5,652	146	3,193	850	1,158	27,153
9	Provisions	2,210	3,322	1,277	836	1	849	44	1,945	10,484
10	Saltpetre and other saline substances	4,376	2,509	3,285	266	...	3,472	...	1,076	15,884
11	Spices	7,472	5,190	378	304	41	1,549	...	41	14,976
12	Sugar refined or crystalized including sugar- candy	2,304	..	142	...	...	1,838	...	...	4,284

INTRODUCTORY STATEMENT No. VII.

INTRA-PROVINCIAL TRADE TO AGRA DIVISION.

Articles.	From Meerut Division.	From Cawnpore City.	From rest of Allahabad Division.	From Benares Division with Azamgarh.	From Gorakhpur and Basti.	From Rohilkhand Division.	From Gonda Bahraich & Kheri.	From rest of Oudh.	Total.
1 Cotton raw	1378	638	4393	...	...	91	15	...	6,515
2 Drugs*	589	1736	63	13	...	535	64	28	3 028
3 Dyes and Tans*	2070	7851	507	4028	...	242	...	...	14,698
4 Fruits and Vegetables*	3775	903	188	...	..	8020	...	162	13048
5 Hides and skins	1457	12068	3154	32	125	3477	50	262	20625
6 Horns ... ..	...	18	20	...	...	161	...	...	259
7 Mineral substances*	55464	12771	11970	1075	...	327	...	5	81612
8 Oil seeds	4210	5855	7049	773	584	15678	2220	2766	39135
9 Salt	492	9598	...	242	...	91	...	40	10,463
10 Tobacco*	1824	3308	10	29	7	159	97	56	5490
11 Wool*	841	332	72	15	...	7	...	51	818
12 All other articles of Merchandise* ...	36418	29161	37135	13263	404	43924	633	4558	165496

INTRODUCTORY STATEMENT No. VIII.

INTRA-PROVINCIAL TRADE FROM AGRA DIVISION.

Articles.				To Meerut Division.	To Cawnpore City.	To rest of Allahabad Division.	To Benares Division with Azamgarh.	To Gorakhpur and Basti.	To Rohilkhand Division.	To Gonda Bahraich & Kheri.	To rest of Oudh.	Total.
1	Cotton raw	...	...	45986	182707	71	2128	..	1377	...	46	292315
2	Drugs*	...	...	1698	1701	12	...	...	56	1	5	8473
3	Dyes and Tans*	...	...	4951	22063	815	8	...	1153	...	831	28817
4	Fruits and Vegetables*	...	...	58625	36684	9541	677	8	6098	323	1419	113375
5	Hides and skins	...	...	1274	44086	1099	...	125	131	...	136	46851
6	Horns	...	...	2	250	2	...	...	591	7	84	886
7	Mineral substances*	...	...	286917	9039	9183	444	...	28445	380	3370	287778
8	Oil seeds	...	...	78132	42126	21717	110	1	2104	...	40	144230
9	Salt	...	...	2259	2599	1271	488	...	2025	...	7059	15701
10	Tobacco*	...	...	8288	12716	13247	297	...	7798	19	131	42496
11	Wool*	...	...	256	1319	166	222	1	145	11	86	2206
12	All other articles of Merchandise*	...	...	52427	69870	23870	1287	514	10355	1544	15532	175399

II.—OCTROI.

3. What commodity is responsible for the largest portion of the net octroi income in your municipality? Is that commodity used in local manufactures? Is it one for which the municipality is a distributing centre?

1. Among all the commodities mentioned under different classes in the schedule of the Agra Municipality, 'wheat and wheat flour' has the largest net octroi income. Next to it in order are 'sugars' and 'cloth.' Wheat is to a certain extent used in Local Flour Mills. Sugars are locally used for the manufacture of sugar-candy, Bura and Batasas but the extent of absorption in this manufacture is not large. Superior cloth is also used in the local manufacture of embroidery etc. to some extent. None of these articles are very largely used in the local manufacture. Their consumption within the municipal limits is not half so much in the shape of local manufactures as in other forms. While in the case of wheat and wheat flour the percentage of refund is about between 20 and 25, that on sugars and cloth is as follows:—

		1904-05	1905-06	1906-07.
Sugars	{ Refined sugar	59	53	62
	{ Unerfined	68	77	72
Cloth	{ Native cloth etc.	71	68	60
	{ Other cloth etc.	59	49	52

The percentages as above quoted will show to what extent this Municipality forms a distributing centre in respect to them. In connection with this question, the following table showing refund percentages for 4 years from 1903-04 to 1906-07 in respect to certain commodities is also given. It will show to what a large extent this municipality is a distributing centre in respect to them.

Table showing refund percentages of certain commodities for 4 years.

Class.	Articles.	1903-04	1904-05	1905-06	1906-07	Average
I	Rice	60	59	56	61	59
	Barley and Gram ...	10	16	43	49	29½
	Other food grains ...	44	61	59	46	52½
	Refined Sugar	8	59	53	62	45½
	Unrefined Sugar ...	208	68	77	70	105½
V	Chemicals Drugs and Spices.	39	101	46	39	56½
	Gums	109	98	62	67	84
VII	Native Cloth & articles made of it.	68	71	68	60	65½
	Other Cloth & articles made of it.	59	59	49	52	54½
	Other articles	46	118	55	49	67
	Total of Class VII ...	57	58	51	52	54½

NOTE.—This statement is based on figures taken from the printed Annual Reports of Agra Municipality for 4 years.

4. Do you consider that the number of items in the octroi schedule might be reduced without serious loss of income to the municipality? If so, what commodities would you select for exclusion? Should any items be removed for any special reasons irrespective of the financial effect? In general is any amendment feasible which would serve to remove any general source of annoyance or obstruction to trade?

1. All commodities mentioned in the Tabular statement given under reply to question 3, require to be removed from the schedule because the abnormal figure of refund percentage on them convincingly establish that they are articles of a large through-trade. If we make an exception in the case of barley and gram on which the percentage does not go so abnormally high, we may safely say that not a single item of the statement justifies its retention on the schedule on the broad principles of trade.

2. Table given above shows that on commodities therein mentioned, the refund percentages for years past have been abnormally high and even the Government officers commenting on the Municipal expenditure reports have held that some of them should be weeded out of the schedule of octroi.

3. The whole class VII principally covering cloth of all kinds has been constantly showing for years past, a very high percentage of refund and has no justification for being retained on the schedule. Delhi and Cawnpore have already afforded all possible facilities for the trade of cloth and the result is their prosperity, and if similar facilities be offered in this Municipality, the trade will grow by leaps and bounds. Similarly is the case with sugar in which there is immense *through trade* as is amply illustrated by high percentages. In fact all the commodities specified in the above Table deserve to be removed from the schedule, for the octroi on them is simply handi-capping their *through trade* and thus the *prosperity* of the town.

4. We may also point out that separate figures for income and refund on all the many articles subject to the levy of octroi are neither recorded in the municipal Administration reports nor kept in any other book available for reference by the public. Form No. 107 as given in the Report mention only principal articles under different classes and so do the basal daily forms on which this statement is based. The schedule itself of the Municipality does not mention all the articles, for instance, vide Items 6. All other food grains. 69. All other spices and drugs. 16. Green and dried fruits, country. 17. Ditto foreign. 22. Oilman's stores, and imported confectionery. 46. Soap of all kinds, foreign. 83. Haberdashery millinery and fancy goods &c. &c. &c. The schedule does not specify the names of the different articles included in these items and the figures of income and refund in respect to each and every article are not recorded and in absence of these statistics, it is difficult to find out which particular article is paying and which losing. If such figures are available, numerous articles will be found useless for the purpose of being subjected to octroi. To a large extent the names are mentioned in the octroi receipts but not so in all cases. Minor articles are apt to be mixed up under a particular head, for instance 'Spices,' 'Fancy goods' &c. The schedule should contain clearly the names of the octroiable articles and figures both of income and refund in respect to each so that a conclusion may be formed after a time as to which particular article is to be weeded out on the ground of its income and refund.

5. The names of articles to be removed under the present circumstances denote individual commodity where it happens to be a principal one or an

item made up of several articles some of which may be paying, others losing, if examined in the light of their separate figures which are not recorded.

6. Almost all articles whether shown or no in the Schedule are assessed under some head or other, or under two or three heads at the same time. There is no mention in the Schedule of such articles as Silver or Gold ornaments, Jewellery, Photographic materials, Spectacles, Talking machines such as Gramophones etc. and many others yet they are assessed and assessed at different rates; sometimes the ornaments and Jewellery are assessed at 3-2-0 p. c. as articles made of metal and sometimes at 1-9-0 under fancy goods.

7. Sugars are generally assessed at 5 and 3 annas per md. but the tendency is to charge at 5 annas even when the sugars are of inferior quality just in contrast to the contrary tendency in the Refund Dept. to rate them at 3 annas. The importers are, contrary to all rules, made to write in the assessing office in declaration slips (formerly printed slips were provided for this purpose) that the sugar is worth so and so inspite of the fact that the interests of the Municipality are amply provided in the Rules in the check of the barrier Moharrir of the goods. The schedule shows 'Stone for building' but under this head even slabs of soft black stones or other pieces of soft stone imported for the special purpose of making toys and other fancy ware are also charged to duty. Items 70,71 and 84 are largely resorted to for covering all sorts of assessment; Item 4 imposes duty of 1 anna on wheat, flour and suji which is unjust.

8. The Schedule is vague and general on most items and does not fully suit Rule 28. In contravention of the direction in this rule that the Board shall not collect octroi or at any rate not so entered, the Municipality is charging duty on almost all things. Item 70 *i.e.*, 'all other spices and drugs,' is a source of constant trouble because no list of articles chargeable under spices and drugs is given, and most things that are neither spices nor drugs in the proper sense of the word, are charged under it; for instance Tulsi seed under a sonorous name of Tukhm Rihan which is a seed of a wild plant is charged under it. Equally troublesome is the Item 84 'Fancy goods' under which all imaginable things are charged. Gilded frames of pictures sometimes come under it and sometimes under Item 56. Timber, stone for building, canvas, jute, lime, furniture and articles made of wood are charged at 4/11/-p. c.-rates which are no where shown in the Municipal Manual Vol.I. under Chapter III. of Part II. and are in opposition to the liberal directions contained about the Schedule making in the Chapter. Metals and articles made of metals which are generally sold in the market according to weight, are charged advalorem duty of 3-2-0 p.c. which is heavy and crippling the trade. Item 22 *i.e.* 'oil-man's stores and imported confectionery' is very confusing and it is left to the imagination of the low paid moharirs to decide what falls under it and what not, and almost everything that is eatable is taxed under its pretext. The confusion, vagueness and embarrassing nature of the Schedule as sufficiently illustrated by above instances, becomes very significant when the following principles laid down in Chapter III. of part II, Vol. I, of Municipal Manual are taken into consideration. "An Octroi

Schedule should be drawn up so as to leave as little doubt as possible as to the exact amount of duty leviable on any consignments of goods imported. The precise rates should be fixed by the Schedule wherever practicable, and as little discretion as possible left to Octroi officials to adjust them in individual cases. Differential rates for similar classes of goods should therefore be very sparingly resorted to; and fixed duties should be substituted for duties levied on an advalorem scale, as far as may be practicable. The Schedule should contain no articles from which the income will be trivial or will have mostly to be paid back in refunds."

9. At no barrier nor at the central office loading and unloading staff is provided yet both the moharirs and Head office men insist upon a minute examination of goods involving packing and unpacking of bales, taking up and down articles from the cart, which is all done by the importer or his men at additional expense. The difficulty of examination is very much enhanced when boxes and bundles containing thousand and one kinds of fancy articles are opened up at the barrier. The process takes sometimes 5 or 6 hours. In opening out and spreading all the different articles and then re-arranging and re-packing them, it often happens that some of the petty things are lost or stolen away by the staff. In explanatin II. of Rule 27 Railway especially E. I. Company stores are exempted from payment yet duty is invariably charged on all goods auctioned at the Railway Station near the octroi barrier and brought into the city. There is no provision for the opening of the trunks of passengers and unnecessarily inconveniencing them by detention, and the personal luggage and even the house-hold effects of a traveller are exempt yet the Municipality keeps an elaborate system of examining all the passengers and giving them lot of trouble by opening their packages and sometimes sending them with their luggage to the Head office with an escort. The inconveniencing of the passengers may be imagined when at the end of a long journey and after all the troubles of travelling, they are molested, detained and unnecessarily subjected to duty on some thing or other.

10. Another instance illustrating unusual inconvenience and loss to the traders is that when fresh fruits are imported, Barrier Moharirs donot take duty on value exceeding Rs. 50 and send all such consignments of higher value to the Head office which is open only from 10 a. m. to 3 p. m. for assessing purposes but when there is a holiday and the office consequently closed, the importer has to suffer a great loss by the detention of his perishable goods which in this interval become rotten and mostly useless. The Barrier Moharirs should be ordered to assess all such goods.

11. A very serious irregularity exists in that the Rule 39(3) is extended to cover Railway goods under Rule 54. A mere glance at page 2 chapter III. of the Municipal Account Code will show that Rule 39 occurs under the heading of Assessments and collections at outpost barrier for which it is meant and Rule 54 occurs under the heading 'Goods imported by Railway.'

12. The Agra Municipality in case of goods imported by Rail for which procedure is clearly laid down in rule 54, accepts invoices only on goods

falling under classes 4, 5, 7 and 8 and assesses goods falling under all other 4 classes according to prices current. Even when it accepts invoice in case of these goods it does not accept written declarations as substitutes as mentioned in this rule; when no invoice is presented and the importer presents a declaration according to this rule it charges all articles according to prices current in total disregard of the fact that this procedure is against the rule. For Railway goods, Rules 52 to 60 lay down a procedure for goods but throughout these rules there is no mention of prices current, yet out of 8 classes of goods, 4 classes are assessed according to them which causes so much loss and inconvenience to the importers by Railway. Prices current are chiefly meant for barriers and not for Head Office and even for goods coming by outpost barriers. Rule 39 (3) provides that the importer can claim assessment according to invoice value on goods under class 4, 5, 7 and 8. It seems that this Rule 39 (3) which is only meant for goods from out-post barriers has been confused with Rule 54 which is intended for Railway goods, and this confusion should at once be done away with. Rule 53 lays down that goods on which the octroi does not exceed Rs. 2/- shall be dealt with at the Railway barrier in accordance with rules for observation at outpost barrier and registration of the Ry. Receipt shall not be required. Rule 39 (1) and Note lay down the limit of Rs. 50/- up to which value the Ry. barrier moharrir can assess duty. These two directions are contradictory, for instance, stone is charged at 4/14/- p. c. according to rule 53 (1) the moharrir can charge octroi up to Rs. 2/- which extends only to the value of Rs. 43/- But rule 39 (1) authorizes him to assess to the value of Rs. 50/- which he cannot do under this case unless in opposition to Rule 53 (1).

13. Piece goods are taxed at 1/9/- p. c. and according to rule 53 (1) he could take 2/- as octroi on the article, which raises the limit of value to Rs. 128/- But this he cannot do under rule 39 (1) without breaking it because there the limit is only Rs. 50/- For this confusion in rules and the observance thereof, it is the importer who suffers unnecessary inconvenience; he is practically driven from post to pillar. If he goes to the Hd. Octroi Office with an invoice of piece-goods worth 70/- for payment of duty, the assessing officer drives the man away to the barrier saying that, duty, on Rs. 70/- worth of cloth is only 1/1/6 and that the moharrir can take duty up to Rs. 2/- and when he goes to the moharrir, he is told that he (Moharrir) could not deal with the case as the value limit for him is only 50/- The assessing officer defends his action under Rule 53 (1) the moharrir does his under Rule 39 (1) and while both are right both are utterly wrong and the poor importer whose fate is concerned, is in a dilemma. Ultimately the moharrir sends up his goods when he has taken delivery of them from the railway with a report and a peon to the Hd. Office under Rule 58, where his fate is decided. At first when the importer called at Hd. Office he was refused because the technicality of Rule 58 was not observed. This is very very bothersome and the wonder is how these two Rules 53 (1) and 39 (1) are allowed to stand as they are in the book. Tax on thread and yarns is very anomalous. It should be abolished on these grounds (1) Cloth is already taxed; thread of which it is made should not separately be taxed (2) Agra made yarn is generally taken away to neighbouring villages by artisans who bring it back into the city in the shape of coarse cloth which is

subjected to octroi whereas no refund on the materials was paid at the time of export under excuse that the thread was made in Agra (3) The income of octroi on thread after refund is presumed to be inconsiderable, the figures are not separately shown in the Annual Report of the Municipality.

14. While no rule in the Municipal Account Code mentions or prescribes the authority of assessing officer, or even of the Superintendent or the Secretary to send for goods for examination at the Hd. Office which are dealt with under Rule 54, it is almost a daily practice in the Municipal office that instead of taking duty on presentation of Ry. receipt together with the invoice, the assessing officer or supdt. sends for goods for examination before duty is taken though ample safe-guard is provided in Rule 57 against suspicion. These orders re sending for goods for examination are not only not warranted by any rule in the code, but are sources of unnecessary trouble, expense and delay in as much as they require him to bring the goods from the barrier to the Hd. Office.

15. Neither in Rule 45 nor in 60 taking of goods to the Hd. Octroi Office in case of suspicion by the Inspector is mentioned although the importer is enjoined to accompany the Inspector who is required immediately to report the facts of the case, but on mere baseless suspicion as it suits the freaks of the Inspector, goods as well as the importer are dragged to the Head Octroi Office. Had the sending of goods been intended it could not possibly have been omitted in a book which is Law.

16. Rule 68 permits persons to compound on the basis of net import, and also to compound for the payment for octroi, but the operation of the Rule is generally restricted to Europeans and Natives are seldom allowed to take advantage of this rule.

17. Rule 129 in view of the convenience of petty traders who attend *Hats* and *marts* in the neighbouring villages, authorises the barrier moharrir under resolution of the Board to issue Extraordinary Passes but this authority is sedulously kept to the octroi Superintendent at the Head Octroi Office. In a large city like Agra which has many neighbouring villages where *Hats* are frequently held and to which petty city traders are constantly going with their goods for sale, this power must be given to the barrier moharrirs and these men be saved all the trouble, expense, delay and disappointment they incur in going with their goods to the Head Office especially when there is a holiday. It is not only this but the issuing of these Extraordinary Passes is very troublesome. Neither Rule 130 nor 131 which regulate the procedure of the passes for petty traders prescribes any limit of period for which they should be issued, but the Municipality invariably issues these Passes for one month and if the goods return even after a day after that period, duty is taken on them. There is no justification for this levy of duty in the rules.

18. Marriage parties when returning with the necessary luggage are put to much inconvenience if they have not availed themselves of an Extraordinary pass and duty is taken on these goods, and sometimes for this purpose the persons and goods are dragged to the Head Office.

19. No Branch Offices for convenience of assessment of goods and refunds as provided in the Manual code are established in the Municipality although it is one of the biggest Municipality in the province and the work at the Head Octroi Office is overwhelming and means delay and inconvenience to the public. Branch Offices should be opened at once.

20. The Head office for assessment of Octroi and Refunds should remain open throughout the day and no holidays in these sections should be kept as is the case at the barriers. If this principle of convenience to the public has been recognized in the case of barriers why it should not be extended to the Head office where most income from Octroi is realised.

21. The tale of the greivances both in Octroi and Refunds as given above is enough to convince every one to what an amount of botheration, molestation, unnecessary losses the public are subjected by the Agra Municipality and the *through-trade* on which hinges the commercial prosperity of the town is seriously handicapped.

22. It is hoped that all the subqueries under question 4 are met by the above remarks.

5. Does the levy of octroi result in an increase in (a) the wholesale price, (b) the retail price of commodities within municipal limits? If not, on whom do you consider that the incidence of octroi taxation falls?

The levy of octroi results in an increase both in the wholesale price and the retail price of commodities within the municipal limits. The incidence of octroi taxation first falls upon the importer, and then passing through the commodity taxed falls upon the purchaser. The price of the commodity is raised not only to the extent of the octroi but also to the amount of the excess wages charged by cartsmen, coolies &c. &c. for cartage of goods from the Ry : station to the shop. Were it not for octroi payment, the cartsmen &c. could have done this piece of job in less than half the time with much less labour. The octroi also falls upon the through-traders both wholesale and retailsale exporters in the proportion of $\frac{1}{2}$ octroi on wholesale and $\frac{3}{4}$ on the retailsale exporters because refunds are not fully given or sometimes not paid as far as wholesale exporters are concerned and as the refunds are not below -/2/- in addition to above two factors, the small exporters suffer from $\frac{3}{4}$ burden of octroi which makes the price dearer inspite of refund system and thus injures the through-trade and trade in general.

6. It is alleged in certain places that refunds on exports are pure profit to the wholesale dealer who purchases within municipal limits from the small importers. Is that the case in your municipality? If so, how do you explain the phenomenon?

The case mentioned in question 6 does not exist in this Municipality to any appreciable extent. The question of profits to the wholesale traders in the shape of refunds in such cases implies that it is not the consignee but the sender who has right to refunds. The consignee is entitled to any refunds given and the wholesale dealer has nothing to do with this benefit even when he exports goods in his own name and takes the refunds the amount of refund is credited to the consignee.

7. To what extent do mubarris weigh goods at the barriers, and how far do they merely estimate the weight of a consignment? Are there weigh-bridges at each post?

Moharris at the barriers do not weigh the whole consignments only portions of them, say two or three bags in a consignment. They estimate the weight of a consignment to the extent of 80 or 90 per cent. There are no weigh-bridges at any barrier except the central Barrier where it is rarely used. There are wooden or iron weighing scales at the posts.

8. Do you know of any case where the trade of the town is hampered (a) by the collection of octroi, or (b) by delay or failure in payment of refunds?

The answer to this question as far as it relates to octroi collection is given at length under question 4, and its aspect as to refunds is dealt with as below.

1. It had been a well established procedure in this Municipality for over 25 years that goods for refund on which duty is levied per maund were not called for examination at the Head Office but the examination and endorsement of the barrier moharrirs and the Railway Receipts of the despatch of the same goods showing weight thereof were considered sufficient for purpose of refunds because the essential point is the ascertainment of the weight and the description of the goods, and these were fully established by the comparison of the endorsement of the barrier moharrirs and the Railway Receipts. But some how the suspicion arose without any enquiries and detection of any case that refunds might have been wrongly taken and goods not despatched, and accordingly orders were issued that goods should always be brought to Head Office for examination. This entails additional expense for cartage and labour, and besides a lot of trouble. The rules do not mention any where that the refund applicant should take the goods, on the other hand mention that they need not necessarily be brought to the Head Octroi Office and that every convenience and facility should be given to the exporter and that no unreasonable delay and damage to goods be caused. In connection with the verification of goods at the Head Office one fact is worth noting. Goods are examined at Head Office and then left to exporters to find their own way to the barriers without any escort or watch whatsoever during the transit by the Municipality. At the barrier they are again examined and this examination is considered final according to which refund is allowed, and the examination of the Head Office is not taken into account. Is it not natural to ask what is the good of the first examination under such circumstances? If the goods examined at Head Office were sent under Municipal escort to the barrier there would have been some justification for it, but as it is, it is of no use. The goods should be once examined as at the time of octroi assessment, and any system involving a series of examinations for goods is far from being satisfactory. The rules to be just and equitable should have similar tendencies both in Octroi and Refund.

2. The procedure involves a lot of unnecessary annoyance, botheration, delay, and additional expense for cartage, labour etc. to the merchants. This applies with undoubted force in case of goods liable to maundage duty whether exported by *Railway* or outpost barriers. The troubles of the exporters may be imagined when it is taken into consideration that the Municipality has neither provided a suitable and spacious place for the examination of goods and passing of Rawannas nor provided loading and unloading staff for such examination. Bales of valuable and superior piece-goods and other articles are opened on the public road which is the Municipality's Refund Examination place, unprotected from sun, wind or rain and no Municipal coolies load or unload, pack or unpack goods. Carts when standing loaded with goods on the public road are not unoften prosecuted by Cantt: authorities who fine people for trespass on their land. The refund staff is dispersed over several places and no Municipal peons are

provided,—the exporters themselves running from place to place to have the Rawanna duly verified, registered, numbered and signed by the proper officials. While there is no mention of invoices for goods being produced at the time of refund, the refund officer not only insists upon the production of such invoices but also demands their bona-fide copies which he retains with him. This causes extra inconvenience to merchants. Mere declaration of value in the refund application is sufficient for the purpose and in absence of any specific direction to the country in the Municipal Account Code under Refund rules, is rightly presumed to be what is intended by them. This practice should at once be stopped. There is a prevailing tendency to confound sugars of superior qualities charged to duty at annas -/5/- per maund with those of inferior qualities at annas -/3/- for the purposes of allowing refunds. There is no sugar expert to discriminate between several qualities, nor is there any superior officer supervising, to judge and decide the question properly. All this is left to verifying moharrirs not getting more than Rs. 25/- a month to arbitrate the fate of the exporters. The question of different scales of duty is a highly puzzling one and the merchants have signified their wishes on more than one occasion for the adoption of a uniform rate for all kinds of sugars and until or unless the rates are unified, no half-hearted, patching up and tinkering devices will answer the purpose. Not only the Moharrirs under-value the superior sugar and thus allow less refund but also memos of sale in the handwriting of the sellers are demanded and kept by the refund officers. The exports of Bura are subjected to a peculiar treatment. Bura is shown in the schedule at Item 8 as chargeable to duty at annas 5 per md., but the rate allowed at refund is only 2 as. that is lower than that for all kinds of inferior sugars as Putri or Potli, Doma and other semi-refined sugars which are charged at annas 3. While for all other articles the Municipal Standard of a maund is of 40 seers which is the Government Standard, for Bura it is of 35 seers, that is Bura weighing 40 seers according to Government Standard is considered as weighing only 35 seers according to the Municipal Standard, according to which all Bura consignments are treated for purposes of refunds. In this manner the Bura exporter loses refund for every 5 seers in a maund in addition to his being given a rate which is in open defiance to the schedule rate. In other words, refund is allowed on Bura at the rate of 0-1-9 per md. Similarly is the case with Misri which is taxable at /7/- per md. but is allowed a refund of /2/- only—thus crippling local industry in it. For this arbitrary procedure no justification exists. While *Tak Patties* or memos of weighment of goods by the sellers are demanded and taken, no refund is allowed on Durries, Gota, Topies, Silver and Gold Jewellery and wearing apparel which are all charged to duty. Refund on silk, satan, embroidery work ect., is granted in rare cases and this after much annoying scrutiny and production of proofs in the shape of original invoices, octori receipts, account Books etc.

3. On articles subject to assessment according to prices current, refund is not so given unless the matter is much heckled over. While duty is charged on empty bags imported for *Bardana*, refund is not given on them and much trouble is caused when such refund is claimed. Sulphur is not allowed to be sold more than 10 seers at a time but the amount of re-

fund on this quantity is below two annas and therefore never allowed. It means that no refund is allowed on sulphur while duty is taken on it. The trader naturally suffers much from this anomaly, and it is requested that it should at once be removed.

4. Whereas payment of refund Rawanna is declared barred only by the law of limitation as stated clearly in Note to Rule 88 of Municipal Account Code, the Refund Officer never allows refund on a Rawanna after 20 days and even when such cases are sent up to higher Municipal authorities, they sometimes entertain them and sometimes not, and when the Municipal authorities choose to pass such Rawannas, it takes months together to receive the money. The Agra Merchants have suffered much from this anomaly and even now hold many Rawannas which the Municipality considers time-barred but which the law of limitation does not declare so.

5. Refund is not also allowed in cases where all evidence of despatch of goods exists and where even the coupon of the Rawanna is available in the office but the Rawanna itself is partly torn or destroyed. In rare cases such refund has been given but this after much unnecessary trouble and delay and most Rawannas on which the Municipality did not allow refunds considering them time-barred under 20 days but which are not time barred by law have been kept by the Municipality and not returned to the merchants, so as to enable them to claim their remedy in the law court if they so choose.

6. Rule 75 lays down that all refund claims should be promptly dealt with and that the refunds are to be made on demand even at the risk of budget allotment. But this facility is not the lot of the people. On many occasions people have to wait from day to day for payment and although the office is open up to 5 o'clock, no refund is paid after 3 o'clock. At the time of payment the treasurer takes signature of payees in a separate book in spite of the *bona fide* signatures being given on the Refund Rawanna as directed by rules.

Yes. This tendency in this Municipality has developed to abnormal proportions.

9. Is there on the part of octroi moharrirs a tendency to attempt to increase the octroi income by including all the goods they can under miscellaneous headings such as "haberdashery," "leather" "wood," or similar, general headings?

1. Sugars are generally assessed at 5 and 3 annas per md. but the tendency is to charge at 5 annas even when the sugars are of inferior quality just in contrast to the contrary tendency in the Refund Dept. to rate them at 3 annas. The importers are, contrary to all rules, made to write in the assessing office in declaration slips (formerly printed slips were provided for this purpose) that the sugar is worth so and so in spite of the fact that the interests of the municipality are amply provided in the Rules in the check of the barrier moharrir of the goods. The schedule shows 'Stone for building' but under this head even slabs of soft black stones or other pieces of soft stone imported for the special purpose of making toys and other fancy ware are also charged to duty. Items 70, 71 and 84 are largely resorted to for covering all sorts of assessment; Item 4 imposes duty of 1 anna on wheat, flour and suji which is unjust.

2. The Schedule is vague and general on most Items and does not fully suit Rule 28. In contravention of the direction in this rule that the Board shall not collect octroi or at any rate not so entered, the Municipality is charging duty on almost all things. Item 70 *i. e.*, 'all other spices and drugs' is a source of constant trouble because no list of articles chargeable under spices and drugs is given, and most things that are neither spices nor drugs in the proper sense of the word, are charged under it; for instance Tulsi seed under a sonorous name of Tukhm Riban which is a seed of a wild plant is charged under it. Equally troublesome is the Item 84 'Fancy goods' under which all imaginable things are charged. Gilded frames of pictures sometimes come under it and sometimes under Item 56. Timber, stone for building, canvas, jute, lime, furniture and articles made of wood are charged at 4/11/- p.c. —rates which are no where shown in the Municipal Manual Vol. I. under Chapter III. of Part II. and are in opposition to the liberal directions contained about the Schedule making in the Chapter. Metals and articles made of metals which are generally sold in the market according to weight, are charged *advalorem* duty of 3-2-0 p.c. which is heavy and crippling the trade. Item 22. *i. e.* 'oil-man's stores and imported confectionery' is very confusing and it is left to the imagination of the low paid moharrirs to decide what falls under it and what not, and almost everything that is eatable is taxed under its pretext. The confusion, vagueness and embarrassing nature of the Schedule as sufficiently illustrated by above instances, becomes very significant when the following principles laid down in Chapter III. of Part II. Vol. I. of Municipal Manual are taken into consideration. "An Octroi Schedule should be drawn up so as to leave as little doubt as possible as to the exact amount of duty leviable on any consignments of goods imported. The precise rates should be fixed by the Schedule wherever practicable, and as little discretion as possible left to Octroi officials to adjust them in individual cases. Differential rates for similar classes of goods should therefore be very sparingly resorted to; and fixed duties should be substituted for duties levied on an *advalorem* scale, as far as may be practicable. The Schedule should contain no articles from which the income will be trivial or will have mostly to be paid back in refunds."

10. How are *advalorem* assessments made? Do you consider the method satisfactory? Is it possible to do away with such assessments altogether? If not, can you suggest any amendments in the procedure which would render them more satisfactory?

1. The Agra Municipality in case of goods imported by Rail for which procedure is clearly laid down in rule 54, accepts invoices only on goods falling under classes 4, 5, 7 and 8 and assesses goods falling under all other 4 classes according to prices current. Even when it accepts invoice in case of these goods it does not accept written declarations as substitutes as mentioned in this rule; when no invoice is presented and the importer presents a declaration according to this rule it charges all articles according to prices current in total disregard of the fact that this procedure is against the rule. For Railway goods, Rules 52 to 60 lay down a procedure for goods but throughout these rules there is no mention of prices current, yet out of 8 classes of goods, 4 classes are assessed according to them which causes so much loss and inconvenience to the importers by Railway. Prices current are chiefly meant for barriers and not for Head Office and even for goods coming by outpost barriers. Rule 39 (3) provides that the importer can claim assessment according to invoice value on goods under class 4, 5, 7

and 8. It seems that this Rule 39 (3) which is only meant for goods from out-post barriers has been confused with Rule 54 which is intended for Railway goods, and this confusion should at once be done away with. Rule 53 lays down that goods on which the octroi does not exceed Rs. 2/- shall be dealt with at the Railway barrier in accordance with rules for observation at outpost barriers and registration of the Ry. Receipt shall not be required. Rule 39 (1) and Note lay down the limit of Rs. 50/- up to which value the Ry. barrier moharrir can assess duty. These two directions are contradictory, for instance, stone is charged at 4/11/- p. c. according to rule 53 (1) the moharrir can charge octroi up to Rs. 2/- which extends only to the value of Rs. 43/-. But rule 39 (1) authorizes him to assess to the value of Rs. 50/- which he cannot do under this case unless in opposition to Rule 53 (1).

2. Piece goods are taxed at 1/9/- p. c. and according to rule 53 (1) he could take 2/- as octroi on the article, which raises the limit of value to Rs. 128/-. But this he cannot do under rule 39 (1) without breaking it because there the limit is only Rs. 50/-. For this confusion in rules and the observance thereof, it is the importer who suffers unnecessary inconvenience; he is practically driven from post to pillar. If he goes to the Hd. Octroi Office with an invoice of piece-goods worth 70/- for payment of duty, the assessing officer drives the man away to the barrier saying that, duty on Rs. 70/- worth of cloth is only 1/1/6 and that the moharrir can take duty up to Rs. 2/- and when he goes to the moharrir, he is told that he (Moharrir) could not deal with the case as the value limit for him is only 50/-. The assessing officer defends his action under Rule 53 (1) the moharrir does his under Rule 39 (1) and while both are right both are utterly wrong and the poor importer whose fate is concerned, is in a dilemma. Ultimately the moharrir sends up his goods when he has taken delivery of them from the railway with a report and a peon to the Hd. Office under Rule 58, where his fate is decided. At first when the importer called at Hd. Office he was refused because the technicality of Rule 58 was not observed. This is very very bothersome and the wonder is how these two Rules 53 (1) and 39 (1) are allowed to stand as they are in the book. Tax on thread and yarns is very anomalous. It should be abolished on these grounds (1) Cloth is already taxed; thread of which it is made should not separately be taxed (2) Agra made yarn is generally taken away to neighbouring villages by artizans who bring it back into the city in the shape of coarse cloth which is subjected to octroi whereas no refund on the materials was paid at the time of export under excuse that the thread was made in Agra (3) The income of octroi on the thread after refund is presumed to be inconsiderable, the figures are not separately shown in the Annual Report of the Municipality.

3. A very serious irregularity exists in that the Rule 39 (3) is extended to cover Railway goods under Rule 54. A mere glance at page 2 chapter III. of the Municipal Account Code will show that Rule 39 occurs under the heading of Assessments and collections at outpost barrier for which it is meant and Rule 54 occurs under the heading 'Goods imported by Railway.'

4. Another instance illustrating unusual inconvenience and loss to the traders is that when fresh fruits are imported, Barrier Moharrirs do not take duty on value exceeding Rs. 50 and send all such consignments of higher value to the Head office which is open only from 10 a. m. to 3 p. m. for assessing purposes but when there is a holiday and the office consequently closed the importer has to suffer a great loss by the detention of his perishable goods which in this interval become rotten and mostly useless. The Barrier Moharrirs should be ordered to assess all such goods.

11. Do you consider that the rates charged in the schedules of all municipalities should be fixed at the same amount for the same class of goods?

No. Rates of duty should be fixed in view of the local circumstances, volume of trade, facilities of transport and conveyance and similar considerations which are not uniform nor can be so.

12. Is the transit pass system in common use in your municipality? Is the system satisfactory? Can you suggest any improvements by which it could be rendered more popular or more satisfactory?

Yes. The transit pass system is in common use in this Municipality. The system under the present circumstances cannot be satisfactory because it imposes the condition of goods being passed under the escort of the octroi peon. No post can keep a sufficiently large number of peons to do this service without incurring large expenditure which often times is not warranted by the importance of the barrier in respect to its income. Generally carts loaded with transit goods have to wait at the entrance barrier until they are several in number, so that one peon may escort them all. If they are promptly dealt with as they arrive at the barrier a large number of peons is required. The public is therefore unavoidably subjected to unnecessary delay and inconvenience. The simple procedure would be to demand from the carrier of transit goods a declaration of goods in a printed form kept in duplicate at the barriers, one of which may be given to the carrier and the other left at the barriers. The declaration may first be checked with goods at the starting barrier and then at the exit barrier. The columns of the declaration may relate more or less to kind of ~~goods~~ quantity & value, ^{of goods} probable amount of octroi if levied, number of bags, time of transit &c., &c., and a printed declaration binding the carrier to certain conditions on breaking bulk or other offences under octroi rules and to pay a fine of such and such amount if the conditions are violated. To make matter more secure, a lumpsum a little more than the actual amount of duty if levied be taken by the entrance barrier Moharrir and shown in words and figures in the declaration. The Moharrir of the exit barrier may on checking the goods with the declaration, refund that amount. For this purpose certain specified sums under Imprest fund may be left with the Moharrirs. This procedure differs from the Transit Refund system in as much as it requires taking only cash surety amounting to more than the amount of actual duty so as to avoid any temptation on the part of the carrier to smuggle, and returning it at the other barrier. The copies of the declarations may be compared daily at the Hd. Office; no peons are to be employed in this system. We have simply given the merest outline of the procedure. It can be worked out in fuller details by the Municipal authorities. We can also submit the full scheme if required to do so.

13. Have you employed the transit refund system? If so, with what results?

Transit Refund system is not in force in this Municipality.

14. Have you any verifying officer (rule 80, Municipal Account Code)? When goods are not brought to the head office, who verifies them at the barrier? Are any particular classes exempted from bringing their goods to the head office for verification?

As required in Rule 80 the verifying officer is neither a Member nor any responsible Officer of the Board but Moharirs on Rs. 25/- a month who verify the goods. Neither as referred to in Rule 77 there is any Officer or Member appointed to be incharge of the payment of refunds. Neither Secretary nor Assistant Secretary nor any member of the Board ever attend the refunds either at the place of the verification of the goods or the payment of the refund and both these important duties have been entirely left over to clerks or treasurer who are mostly vernacular knowing men. They do as they please and when the people complain of their high-handedness, the Municipal officers without taking personal pains to come and see the things themselves—without which the elaborate system of refund and its working and evils arising therefrom can hardly be fully understood, listen more to the subordinates and their onesided versions than to the representation of the public. At present the goods are invariably brought to the Hd. office and no one is appointed to verify the goods at the barrier. Moharrirs there simply check the goods verified at the Hd. office. No classes are exempted from bringing their goods at the Hd. office for verification. But it had been a well established procedure in this Municipality for over 25 years that goods for refund on which duty is levied per maund were not called for examination at the Head Office but the examination and endorsement of the barrier moharirs and the Railway Receipts of the despatch of the same goods showing weight thereof were considered sufficient for purposes of refunds because the essential point is the ascertainment of the weight and the description of the goods, and these were fully established by the comparison of the endorsement of the barrier moharrirs and the Railway Receipts. But some how the suspicion arose without any enquiries and detection of any case that refunds might have been wrongly taken and goods not despatched, and accordingly orders were issued that goods should always be brought to Head Office for examination. This entails additional expense for cartage and labour, and besides a lot of troubles. The rules do not mention any where that the refund applicant should take the goods, on the other hand mention that they need not necessarily be brought to the Head Octroi Office and that every convenience and facility should be given to the exporter and that no unreasonable delay and damage to goods be caused. In connection with the verification of goods at the Head Office one fact is worth noting. Goods are examined at Head Office and then left to exporters to find their own way to the barriers without any escort or watch whatsoever during the transit by the Municipality. At the barrier they are again examined and this examination is considered final according to which refund is allowed, and the examination of the Head Office is not taken into account. Is it not natural to ask what is the good of the first examination under such circumstances? If the goods examined at Head Office were sent under Municipal escort to the barrier there would have been some justification for it, but as it is, it is of no use. The goods should be once examined as at the time of octroi assessment, and any system involving a series of examinations for goods is far from being

satisfactory. The rules to be just and equitable should have similar tendencies both in Octroi and Refund.

15. What is the amount of the minimum refund in your municipality? Do you consider that it should be raised? Should the minimum refund be identical throughout the province?

The minimum amount of refund is annas -/2/-.

1. It is also respectfully urged that no refund for less than annas 2 is given while octroi duty is charged even to $1\frac{1}{2}$ pies. This is against the principle laid down in section 2 Para 1 Part II of the Municipal Manual Vol I. "It is essential that this form of taxation (octroi) shall be confined *entirely to the consumption of the town* in which and for whose benefit it is levied." For all articles charged to duty up to annas -/2/- no refund is allowed and in that, the Municipality unfairly appropriates to itself the amount whatever it may be in a year, which would have gone to the public under refunds. The matter deserves all the more careful consideration especially in view of the fact that this duty falls entirely upon the poor people, who have no chance of taking refund while paying duty. Merchants send for large consignments and they generally pay duty much more than -/2/- annas and have the chance of taking refund but the poor half starved villager who brings in his donkey load of fuel or the milkmaid bringing in her pitcher of milk for sale into the town pays duty on his or her articles but has no chance of claiming refund if by ill-luck he or she takes back the things or purchases and takes to the village other petty things in return. The lot of the poor from this unequal treatment deserves to be redeemed and this can be done in either of the two ways. (1) By reducing the minimum limit of refund to $1\frac{1}{2}$ pie which is the limit of octroi assesment and allowing the barrier moharirs to make refund upto -/2/- annas or (2) by raising minimum limit of octroi to -/2/- annas so as to be on par with the refund limit. While resorting to the first remedy, there may be some difficulty and inconvenience both to the management and the people concerned, there is no difficulty whatsoever in the adoption of the second course.

2. The total amount of octroi realized up to -/2/- annas, we believe, is not much and whatever it may be, is justly liable according to principles laid down to deductions on account of refund and the balance left will not be such as could not be recouped by economy exercised in expenditure. There are certain minor barriers which exist simply to realize this duty and there are certain other superfluous barriers which could with advantage be amalgamated with the adjacent posts. Much more saving in expenditure is expected if better supervision is exercised and the petty loss of the impost will not at all be felt. When the poor thing that His Honour has in their interests abolished all bridge tolls and other similar petty taxes which certainly yielded better income and which pressed less heavily upon them they are not unjustified in expecting that you will be graciously pleased to take this necessary item of reform into your consideration.

16. Are refunds as a matter of fact frequently not claimed? When claimed are they usually given with promptitude? Do you consider that a very light import duty without refunds is preferable to the existing system?

Rule 75 lays down that all refund claims should be promptly dealt with and that the refunds are to be made on demand even at the risk of budget allotment. But this facility is not the lot of the people. On many occasions people have to wait from day to day for payment and although the office is open upto 5 o'clock, no refund is paid after 3 o'clock. At the time of payment the treasurer takes signature of payees in a separate

book inspite of the *bona fide* signatures being given on the Refund Rawanna as directed by rules.

No. We do not consider that a very light import duty without refunds is preferable to the existing system simply on the ground of principle but on ground of convenience and facilities to traders ^{it is} preferable just as the 1st class carriage in a train is not superior to the 3rd class carriage on the ground of speed of train but on the ground of personal convenience of the passenger.

17. Do you believe that a practice of under-estimation at the barrier of import exists owing to the absence of facilities for weighing consignments?

On the other hand we believe that over-estimation is made where consignments are not actually weighed. A Moharrir is more apt to over-estimate than to under-estimate for fear of his being taken to task if the consignment is checked by the patrolling inspector or any other officer. The over-estimation is also objectionable but it is human nature that officers mostly when meeting the instances of over-estimation gloss over them, and severely punish those of underestimated. *cow*

18. Do you think it would be convenient if refund application forms were made available for traders at the railway barriers?

Yes. It would give a little facility to the traders if the refund application forms are kept at the barrier but the benefit is not appreciable and would not strike the imagination of the public.

19. Do you consider that there are any objections to making refund orders payable to bearer? Should any time limit for payment be fixed?

No. There are no objections to making refund orders payable to bearer. The limit for payment *i. e.*, 3 years as laid down in the note to Rule 88 of the Municipal Account code but seldom observed, would do but stringent orders for observance of this rule will have to be given to Municipal officials so as to thwart their activity in playing a game of hide and seek with it.

20. Do you know of any abuses in connection with—
(a) collection of octroi at the barriers;
(b) issue of transit passes;
(c) payment of refunds;
(d) passing of railway-borne goods from the railway barriers;
(e) passing of goods on composition passes?
Can you suggest any amendment of procedure which would tend to prevent such abuses?

(a) 1. As in the Refund department the prevailing tendency is to reduce the refunds, the dominating rage in the Octroi is to increase octroi income. Almost all articles whether shown or no in the Schedule are assessed under some head or other, or under two or three heads at the same time. There is no mention in the Schedule of such articles as Silver or Gold ornaments, Jewellery, Photographic materials, Spectacles, Talking machines such as Gramophones etc. and many others yet they are assessed and assessed at different rates; sometimes the ornaments and Jewellery are assessed at 3-2-0 p. c. as articles made of metal and sometimes at 1-9-0 under fancy goods.

2. Sugars are generally assessed at 5 and 3 annas per md. but the tendency is to charge at 5 annas even when the sugars are of inferior quality just in contrast to the contrary tendency in the Refund Dept. to rate them at 3 annas. The importers are, contrary to all rules, made to write in the assessing office in declaration slips (formerly printed slips were provided for this purpose) that the sugar is worth so and so inspite of the fact that the interests of the Municipality are amply provided in the Rules in the check of the barrier moharrir of the goods. The schedule shows 'Stone for building' but under this head even slabs of soft black stones or

other pieces of soft stone imported for the special purpose of making toys and other fancy ware are also charged to duty. Items 70,71 and 84 are largely resorted to for covering all sorts of assessment ; Item 4 imposes duty of 1 anna on wheat, flour and suji which is unjust.

3. At no barrier nor at the central office loading and unloading staff is provided yet both the moharrirs and Head office men insist upon a minute examination of goods involving packing and unpacking of bales, taking up and down articles from the cart, which is all done by the importer or his men at additional expense. The difficulty of examination is very much enhanced when boxes and bundles containing thousand and one kinds of fancy articles are opened up at the barrier. The process takes sometimes 5 or 6 hours. In opening out and spreading all the different articles and then re-arranging and re-packing them, it often happens that some of the petty things are lost or stolen away by the staff. In explanation II. of Rule 27 Railway especially E. I. Company stores are exempted from payment yet duty is invariably charged on all goods auctioned at the Railway Station near the octroi barrier and brought into the city. There is no provision for the opening of the trunks of passengers and unnecessarily inconveniencing them by detention, and the personal luggage and even the house-hold effects of a traveller are exempt yet the Municipality keeps an elaborate system of examining all the passengers and giving them lot of trouble by opening their packages and sometimes sending them with their luggage to the Head office with an escort. The inconvenience of the passengers may be imagined when at the end of a long journey and after all the troubles of travelling, they are molested, detained and unnecessarily subjected to duty on something or other.

4. Another instance illustrating unusual inconvenience and loss to the traders is that when fresh fruits are imported, Barrier Moharrirs do not take duty on value exceeding Rs. 50 and send all such consignments of higher value to the Head office which is open only from 10 a.m. to 3 p.m. for assessing purposes but when there is a holiday and the office consequently closed, the importer has to suffer a great loss by the detention of his perishable goods which in this interval become rotten and mostly useless. The Barrier Moharrirs should be ordered to assess all such goods.

5. Rule 53 lays down that goods on which the octroi does not exceed Rs. 2/- shall be dealt with at the Railway barrier in accordance with rules for observation at outpost barriers and registration of the Ry. Receipt shall not be required. Rule 39.(1) and Note lay down the limit of Rs. 50/- up to which value the Ry. barrier moharrir can assess duty. These two directions are contradictory, for instance, stone is charged at 4/11/- p. c. according to rule 53 (1) the moharrir can charge octroi up to Rs. 2/- which extends only to the value of Rs. 43/-. But rule 39 (1) authorizes him to assess to the value of Rs. 50/- which he cannot do under this case unless in opposition to Rule 53 (1).

6. Piece goods are taxed at 1/9/-p.c. and according to rule 53 (1) he could take 2/- as octroi on the article, which raises the limit of value to

Rs. 128/-. But this he cannot do under rule 39 (1) without breaking it because there the limit is only Rs. 50/-. For this confusion in rules and the observance thereof, it is the importer who suffers unnecessary inconvenience; he is practically driven from post to pillar. If he goes to the Hd. Octroi Office with an invoice of piece-goods worth 70/- for payment of duty, the assessing officer drives the man away to the barrier saying that, duty on Rs. 70/- worth of cloth is only 1/1/6 and that the moharrir can take duty up to Rs. 2/- and when he goes to the moharrir, he is told that he (Moharrir) could not deal with the case as the value limit for him is only 50/-. The assessing officer defends his action under Rule 53 (1) the moharrir does his under Rule 39 (1) and while both are right both are utterly wrong and the poor importer whose fate is concerned, is in a dilemma. Ultimately the moharrir sends up his goods when he has taken delivery of them from the railway with a report and a peon to the Hd. Office under Rule 58, where his fate is decided. At first when the importer called at Hd. Office he was refused because the technicality of Rule 58 was not observed. This is very very bothersome and the wonder is how these two Rules 53 (1) and 39 (1) are allowed to stand as they are in the book. Tax on thread and yarns is very anomalous. It should be abolished on these grounds (1) Cloth is already taxed; thread of which it is made should not separately be taxed (2) Agra made yarn is generally taken away to neighbouring villages by artizans who bring it back into the city in the shape of coarse cloth which is subjected to octroi whereas no refund on the materials was paid at the time of export under excuse that the thread was made in Agra (3) The income of octroi on thread after refund is presumed to be inconsiderable, the figures are not separately shown in the Annual Report of the Municipality.

7. Rule 129 in view of the convenience of petty traders who attend *hats* and *marts* in the neighbouring villages, authorises the barrier moharrir under resolution of the Board to issue Extraordinary Passes but this authority is sedulously kept to the octroi Superintendent at the Head Octroi Office. In a large city like Agra which has many neighbouring villages where *hats* are frequently held and to which petty city traders are constantly going with their goods for sale, this power must be given to the barrier moharrirs and these men be saved all the trouble, expense, delay and disappointment they incur in going with their goods to the Head Office especially when there is a holiday. It is not only this but the issuing of these Extraordinary Passes is very troublesome. Neither Rule 130 nor 131 which regulate the procedure of the passes for petty traders prescribes any limit of period for which they should be issued, but the Municipality invariably issues these Passes for one month and if the goods return even after a day after that period, duty is taken on them. There is no justification for this levy of duty in the rules.

8. No Branch Offices for convenience of assessment of goods and refunds as provided in the Manual code are established in the Municipality although it is one of the biggest Municipality in the province and the work at the Head Octroi Office is overwhelming and means delay and inconvenience to the public. Branch Offices should be opened at once.

- (b) Answer to this is given under questions 12 which may be referred to.
- (c) Answer given for question 9 (b) may be consulted.
- (d) The examination of the octroi Moharrir of the goods taken delivery of from the station and on which octroi has already been paid at the Head Office, is useless, for the importer can not import more than what is shown in the Railway Receipt according to which the octroi was realised at the Head Office. Moreover by the comparison of the Daily return of R/R cleared from the station and of the Invoice Register Head Office can well detect any discrepancy if at all occurring.
- (e) Abuses in this respect mostly touch the use of the composition tickets which are sometimes ^{pl}amed off on the octroi Moharrirs even when their term has expired. The amount of duty that falls really due on the articles passed under composition tickets is much higher than six monthly or yearly payment of a lump sum of Rs. 2 or 4 under which the ticket is issued.

It is not improbable that unscrupulous ticket holders adopt the ^{use} of importing articles under their tickets other than those for which the ticket are intended. If the ticket holders do not mean to be very strict and conscientious themselves, there is not much outside check that could thwart any illegitimate activity.

The minor amendments are already suggested where the abuses are described under the heads alluded to but the whole question of octroi taxation has to be dealt with and the existing rules in the Municipal Account Code require considerable additions and alterations. In fact the very basal structure of the present system has to be overhauled and remodelled and re-built. We shall deal with the question at length in answering the question 35 and therefore withhold further observation at this stage.

21. What is the system of (a) collection and (b) refund, in the case of goods imported and exported by rail? Does it vary according to whether they are imported by passenger train or by goods train?

Answers to both (a) and (b) of this question have been fully given in connection with previous questions. Rules 52 to 60, and Rule 92, in the Municipal Account code describe the system for octroi and refund on Rail imported or exported goods, and that these rules, apart from the consideration of their intrinsic worth, are not faithfully observed has already been stated in answer to the previous question, and need not be repeated here.

As to whether the system varies in regard to passenger or goods trains, we beg to add that more than 90 per cent of goods are imported or exported by goods train and not passenger train. Imports and exports by passenger trains consist of petty articles which the passengers carry with them and of parcels sometimes which are not considerable from the standpoint of an octroi assessing official. To realise duty on such petty imports, octroi peons watch the passenger trains and take the likely passengers to the adjoining octroi posts where duty is realised and in the case of such exports, a chaprasi from Head Office accompanies the passenger to the Railway

Station where he pays the refund amount due, after the refund application has been endorsed by the octroi moharrir. The system of posting of peons at the Railway Station to watch the passengers who are taken to the octroi post and subjected to every sort of annoyance and worry after the inconvenience of a journey is very irksome and harassing and has justification neither on the consideration of income nor efficiency of management. It is a relic of the uncivilized times when people had not learnt the elements of administration. Post Office administration in India presents a model which even now stands unique not closely approached by any other department.

22. What articles are charged according to invoice value, and what according to market value? Are freight and packing charges included in the former? Do you consider existing procedure in this respect correct? Do you think a general rule should be enforced in all Municipalities on this subject?

1. The Agra Municipality in case of goods imported by Rail for which procedure is clearly laid down in rule 54, accepts invoices only on goods falling under classes 4, 5, 7 and 8 and assesses goods falling under all other 4 classes according to prices current. Even when it accepts invoice in case of these goods it does not accept written declarations as substitutes as mentioned in this rule; when no invoice is presented and the importer presents a declaration according to this rule it charges all articles according to prices current in total disregard of the fact that this procedure is against the rule. For Railway goods, Rules 52 to 60 lay down a procedure for goods but throughout these rules there is no mention of prices current, yet out of 8 classes of goods, 4 classes are assessed according to them which causes so much loss and inconvenience to the importers by Railway. Prices current are chiefly meant for barriers and not for Head Office and even for goods coming by outpost barriers. Rule 39 (3) provides that the importer can claim assessment according to invoice value on goods under class 4, 5, 7 and 8. It seems that this Rule 39 (3) which is only meant for goods from outpost barriers has been confused with Rule 54 which is intended for Railway goods, and this confusion should at once be done away with.

2. Freight and packing charges are sometimes included and sometimes excluded. The officials are at least required to exclude them but the direction is not fully carried out. A general rule to exclude freight and packing charges from the invoices should be enforced.

3. In reply to the question 'Do you consider the existing procedure in this respect correct?' we regret to say that as far as this Municipality is concerned, one cannot say with certainty what is the existing procedure. It changes them at its sweet will. As far as the direction as to exclusion of freight and packing charges is concerned, we consider it to be good.

23. Can you see any objection to a proposal that railway receipts should be registered and vouchers as to their contents issued from the railway barriers, instead of the present system?

Unless the amount of octroi duty due on the consignment is taken at the Railway barrier, instead of at the Head Office, the proposal represents a change that is not calculated to afford any considerable facilities. Mere tinkering with the difficulty would not do. The whole system of collection and refund if it is to be at all retained has to be newly dealt with. Patches here and there in the old worn out rules will hardly meet the needs of the people.

24. Do you think that when goods subject to maundage rates have been assessed to duty on the authority of the railway receipts, any further check is necessary at the railway barrier on entrance of the goods into Municipal limits.

No such check is necessary because the railway return of daily receipts cleared when compared with the assessment register at the Hd. office will detect all discrepancies if at all existing. The register check is a most potent check and not very carefully done in this Municipality.

25. Do traders complain of delay and trouble owing to existing procedure in the case of goods imported by rail? Can you suggest any amendments in procedure by which such delay and trouble could be minimized or avoided?

For answer to this question, please refer to our remarks under question 4 and others touching octroi abuses. Although we have suggested amendments here and there to complete the answers, we have reserved our important suggestions for the answer under question 35, which may be referred to. We may however by the way suggest that arrangements if made at the different Railway barriers to take all duty on the Rail imported goods would be an undoubted improvement upon the present system but as we intend to suggest a different method of octroi realisation, if the octroi is at all maintained which we do not approve, we have thrown out this hint simply with a view to suggest improvement, taking for granted the existence of the procedure.

26. What are the steps taken to prevent smuggling of octroi articles in passenger's luggage? Do these precautions lead to much friction with travellers?

The steps taken to prevent smuggling of octroi articles in passenger's luggage relate to posting octroi peons at the Ry. Station outlets who take the passengers to the adjoining octroi posts, where their trunks &c. are examined and duty realised when due. The passenger at the end of ^{his} journey is never in a very cheerful frame of mind and feels annoyance when disturbed and detained for this examination. Frictions are not uncommon things, and while the octroi moharir secure in support from his officer, exceeds the limit of his power, and tightens up the cord of his examination, not unfrequently causing unnecessary botheration and giving offence by the unrestrained use of his tongue, the passenger, jaded and exhausted by the journey, shows temper which he would not be shown under ordinary circumstances and the inevitable result is that he and the moharir often fall out. This system of examination is never successful. The octroi peons whose duty is to watch such passengers, show unusual activity and over-zeal in the performance of their duty at certain convenient train times during the day but are generally absent at night trains, and those who have a mind to smuggle come in mostly by the night trains. The total income realised on the passenger's luggage is not much and as figures under this head are not separately reported and recorded, responsible officers who would have otherwise abolished this procedure, are always kept in delusion as to the importance of this check. The beauty of the whole thing is that there is not a single rule in the Municipal account code justifying this examination. On the other hand Rule 27 (9) aims at discouraging such an examination. The whole thing is a relic of crude and rude management that obtained in less civilized times and requires to be knocked down with the blow it so preeminently deserves.

27. Is octroi levied on articles sold within railway compounds situated within Municipal limits? Is there a shop at the station in your Municipality? How do you deal with it in the matter of octroi?

There are no permanent shops within Railway compounds here. There is only a stall or two at the station, which mostly contain articles purchased from the local market and therefore octroi paid. The Book stalls do not fall within the province of octroi assessment.

28. Is there any system of composition for octroi (a) by traders, (b) by private persons in force in your Municipality? If so, kindly describe the system. How is the amount of composition fixed? Do you consider the system satisfactory? If not, what amendments would you suggest?

The system of composition for octroi falls under two heads (1) composition merely for payment of octroi, which consists in payment of six monthly or yearly fee of Rs. 2 or 4 for the articles imported by the compounder during that specified period. This part mostly relates to non-trading individuals who import personal requirements. These persons are given a metal token which when produced at the barrier along with the imported goods has the effect of silencing the moharrir for octroi duty. This sort of composition is in force in this Municipality and is practically permitted to the European residents and Officers. The composition fees are fixed—perhaps Rs. 2/6 for every six months. The other phase of the composition is to allow persons or traders to compound on the basis of their net imports. Rule 70 of the Municipal account Code lays down the details of the procedure & may be referred to. This composition is not in force except in the case of one Shoe Factory. From the point of view of the traders this system of realising octroi is better than the existing elaborate system of collection and refund of octroi. The details in the working of this composition system are susceptible to be made fewer and simpler, and if desired and given time, we can produce a separate note setting forth the necessary changes. Just now we confine ourselves to only the broad aspect of the question.

29. Is any check on composition passes exercised, or are they accepted without inquiry?

As far as this Municipality is concerned no check worth the name is heard to be exercised.

30. Has the metal token system been introduced? If so, with what success?

Yes. The metal token system exists in this Municipality and seems to have held its own. The abuses as mentioned before, relate to using of the metal token after the expiry of the term and to the probable inclination on the part of an unscrupulous ticket holder to import articles other than intended under the condition, by palming off the token upon the moharrir.

31. Are private persons allowed to take their goods past the barrier without payment of octroi and subsequently bill them for the amount? Do you think such a system fair, profitable and generally satisfactory?

No such system exists here. The success of the system depends upon the manner in which it is carried out. Generally the staff working it out makes it look bad. The good intentions that underlie the system are apt to be forgotten and where the superior officers do not closely watch their subordinates, considerable botheration and worry ^{are} caused to the public.

32. Should Military dairy farms be exempt from octroi? If so, on what grounds?

Military dairy farms should be subject to octroi as much as other firms within the Municipality and we see no reason why they should be exempt.

33. Should any octroi be levied on goods imported free by Government, but subsequently sold to private persons? Can you quote any cases throwing light on the question?

Octroi, if at all to be levied, should be levied at the time when they are imported. To realise such a duty at the time of their sale is neither practical nor fair because it runs counter to the basal principle of octroi taxation that every one is free to purchase and sell things within the Municipal limits. In case where such things are sold outside the Municipal limits, duty would in ordinary course of business be levied on them as soon as the purchased articles pass through the octroi barrier into the town. The cases throwing light on the question may be found in the auction sale of furniture and other articles imported free by Government on the occasions of Durbars and other Government functions, such as Delhi Durbar, Amir's visit to Agra, Prince of Wales visit to different big cities of U. P. and Oudh, and also in the sale of old and superfluous articles by different Government departments.

34. Are there any bonded warehouses or free markets in your town? Are they popular? Are any duties charged in connection with their use? Have you any suggestions for improvement in their working? Do you consider that a system of private bonded warehouses would be advisable if so, what means of control would you suggest in order to safeguard the octroi income?

There is no bonded warehouse or free market in this town nor one is required. The views of the people of this city in regard to the Freegunj scheme contemplated for the town are as follows.

(1.) The wishes and feelings of the people of the city are never taken into consideration when the Municipality undertakes even most important schemes. This is fully illustrated by the fact that though such an important scheme as that of Free Gunj involving expenditure of lacks of rupees and affecting the best interests of the people especially the traders has been undertaken, the people have not been taken into confidence and their interests scarcely taken into consideration. In fact the people know very little about its present shape. No scheme setting forth details in full as to the *modus operandi* and the nature of the demand which is to be made upon the public was first issued for public opinion as is generally done when Government proposes any project or scheme, and even the Municipal Commissioners who of all the persons ought to know about it, profess their ignorance when asked as to the details of the thing in its present aspect. We look upon the pusillanimous conduct of some of the members with regret but as the cause of this is deeper we would prefer to request for the removal of the cause and for an assurance that the members will be allowed to breathe in the free atmosphere of independent action untainted by any under-hand policy or pressure. We have no sympathy with the Freegunj scheme as it is. From what little we have heard about it we find it does not suit us and is on the other hand opposed to our interests-based as it is in disregard of local conditions and circumstances peculiar to the trade of Agra.

(2.) The Law regarding Bonded Ware houses as laid down in Para 4 Chapter III. Part II. Municipal Manual Vol. I..is.

“The important point is to ascertain and follow the interests of the traders in the matter.”

‘The duty of the Board is to provide a place where wholesale dealings in octroi articles can be carried on without the annoyance involved in payment and refunds of octroi.’

‘It is not necessary that there should be a pretentious building for the purpose.’

The Agra Freegunj scheme seems to run tangent to these principles and the principal object seems somehow to increase the income of Municipality by charging high rent for the buildings therein to be constructed irrespective of the consideration whether the owners of houses in the city will suffer or no by fall of value in their property or whether the city trade will be dislodged or no or whether the people will be induced to forgo their interests in the city and settle down at the Freegunj under the conditions to be imposed. They were under an impression that sites will be assigned to them for private buildings if they chose to erect them but this seems to be impossible under the present arrangements. The best justification of the scheme lies in the maintenance of octroi system but when a case is made out as it is in the case of this Municipality for abolition of duty if not on all articles but at least of such as enter most in trade and the *through-trade* wherein has been severely hadicapped, and no solution short of this will meet the wishes of the people and tend to the prosperity of the town, the whole fabric falls to the ground. We have already represented to His Honor the Lieutenant Governor that immediate steps be taken to stop the progress of the Freegunj scheme until our side of the question has been fully taken into consideration and decided so as to avoid the necessity of taking loans by the Municipality which will ultimately fall upon the people in some shape or other. It is therefore urged that if the scheme is carried out against the wishes and feelings of the people they will no more be responsible for it.

35. Do you consider that it would be possible to abolish octroi in your Municipality, replacing it by other indirect taxes, or by direct taxation? If you consider the abolition of octroi feasible, what sources of income would you suggest for its replacement?

To answer this question it is necessary to know the extent of the gap that would be made in the Municipal income. Supposing this is already known, the question arises whether the attempt is simply to fill up the gap irrespective of all other considerations or the question involves an intelligent examination of the want that has to be supplied. If former is the case, it is naively taken for granted that the whole amount which now forms the octroi revenue and which would be lost to the Municipality if the octroi were abolished is essentially required and that items of expenditure it meets are intrinsically sound and that their importance justifies the absorption of the whole amount and that it is unholy to question the expenditure. Starting on this basis, a disproportionate idea of the magnitude of the loss is formed and the remedial measures that have to be proposed also assume exaggerated proportions. In this aspect, a tacit acquiescence in the methods of expenditure by the Municipality is implied.

The other aspect which involves an intelligent examination of the sources of expenditure presents the matter in a different shape and raises the question whether the expenditure for which the money is required is or is not susceptible to curtailment. Is it necessary to collect certain fixed amount from the people and to spend it somehow. A scrutinizing examination of the different heads of expenditure which would suggest totally lopping off certain items, considerably curtailing others and retaining the balance, is absolutely necessary. It is difficult to believe that the Municipalities more especially the Agra Municipality is working so economically that there is no scope for retrenchment in its expenditure. Squandering thousands of rupees on decorating the Municipal Hall with costly inlaid gold work and classical painting, and keeping a highly paid staff which far exceeds the requirement of the departments and spending Rs. 16,435 a year on the Municipal Head Office and nearly Rs. 5,000/- on printing charges, this Municipality can hardly be credited to be a very economical master. We have gone through the expenditure details of this Municipality as given in its annual printed Reports for the last 4 years and have come to the conclusion that excepting the item of repayment of the loan which amounts to Rs. 1,80,762 yearly on an average of 4 years the ordinary expenditure excluding the octroi Refunds but including the contributions can be met by the ordinary receipts under all heads except the octroi collection. This shows that if octroi is abolished, the remaining receipts are sufficient to meet the ordinary expenditure of the Municipality. The expenditure as it now stands is susceptible of being reduced to 30 per cent even more, and the problem before this Municipality on the abolition of the octroi remains not how to meet its expenditure under ordinary heads but how to discharge its liability of debts which it has somehow incurred. Should there be any doubt as to what we have stated, we can submit if required a detailed statement of expenditure framed on the scale suggested. In regard to the item 'annual repayment of the loans,' we would suggest that the tax that we have later on proposed, should be confined to only a fixed period of say 5 or 6 years. In the first place it is our firm conviction that the Government of Sir Hewett which is so unstintedly devoting itself to the improvement of the province in every respect should come to our help and find out some

item in its provincial Budget that could meet our difficulty. A small fraction of the increased revenue that has been assigned under the revised Provincial settlement to the U. P. Government would suffice to place us beyond the gulf of the debts. Excise, assessed taxes, are the most likely items from which our burden can be relieved. Next to them are the Provincial rates, if available after assignment to the District Boards, and the Famine Funds which do not very remotely bear upon this relief. Octroi enhances the prices of food-grains and the dearness is recognized in famine times even by the Government who is pleased to award compensation to the low paid servants. By diverting a slight portion of the Famine Fund, the necessity of the compensation will be done away with and the problem of high prices which is before the Supreme Government at present will to a certain extent be solved by your Government.

The Government of Sir Hewett has abolished the tolls, Patwari fund Local rate fund &c., has brought the famine relief measures to the highest pitch of excellence irrespective of any narrow consideration for expenditure has spared no efforts to effect the industrial improvement of the province, launched noble and grand schemes in that direction, lavished money with unstinted liberality on the improvement of sanitation, on reform of Police, on the improvement of Medical department and on development of Primary education, and on introduction of technical education for which it has given scholarships.

With a rise of 122 lakhs in the Provincial shares under the new Provincial settlement which gives the province a large share in the divided heads of revenue, increases the stability of our income by guaranteeing us a minimum under the land revenue head and allows for an immediate increase in the standard of expenditure particularly under medical, education and police, with that consummate mastery of the subject of commerce of which he is an expert and with that intense devotion to his predominating passion for ameliorating the condition of the people of this province which reflect in all his acts, we have every confidence that His Honor will never rest contented until he has ransacked the ins and outs of the Provincial Budget and ferret out an item or a number of items of income from which he could fill up the gap created by the abolition of the octroi, of the disadvantages of which His Honor is so well convinced. No language could cry down the system more emphatically than that of His Honor in his resolution No. ³⁵⁰² XI-700 D. dated 7th October 1908 which lays down.

“These figures (Refund figures &c.) are a strong indictment against the present system. The hindrance to business which that system involves is incalculable; the trouble and expense to the corporations themselves are a patent abuse. The figures indeed suggest the question whether the total abolition of octroi is not possible, and in view of the experience of other provinces, where octroi is unknown, the question is one which cannot without careful examination be answered in the negative.”

Again in the Administration Report, United Provinces for 1907-08, the following observation occurs.

“As regards taxation, there is the question of octroi on which Municipalities depend for the bulk of their income, *the disadvantages of this system are obvious, &c. &c.*”

It is possible that the items of income in the provincial Budget such as excise, assessed taxes, provincial rates, Famine Fund &c., that we may suggest as likely from which the necessary expenses of our Municipality on the abolition of octroi be met, may be objected or found inconvenient to be parted with, but we cannot believe that His Honor who never disguises his disgust of the octroi-system, would not carefully scrutinize the income and expenditure sides of his provincial Budget and squeeze out of them a modest amount of a few lakhs a year which would enable the octroi to be abolished and accomplish the most needful reform, the value of which on commercial and political grounds cannot be over-estimated.

The likely course, we may venture to suggest, that would successfully tackle the problem of octroi abolition would be.

(1) To find out the total net octroi income of the province.

(2) To find out that amount of the total expenditure of the establishment kept to collect it and then to deduct it from the total net octroi, thus finding out the filtered net amount of octroi, which would be lost if octroi abolished.

NOTE.—The above two amounts as given in Resolution No. $\frac{350a}{XI-700D}$ D/7th October 1908 are respectively Rs. 34,16,433 and Rs. 8,18,526 leaving the real net octroi at Rs. 30,97,907 for the year 1906-07.

(3) To examine the expenditure of each Municipality with a view to ascertain whether it is economical or loose.

(4) To propose after such examination, the amount of total reduction that could be effected in each Municipality and then in all.

That there is necessity for this examination is made amply evident from the following remarks in the Report on Municipal Administration and Finances in the United Provinces of Agra and Oudh for 1907-08.

“The chief lesson of the year the Lieutenant Governor considers is the necessity of improved financial administration.

* * * * *

But some boards have made haste to employ their surplus without considering whether they could afford to do so and the summary of results which is given in para 22 of this resolution shows that in a large number of cases the financial position is very far from satisfactory.

* * * * *

The matter is in no way a technical one but calls simply for the application of common sense. It is clearly wrong for a Municipality to spend the whole of an unexpected addition to its income on miscellaneous objects while it is face to face with a large drainage scheme for example, for which it will be difficult if not impossible to provide from its ordinary resources. It is equally wrong to sanction recurring expenditure against a windfall or on the strength merely of a large balance in hand ; clearly the total of such expenditure must never be allowed to exceed the annual income on which the board can count one year with another. It is wrong to hold bills over for payment from one year to another. It is wrong to sanction any expenditure whatever to meet which there is not an ascertained margin. These

matters are mentioned because experience shows that in practice they are disregarded and their observance is becoming more and more necessary.

* * * * *

To fit the Bords for the proper discharge of their duties, the first essential is that they should learn to establish and maintain a sound financial position.

They must in short practice economy which means, not cheeseparing but a just appreciation of requirements and a wise foresight in the administration of their resources."

Again in the U. P. Administration Report for 1907-08, the following remarks are made.

"It has been found that boards are frequently very lax in their financial arrangements, and as the result partly of *carelessness*, partly of the heavy liabilities incurred in carrying out large drainage and Water Works, the financial position of most of the large Municipalities is unsatisfactory. In such circumstances the boards frequently look to the Government for assistance ; but while the Government is ready to give subventions for particular schemes which are beyond the resources of the boards it is of opinion that a system of grants made merely for the general purpose of supplying a deficit would be demoralising. The first lesson which the boards have to learn is the necessity of financial independence and of adjusting income and expenditure."

(5) To deduct the amount of reduction from the total real net income so that the exact amount may be discovered which has to be replaced.

To illustrate, suppose Rs. 1,00,000 is the real net octroi *i. e.*, amount of octroi minus refunds and cost of collection and Rs. 30,000, the amount of reduction, then Rs. 70,000 is the total sum that has to be replaced. At present the question stands simply this. Only net octroi is taken *i. e.*, octroi minus refunds, not octroi minus refunds and cost of collection, and no consideration is given towards the retrenchment of the expenditure taken them to be all right in spite of such sweeping remarks in the Local Government's Administration Reports as above quoted. In this manner, the loss of the net octroi appears to be considerable but when it is subjected to the crucial test of the above mentioned examination it will turn out to be much less-say at least 25 per cent. less. That is, the present loss of total net octroi is reckoned at about Rs. 34,16,433 throughout the province but when cost of collection Rs. 3,18,526 is deducted it will thin down to Rs. 30,97,907, which after deduction of 25 p. c. on a close scrutiny into Municipal expenditure will sink to Rs. 23,23,430, showing a reduction of Rs. 10,93,003 on the basis of loss now set up.

(6) Having found out this ultimate basis of loss, to scrutinize the Provincial Budget with a view to ferret out some items which could be diverted to make up this loss. If the whole loss is not contemplated to be made up by Government, to make up a certain portion, leaving the rest for taxation upon the people.

Continuing the above figures, and supposing the Local Government has made up only a portion of it say $\frac{1}{4}$, the amount after all these filterations comes down to Rs. 17,42,572 which public should pay by taxation.

(7) Recognizing that Rs. 17,42,572 (on the basis given) are all that have to be realised from people, the first step should be to see whether the other taxes that are being levied in the Municipality are or are not susceptible of being enhanced to some extent. It is possible that at least $\frac{1}{3}$ of this money could be secured by making proper changes in the other existing taxes and sources of income.

The above sum thus reduced to the extent of $\frac{1}{3}$ will stand only Rs. 13,94,058.

(8) Of the 13,94,058 rupees to be raised by taxation, it has to be seen how much of this sum will go towards the re-payment of loans contracted by Municipalities and how much used to meet the ordinary expenditure. It is not difficult to guess that a considerable portion of this will be raised for repayment purposes. If the whole amount represent the sum annually repaid by the Municipalities, the inference is inevitable that the expenditure is extraordinary and will be relieved, if continually met every year, in a certain period. In that case, any taxation that may be levied should be restricted to a certain period say for 7 or 8 years, after which it may be withdrawn. Supposing the whole amount to be raised is not for repayment purposes, then the desired taxation may be imposed with the understanding that after a certain period say 6 or 7 years, when the repayments of loan in a Municipality have ceased, the rates of the tax so imposed will be cut down to the proportion of the actual need left.

In case a new loan is desired, it would be the look-out of the Municipality to consult the people whether they like the loan for such and such purposes and that if they desire it, they must be prepared to bear the burden. It may be urged that since the Municipal Commissioners are elected by the people, the opinions of the latter are quite sufficient and the people have no right to be consulted. The answer is that no such course is either advisable or always adopted even by the Municipalities. In matters of revision of schedules the proposed rates are required to be kept open for perusal by the people and objections thereon are received to a certain period, before which they go up for sanction to the Government. If it was not necessary to consult people in this respect, why does such a rule exist in the Municipal Manuals. Mere consultation of the members should have been considered sufficient.

The course adopted by the Commission now sitting on Municipal taxation is not to consult the members of a board only but to also consult the people whose opinions reckon as a factor in arriving at a fair conclusion. When people are thus consulted at the time of taking a loan for a work for public benefit the necessity or uselessness of the work will be easily found out, and if it gain the approval of the people, then a proposal may be made for the imposition of a fresh tax only for a certain period and not in perpetuity.

We may be allowed by the way to remark that the loans hitherto contracted by Municipalities have not been contracted in accordance with above procedure, that is the people have not been consulted in the manner as it ought to be. If in future Government make it a point never to grant loans when asked for by a Municipality until the Municipality has submitted a consensus of its local public opinion by first circulating among the people its scheme for which the loan is required, the Government will be in a position to know whether the object for which the loan is solicited, is one which the local public like or it is simply a pet of the officers who dominate the Board. It will also know the merits and demerits of the scheme as passed through this ordeal and it is quite probable that the amount of the loan as proposed by the Board will, by suggestions for economy in the working &c. by the people, will be much diminished. Now we beg to suggest the alternative courses that may be adopted in view to raise income to replace the amount of loss established after being subjected to the series of crucial tests which we have described at length above,

The first course is to avoid octroi taxation in any form. In such a case, the most likely constituents of the substitute are :—

1. Money obtained by enhancement or other necessary changes in the existing taxes &c. except octroi in a Municipality to the extent that not more than $\frac{1}{2}$ of the total amount now collected under these taxes be increased,
2. Levy of tax on Bicycles, Motor Cars &c. now exempt from wheel tax,
3. Slaughter-House tax which is now levied under general arrangement of octroi system.

This tax should take the shape of charging Re. 1 on every horned cattle, 8 annas on every pig, 4 annas on every sheep or goat slaughtered at the slaughter-houses. In other words, the proposed tax is simply an enhancement of the existing charges now taken there.

4. Tax on tanned hides sent to Burma at the places where they are prepared,
5. Tax on Foreign Wines, arms other than for army or Government purposes,

The realisation of this tax will be entrusted to the officer who issues the licenses in respect to them. In the case of wines, the same procedure as adopted in realising Income tax should be adopted and in regard to arms, a mere declaration of the value of the arms imported by the license holder will form the basis of assessment. The tax may be at the rate

of Rs. 5 per cent on the value of both the articles.

6. A passenger tax at the following rates :—

On railway fare tickets of which the value is 4 annas, at 3 pies per ticket					
Do.	do.	do.	8 "	6 "	"
Do.	do.	do.	12 "	9 "	"
Do.	do.	do.	1 rupee at 1 anna		"
Do.	do. for every 8 annas above 1 rupee			3 pies	"
Do.	do. of which the value is 1 anna or less to be exempted.				

Over and above the schemes above suggested, the following is also one which, though unsound on principle is preferable on ground of convenience and facilities for exports.

A terminal tax without export duty if levied in accordance with the sample schedule hereto appended for a certain period until the liabilities of the Municipality are discharged. This tax will be very popular with the city people inasmuch as all the difficulties in the way of the trade owing to the present system of octroi will be removed. A considerable saving in the expenditure of the Municipality will also be effected thereby.

SCHEDULE.

Class I.

Articles taxed at the rate of 1 anna per maund.

1. Wax and candle of wax, country and foreign.
2. Soap of all kinds " "
3. Matches.
4. *Ghi, Khoah* and Butter.
5. Oilman's stores, confectionery and tinned provisions (country and foreign).
6. Cigars, Cigarettes and tobacco of all kinds manufactured by European or American methods.
7. Glass, China-ware and crockery.
8. Meat of all kinds and fish.
9. Furniture and articles made of wood.
10. Perfumery and essential oils.
11. Chemicals and Medicines.
12. Haberdashery, millinery and fancy goods.
13. Photo materials.
14. Tinsel, gold and silver lace.
15. Brass (Unmanufactured and manufactured).
16. Copper Do. do.
17. *Kansa* and *Kuskut*.
18. Lead, zinc, Block-tin and Aluminium and German silver.
19. *Para* and *Shingraf*.
20. Leather and articles made of it.
21. Dyes of all kinds.
22. ~~Silver and articles made of it.~~
23. Pan leaves.
24. Cardamoms, (small and large).
25. Assafostida and *Hingra*.
26. Cloves and Pepper.
27. Water proofs.
28. Piece goods of all kinds (Country and foreign).

Class II.Articles taxed at the rate of $\frac{1}{2}$ anna per Maund.

29. Sugar (refined and unrefined), Sugar candy, *Bura and Batasha*.
30. *Gur*.
31. Rice (Husked).
32. Twist and Yarn (country and foreign).
33. *Mahua*.
34. Fruits dried and fresh (country and foreign).
35. Arrow-root, Gums, Dry-ginger, Dry-chillies, Aniseed, *Zira, Dhania, Betel-nuts, Turmeric, Amchoor, Makhana, Catechu* and all other Spices.
36. Alum, *Hurra and Naepal*.
37. *Sirka*.
38. Milk and Curd.
39. Oil (country), Coconut oil, Turpentine, Kerosine and *Tarcoal*.
40. Yarns, string and rope.
41. Timber.
42. Lac of all kinds.
43. Country Tobacco for chewing and smoking.
44. Iron, Tin and steel (Manufactured and unmanufactured).
45. Cotton ginned.
46. Hemp and Jute (Manufactured and unmanufactured).
47. Wool.
48. Paper and Paste Board (Country and foreign).
49. Marble and Black stone (for making Curiosities)
50. Mat, fan and *khas*.
51. Ground nuts, dry *Singhara* and *Kureli*.

Class III.

Articles taxed at the rate of 3 pies per Maund.

53. Wheat, Barley, Gram, *Bajra*, Pulse unhusked rice, *chokar, chooni* and grain of all other kinds.
53. Flour, *suji* and *meda*.
54. *Shira, rab* and *ras*.
55. Oil-seeds.
56. *Ban munjh*.
57. Lime and white wash.
58. Bamboos of all kinds.
59. Potato, *Shakarqundi* and vegetables of all kinds.
60. Sink and Sirki.
61. Cotton raw (*kapas*.)
62. *Gairoo, Ramraj, Multani, Sailam, chalk, Kharauja* and *Reh*.
63. Oil cake and Cotton seed.
64. Stone (white and red) and articles made of it.
65. Charcoal and firewood.
66. Hay, *chari* and *Bhoosa*.
67. Stalk of Tobacco.
68. Sugar-cane.
69. Mine coal.

Class IV.

70. Geese, Turkey, Ducks, wild Geese ... (1 anna per head).
71. Guinea fowl, Fowls, Lviad Ducks, Partridges and Pigeons Quails (1 piee per head).
72. Eggs ... 1 anna per hundred.

Class V.

Cattle for Slaughter.

- | | | | | | |
|---------------------|-----|-----|-----|-----|-----------------|
| 73. Horned Cattle | ... | ... | ... | ... | Re. 1 per head. |
| 74. Pigs | ... | ... | ... | ... | Ans 8 per head. |
| 75. Sheep and Goats | ... | ... | ... | ... | " 4 Do. |

Note.—Fuel and headloads should be exempted from terminal tax.

(2) A slaughter fee at the above rates should also be imposed on the animals slaughtered at the kill-houses which are located out-side Municipal limits with a view to preserve the healthiness of the city.

In conclusion another scheme of octroi taxation that may be suggested is that instead of a town being made a unit for levy of octroi, the province itself should be so considered. It means that octroi may be abolished on all goods moving within the province but when consignment enter the province from outside whether from other provinces or from foreign countries, octroi may be once taken on them and then they may be allowed to move untrammelled by any octroi fetters throughout the province. If a portion of them leave the province & goes out outside, refund may, as in other circumstances, be allowed on them.

The working of this scheme will be as mentioned below. All Railway stations within the province will charge octroi according to the schedule prescribed on lines already suggested, on all Railway Receipts that come from any place outside the province, while allowing octroi-free all goods that come under Railway Receipts from all places within the province, just as the stations will charge the octroi, they will make the refunds on goods leaving for places outside the province.

In respect to goods entering the province by way of road or river, octroi barriers will have to be established at likely places on all sides of the province, enclosing it as it were into a circle. The total amount of octroi realised by rail or road barriers of the province will be proportionately divided among the various Municipalities according to their merits minus the cost of collection. By making the province a unit for octroi taxation, all provincial trade will prosper by leaps and bounds and the series of chains that fetter the growth of trade will disappear. This will be a sort of customs duty on a miniature scale under the name of octroi taxation not for imperial purposes but for the expenses of various Municipalities within the province.

In this provincial schedule of octroi, it will be necessary to place export duty on certain provincial products which go out of the province to serve as raw materials for various manufacturing and other purposes. Such products are Oilseeds, Hides and Skins, Grains, Wool, Cotton raw, ghi, sugar and animals. These export duties will to a certain extent counterbalance the loss of octroi on purely provincial products moving within the province through different Municipalities or being consumed by them. Besides they will contribute to the growth of provincial trade depending on them.

The province being immensely a larger area than any municipality trade will find considerable scope for untrammelled movement and will consequently grow by leaps and bounds.

III.—TAXES ON PROFESSIONS AND TRADES.

Taxes on Professions and trades are always obnoxious where the Incometax is already collected, because the borderline between the two is difficult to distinguish. We have never been in favour of Profession and trades taxes under the present circumstances. We may at the same time suggest that the schemes which we have outlined in answering question 35 will be adequate to supply the present needs, and we hope the sagacious, sapient and wise Government of Sir Hewett, will never feel inclined to introduce any profession or trades taxes in the areas where they have never come into force before especially at a time when famine has hardly quit our doors and when people feel somehow disappointed, in their representation regarding the evils of Income tax. Direct taxes are against the liking of the people of this country and may therefore be avoided as far as possible:

IV.—TAX ON ANIMALS AND VEHICLES.

44. Is a tax on animals and vehicles in force in your Municipality? If so, on what vehicles and animals does it fall, and at what rates? Are horses and ponies kept for riding taxed? Do you think they should be taxed?

Tax on camels at Re. 1 a year is the only tax on animals here. A wheel tax at Rs. 2/- per wheel per annum is also in force. No horses or ponies kept for riding taxed nor should they be taxed in our opinion. We are also of opinion that the two classes of carriages, that is those having right of waiting and plying for hire at the Railway station and those not enjoying this right, as kept in the bye-laws of this Municipality be amalgamated that special class in both should be charged Rs. 20/- per annum.

1st class	Rs. 10/-	”	
2nd class	Rs. 8/-	”	
3rd class	Rs. 1½/-	”	per wheel.

45. Is there a tax on dogs? If not, do you think dogs should be included?

No. No dog tax should be imposed.

46. Are motor cars taxed? If so, at what rate? Do you think they should be taxed?

No Motor cars are taxed here. They should be taxed at Rs. 6/- per wheel per year. Motor cycles should also be included in this tax.

47. Are bicycles taxed? If not, do you think they should be?

They are not taxed but they should in our opinion be taxed at Rs. 2/- per wheel per annum. Children's tricycles should of course be exempted.

48. Are mules and donkeys kept for carrying purposes taxed? If not, do you think they should be?

No mules and donkeys are taxed nor should they ever be taxed because considerable hindrance to traffic will be caused.

49. Should a wheel tax be imposed on *thelas* (i.e. hand carts kept for hire)?

Thelas are now taxed at Re. 1/- per annum. It should be raised to Rs. 2/- now.

50. Do you consider the model rules at pages 186—189 of part III of the Municipal Manual suitable? Do you think they could be simplified?

We suggest following additions and alterations to be made in the model rules for the collection of a tax on vehicles printed on pages 190-194 of the Municipal Manual Vol. I.

RULE I.—Tricycles should be excluded as these are in less common use. They are sometimes used by children as a play-thing. 'Motor Cars,' Motor bicycles, and Motor tricycles should be included and a tax at the rate of Rs. 6/- per wheel per annum imposed on them.

RULE IV.—Note at foot of this rule authorises the Municipality to recover arrears by distress and sale of the moveable property of the defaulter. The Municipal officials abuse this authority and insult respectable persons who by chance either forget or under special circumstances fail to make payments on the prescribed date. We therefore propose this note to be altered as below.

If the tax payable for any quarter is not paid on the date prescribed the Board shall apply to a magistrate having jurisdiction within the limits of the Municipality to proceed under section 70 of the Municipal Act. The Magistrate to whom such application has been made shall issue a notice to the defaulter calling upon him to show cause why the arrears should not be recovered by the distress and sale of his moveable property and if no sufficient cause is shown by defaulter shall pass an order for recovery of arrears by distress and sale of his moveable property.

RULE V.—We suggest this rule to be altered as below. The proposed alterations will secure confidence of the public in the Municipal Boards.

“Any amount paid in excess by any person whether on account of exemption under rule I. or otherwise shall be sent by the Board to such person by means of a postal money order.”

RULE VI.—In this rule one month should be inserted as the time limit for filling up and returning the notice to the Municipal Office.

51. Has your Municipality attempted to collect these taxes by means of licenses? If so, with what result? Do you consider that these taxes are commonly evaded? If so, can suggest any remedial measures?

52. Do you consider the rates of taxation on vehicles and animals at present in force equitable? Should they, in your opinion, be (i) raised or (ii) lowered?

53. Can you suggest any improvements which would render the tax less unpopular or its administration more efficient?

54. If the tax is not in force in your Municipality, do you think it might with advantage be introduced?

V.—TAX ON CIRCUMSTANCES AND PROPERTY.

55. Have you any experience of taxes on circumstances and property? Are they in force in any of the notified areas in your district? Do you consider that they are suitable for Municipalities generally?

These taxes are not in force in our Municipality nor do we want them.

56. Do you consider such taxes easy to assess and collect? What is the method of assessment? Do you think that assessments are usually recognized as equitable? Is this tax more unpopular than taxes of other descriptions?

57. Could this tax be equitably assessed under any procedure you can suggest, in cases where the income of the assessee is in whole or in part from trade or business carried on in other Municipalities where the same income may be again subject to Municipal taxation?

VI.—TAX ON HOUSES, BUILDINGS AND LANDS.

This tax is not levied here nor is it proper to introduce it in this Municipality. We have a similar tax called 'Water rate' in force in our Municipality which is a burden to the people of this city.

58. Are taxes on houses, buildings and lands in force in your Municipality? If so, are they assessed or collected in accordance with the model rules suggested at pages 179—182 of part III of the Municipal Manual, or are special rules in force?

59. What is the minimum annual value on which the tax is enforced in your Municipality? Do you consider that limit should be (i) raised or (ii) lowered?

60. At what rate per cent. on the annual value is the tax levied? Do you consider that the maximum rate allowed by section 9(1)(a) of Act I of 1900 is sufficient?

61. Do you know of any common objections to the method of assessment? Can you suggest any amendments in that method which would render the task of assessment more satisfactory?

62. What is the method on which depreciation is calculated and allowed for in the case of (i) mills and factories (ii) other buildings (except railway buildings)?

63. On what system is railway property assessed in your Municipality? Can you suggest any amendment in the method? Do you consider that under existing arrangements railways bear their fair share of municipal taxation? What benefit do they obtain in return for their contribution?

64. What is the rule with regard to empty houses?

65. Is the tax collected with fair ease? What percentage of the amount collected has during the past five years been spent in expenses of collection? Have coercive processes proved necessary during that time? If so, how many?

66. Do you consider that the procedure laid down in the model rules could be simplified? Have you any suggestions as to how this could be done?

67. What percentage of the inhabited houses in your Municipality are assessed to house tax?

68. If these taxes are not in force in your Municipality, do you consider that they might be introduced either to provide additional income or to replace existing taxes of less desirable nature?

69. The Committees are inclined to believe that the main defect in the existing system lies in the inaccurate and generally low valuations placed upon property in the cities. Can you suggest any means of overcoming this main objection to the tax? Or do you consider that the objection is unfounded or exaggerated?

70. Do you consider that a terminal tax is a satisfactory method of Municipal taxation?

71. In your opinion is the schedule of the terminal tax in Cawnpore equitable or does the impost press with peculiar heaviness on particular trades? Should there be a differentiation in the schedule between manufactured and raw material?

72. Can you say on whom the incidence of a terminal tax falls? Is it paid from the profits of the trader, or by the consumer, or thrown back on the producer?

73. Do you not think it would be preferable to increase the import tax and abolish the export tax? Would this action not have the effect of increasing the amount payable by the consumer within Municipal limits and *pro tanto* of freeing trade from a portion of its transit burden?

74. In your opinion is a terminal tax preferable to a system of octroi taxation under the most efficient, practical conditions? If so, in what respect?

In our opinion this tax should not be imposed in this Municipality as direct taxes are not popular with the people. We do not consider it proper to introduce this tax to provide for additional income or to replace any other taxes. We strongly protest against such a tax.

It is not a fact specially with regard to Agra that generally inaccurate and low valuation is placed upon the houses. This wrong idea has, to the best of our knowledge, led the Agra Municipality to injudiciously place unreasonably high valuation upon the houses and to increase the Water rate.

VII.—TERMINAL TAX.

The kind of Terminal tax we approve, is described at length in our answer to question 35. We never like a tax only on imports with export duties. We have described our own form of terminal tax to be levied in accordance with the sample schedule thereto appended.

VIII.—CONSERVANCY.

(a) NIGHTSOIL.

75. What method is employed to remove nightsoil in your Municipality? Is it taken by the sweepers as their perquisite or does it remain the property of the Municipality?

76. Is there any arrangement for trenching nightsoil collected by Municipal scavengers? If so, on what system is it worked? Does the land trenched belong to the Municipality or to private owners? If the latter, what rent per acre is paid by the Municipality?

77. (In case the nightsoil is trenched.) Is the trenched land subsequently leased to cultivators? If so, at what rent? Is the area irrigated? Is competition for trenched plots keen?

78. Is any nightsoil pitted and subsequently sold as manure? Do you consider this method of disposal satisfactory?

(b) SULLAGE AND SEWAGE.

79. How are sullage and sewage disposed of at present? Are they brought into use? Or are they allowed to run to waste? Do you think any more satisfactory arrangements could be made for their use or disposal?

(c) RUBBISH AND SWEEPINGS.

80. How are rubbish and sweepings removed? Are they sold by the Municipality? If so, at what rate? Is the sale conducted by public auction or by private bargain? Are they sold to brick burners for fuel?

81. Are rubbish and sweepings trenched? If so, what arrangements are made for the trenched land? (As in question 77.)

82. If sweepings and rubbish are neither trenched nor sold, how are they disposed of?

These questions involve departmental details and had better be referred to the Municipal authorities and members. We, however, consider it necessary to mention with reference to questions 75 and 80 that the system of removing filth and city sweepings in this Municipality is not satisfactory. In thickly populated parts of the city the sweepers generally carry the stuff on their heads and in carts, uncovered and the result is that it is blown away by the wind and moves to and fro to the great annoyance of the people. The servants of the Municipality do not seem to care, in the least, about all this although their attention has often been drawn to it.

In our Municipality sullage and sewage from a great part of the city are passed into several big *nallas* by means of street drains and discharged into the river (Jamna). A portion of the filthy water is carried into (Jamna) river just in front of Belanganj. Meeting the river there it flows just below the city of Agra and is used by the city people for bathing and drinking and other domestic purposes as well as for the drinking of cattle. It thus greatly endangers the healthiness of the city. Sullage and Sewage of a few *nallas* is also carried near the Agra Fort by means of a large pipe and let out in the dry bed of the river (Jamna) where a sullage farm has been established by the Municipality. Disadvantages of it will be noticed by us in our answer to question No. 83. In our opinion filthy water from all parts of the city should be passed out of the populated area and discharged beyond the inhabited part of Tajgunj by means of one large drain. This has, to the best of our knowledge, once formed the subject of a memorial to Sir Antony Macdonell the late Lieutenant Governor of these provinces but no steps have yet been taken in the matter by the Municipality. The work being urgent deserves to be immediately taken in hand. We are informed that a proposal was made by the Board to construct such a drain but it has not yet been carried into effect.

In some places the arrangement for washing street drains is also unsatisfactory. Some old-fashioned drains not having a proper slope are a great nuisance. They have pits and holes in them here and there in which rubbish and dirty water accumulate and decompose while standing for a long time. They sometimes run in the streets, Specially in the rainy season a few drops of rain cause them to overflow to the great annoyance and trouble to the public.

In few places old floors have not been repaired or renewed by the Municipality. There being breaches in them water is prevented from passing freely. It remains standing in the cesspools or overflows the streets—a fact which we are prepared to prove by showing it personally.