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Separate paging is given to this Part, in order that it may be filed as a separate compilation.

PART V.

PROCEEDINGS OF THE LEGISLATIVE DEPARTMENT, BOMBAY.

The following Extract from the Proceedings of the Governor of Bombay, in the Legislative Department, are published for general information :—

Abstract of the Proceedings of the Council of the Governor of Bombay, assembled for the purpose of making Laws and Regulations, under the provisions of "THE INDIAN COUNCILS ACT, 1861."

The Council met at Bombay on Friday the 8th February 1877, at noon.

PRESENT:

His Excellency the Honourable SIR RICHARD TEMPLE, Bart., G.C.S.I., Governor of Bombay, *Presiding*.

The Honourable J. GIBBS.

The Honourable L. R. ASHBURNER, C.S.I.

The Honourable the ADVOCATE-GENERAL.

The Honourable E. W. RAVENSCROFT, C.S.I.

The Honourable NACODA MAHOMED ALI ROGAY.

The Honourable Colonel W. C. ANDERSON.

The Honourable WALTER LANG.

The Honourable DOSABHOY FRAMJI, C.S.I.

The following papers were presented to the Council :—

Papers presented to the Council.

1. Report of the Select Committee on the "Bill for the Licensing of Trades and Dealings in the Presidency of Bombay."

2. Letter from the Secretary to the Government of India, Legislative Department, No. 171, dated 1st February 1878, returns, with the assent of His Excellency the Viceroy and Governor General signified thereon, the authentic copy of

"The City of Bombay Abkári Bill." Forwards at the same time the observations of the Government of India on certain provisions in the Bill.

3. Petition, dated 5th February 1878, from Messrs. Sorabji Byramji, Bhimjibhoy Byramji, and Dinshaw Byramji, owner of the village of Chendowli, in Taluka Salsette, Zilla Tanna, regarding the General Abkári Bill No. 3 of 1878.

4. Petition from Mr. Ardaseer Framji Moos, receiver to the estate of the late *Framji Cowasji*, dated 17th February 1878, praying for a modification of Section 63 of the General Abkári Bill No. 3 of 1877.

Mr. Ashburner moves the second reading of the Bombay License Bill.

The Honourable Mr. ASHBURNER moved that Bill No. 1 of 1878 (A Bill for the licensing of trades, dealings, and industries in the Presidency of Bombay) be read a second time, and said he intended to move subsequently that the standing orders be suspended and the Bill be read a third time and passed. He might perhaps apologise for this somewhat rapid proceeding, but the fact was that it was now the middle of February and they had to put the machinery of the Bill into working order before the 1st of April. It was absolutely necessary, in view of the financial situation, that the Bill should be passed without a moment's delay.

The Honourable Mr. ROGAY:—Before the motion is put I should like to know when the Bill will come into operation—whether it will count from the 1st January or from the 1st April.

The Honourable Mr. ASHBURNER:—It will be calculated on the year now current, which ends with the month of March.

The Honourable Mr. ROGAY:—That being the case, would it not be better to postpone the consideration of the Bill in accordance with the memorial that has been sent to Government by several influential members of the community. I beg to move that the consideration of the Bill be adjourned for a fortnight or a month. I believe a public meeting is to be held immediately. If the object of the Bill had been to collect taxes from the month of January, it would be necessary to pass it with all due haste, but as the official year does not commence before April, we have plenty of time before us.

The Honourable Mr. ASHBURNER:—I am compelled to oppose the honourable member's proposition. On account of the extreme pressure of financial affairs, as I have just said, there are only about six weeks between the present time and the 1st of April, and it is a very serious matter undertaking to introduce a large measure of this kind over the immense tract of country we have to deal with. I therefore submit that it is absolutely necessary that the Bill should be passed without a moment's delay.

The Honourable Mr. LANG failed to see any good reason why the consideration of the Bill should not be postponed for a short time, because if it were passed eventually, the money could still be collected and the Government would not suffer.

The Honourable Mr. DOSABHOY FRAMJI:—As the Bill now stands it will be necessary to prepare a list of the tax-payers throughout the City of Bombay before the 1st of April, and if the Act is not passed at once it will not be possible to bring it into operation by that time. There are 40,000 tax-payers in the city of Bombay, and the preparation of the list will be a work of great labour and considerable time.

The Honourable Mr. LANG:—The preparation of the list might be proceeded with without the Bill being finally passed, could it not?

The Honourable Mr. ROGAY said he had no objection to the Bill being read a second time and its further consideration postponed.

His Excellency the President then put the motion that the consideration of the Bill be postponed for a fortnight, which was lost, only Mr. Rogay and Mr. Lang voting for it.

The Honourable Mr. ASHBURNER's motion that the Bill be read a second time was next put and carried.

The Bill read a second time, and considered in detail.

The Bill was accordingly read a second time. The Bill was next considered in detail when the Honourable Mr. ASHBURNER moved that the following words be added to Section X., viz., "and in the event of his failing so to do will be liable to the penalty prescribed in Section XV." Mr. Ashburner said the object of this amendment is merely to specify the penalty that would be incurred by any person who failed to apply for a license. He would be fined three times the fee that he would otherwise have been liable to pay.

The Honourable Mr. ROGAY said he did not understand the object of this amendment. It appeared to him that it would be to the interest of the man to take out a license without the fear of a penalty.

The amendment was put to the vote and adopted.

The Honourable Mr. ASHBURNER moved that the Bill be now read a third time and passed.

The Honourable Mr. ROGAY :—I oppose it.

On the motion being put to the vote it was carried. The order of voting was :—

Ayes.	*Noes.*
The Honourable Mr. GIBBS.	The Honourable Mr. ROGAY.
The Honourable Mr. ASHBURNER.	The Honourable Mr. LANG.
The Honourable the ADVOCATE-GENERAL.	
The Honourable Mr. RAVENSCROFT.	
The Honourable Colonel ANDERSON.	
The Honourable Mr. DOSABHOY FRAMJI.	

The Bill read a third time and passed.

The Bill was accordingly read a third time and passed.

The Presidency Abkári Bill further considered in detail.

The Honourable Mr. ASHBURNER :—I have next to propose certain amendments of the general Presidency Abkári Bill No. 3 of 1877. I beg to move that Section XI. be amended as follows :—that in lines 7 and 8, the words "any liquor or intoxicating drug" be substituted for "toddy or of any spirituous liquor;" that in line 13 the words "any liquor or intoxicating drug" be substituted for "toddy or any spirituous liquor;" and that the following paragraph be added to the section—"provided further that it shall be lawful for the Governor-General in Council or for the Governor of Bombay in Council to exempt any liquor or intoxicating drug from any duty to which the same may be liable under either of the said sections, or under any of the other provisions of this Act." Mr. Ashburner said the first two amendments were unimportant, but would bring the wording of the section into harmony with the rest of the Bill. The object of the proposed addition to the section was to avoid a conflict between this Abkári Bill and the Customs Act.

The above amendments were adopted.

The Honourable Mr. ROGAY said he had to propose an amendment to Section 15, of which he had not time to give notice. It was an amendment which his honourable and learned friend Mr. Mandlik had wished to move; and as Mr. Mandlik was not able to be present, he would ask His Excellency's permission to move it. The amendment was that line 4 of that section—"no toddy shall be drawn from any tree," be omitted. Mr. Rogay quoted a passage from the "Wealth of Nations" to show that in England the excise laws applied only to liquor offered for sale, and not to liquor distilled for the private use of the distiller. He thought a man had a right to draw toddy from his own tree for his own consumption without being taxed.

The Honourable Mr. GIBBS :—The practical objection to this is that if the owner will promise to drink all the toddy drawn from a tree there would be any objection. But as I do not think he could drink it all, and of course what remained would ferment and become spirits, the adoption of this amendment would lead to great inconvenience.

The Honourable the ADVOCATE-GENERAL opposed the amendment as contrary to the whole principle of the Bill.

The Honourable Mr. RAVENSCROFT opposed the amendment because it cut distinctly at the root of the whole Bill. Unless a strict supervision could be kept over every tree that was to be taxed, illicit consumption of toddy and spirituous liquors would be entirely beyond control, and the whole purpose of passing this Bill would be set at nought. Therefore he hoped that the Council would throw out the amendment.

The Honourable Mr. ASHBURNER wished to add nothing to what had already been said by the Honourable Mr. RAVENSCROFT and the ADVOCATE-GENERAL.

The motion was then put to the vote, and was lost.

The Honourable Mr. ASHBURNER proposed that in Section 23, line 5, the words, "or if the trees are tapped without license" be inserted after the word "him." The honourable mover said this merely simplified the wording of the section, and made clear what was intended by it.

The amendment was carried.

It was resolved, on the motion of the Honourable Mr. ASHBURNER, that the following be substituted for Section 24, viz.:—"When any duty is recovered under the last preceding section from the owner of the trees, he shall be entitled to assistance in recovering the same from the holder of the license under the provisions of the law for the time being in force relating to the recovery by superior landholders of their dues from their tenants;" and that in Section 28, lines 16 and 18, for the words "liquor other than unfermented toddy or English or foreign wines, beer, and spirits," the following words be substituted—"country liquor other than unfermented toddy."

The Honourable Mr. ASHBURNER also moved that the following sections be added to the Bill, after Section 29, viz. :—

"29A. All or any of the duties leviable under this Act in any local area may, with the sanction of Government, be farmed, subject to such payment and on such other conditions as Government shall prescribe.

"29 B. When any amount is due to any such farmer from such farmer's licensee in respect of a license, or to any farmer of the right of drawing toddy from any person who has drawn toddy from any toddy-producing tree, such farmer may apply to the Collector to recover such amount on his behalf; and the Collector may, in his discretion, recover such amount as if it were an arrear of land-revenue, and shall pay any amount so recovered to the applicant:

"Provided that the execution of any process issued by the Collector for the recovery of such amount shall be stayed if the person from whom it is sought to recover the same institutes a suit in the Civil Court to try the demand of the farmer and furnishes security to the satisfaction of the Collector for the payment of the amount which the Court may adjudge to be due from him to such farmer:

"Provided also that nothing contained in this section or done thereunder shall affect the right of any such farmer to recover by suit in the Civil Court or otherwise any amount due to him from any such person as aforesaid.

"29 C. When any person in compliance with any provision of this Act, or with any rule made hereunder, gives any bond for the performance of any duty or act, such duty or act shall be deemed to be a public duty or an act in which the public are interested, as the case may be, within the meaning of the Indian Contract Act, 1872, Section 74, and upon breach of the condition of such bond by him, the whole sum named therein as the amount to be paid in case of such breach may be recovered from him as if it were an arrear of land-revenue."

Mr. Ashburner said the object of the first additional section was to take advantage of the experience of the local liquor contractors, who, being up to all the tricks of the trade, would be able to counteract the manœuvres of the smugglers. The second additional section would tend to prevent litigation and to enable the farmer to recover by summary process what he would otherwise have to recover through a Civil Court. The third additional section which he had proposed required no remark.

The Honourable the ADVOCATE-GENERAL called attention to the fact that the proposed Section 29 C, as framed, might conflict with the Indian Contract Act, which was an Act of the Government of India. He did not think there was any necessity to refer to that Act at all in this section.

The Honourable Mr. ASHBURNER:—Do I understand you to say that there would be conflict?

The Honourable the ADVOCATE-GENERAL:—There might be, and I think it is always well to avoid the chance of any such collision.

The Honourable Mr. ASHBURNER proposed, as the Bill could not be finally passed at the present meeting, to restrict his motion to Sections 29A and 29B, and to allow 29C to stand over for consideration by the Honourable the Advocate-General.

Sections 29A and 29B were accordingly adopted, and the consideration of Section 29C was postponed.

It was further resolved, on the motion of the Honourable Mr. ASHBURNER—That in Section 32, line 10, after the word 'acting' the words 'with his express or implied permission' be inserted.

That the following be substituted for Section 34 of the Bill, viz.:—

"34. All duties, taxes, fines and fees leviable under any of the foregoing provisions of this Act, or of any license, permit, or pass issued under it, and all amounts due from any farmer under this Act may be recovered from the person primarily liable to pay the same, or from his surety (if any) as if they were arrears of land-revenue."

That in Section 43, line 21, after the word 'drug' the word 'or' be added.

That in Section 45, line 26, after the word 'distillery' the word 'or' be added.

That the words 'if any' in line 29 of Section 54 be struck out.

That the word 'and' in line 43 and the word 'then' in line 45 of Section 63 be struck out.

The Honourable Mr. ROGAY:—I have to propose an amendment to this Bill—a most important amendment. I do not know whether Honourable Members have received copies of a letter addressed by the Chairman of the Corporation to Government with regard to the repeal of Act IX. of 1867.

The Honourable Mr. ASHBURNER:—That subject is under the consideration of the Executive Government, and is the reason why the Bill cannot be passed through the third reading to-day. We intend to insert a provision guaranteeing to the Corporation all the rights and privileges they enjoy under Act IX. of 1867. If you will wait a few days you will find that your wishes have been anticipated.

The Honourable Mr. ROGAY:—Then I shall be glad to postpone my amendment. I did not know that.

The Bombay Municipal Act Amendment Bill further considered in detail.

The Honourable Mr. GIBBS moved that the following para. be substituted for the second para. of section 1 of the Bombay Municipal Act Amendment Bill, No. 6 of 1877, viz., "so much of this Act as relates to any rate or tax leviable by the Corporation, other than town duties, shall be deemed to have come into force on the 1st day of January 1878; the rest of this Act shall come into force on the passing thereof." Mr. Gibbs said that the amendment was necessary, so that the Corporation might get out their bills and assessment lists correctly.

The amendment was adopted.

The Honourable Mr. GIBBS next proposed that the words "or to mounted officers of volunteer corps" should be struck out from lines 34 and 35 of Section 33. The Honourable Mover said:—These cases were already provided for in Section 25 of Act XX. of 1869, the Volunteers Act, in which it was provided that every mounted officer of volunteers may keep one horse without paying municipal or other tax.

The amendment was adopted.

The Honourable Mr. LANG moved the following amendments to Section 120, viz.:—

That after the words 'Town Council' in the sixth line, the words 'and of Government' be inserted.

That for the words 'within six months' in the eighth line, the words 'within two years' be substituted.

That the words 'or in the case of timber twelve months' be omitted.

That for the word 'five' in the last line, the word 'two' be substituted.

That the following words be added to the section :—

'Refunds amounting in all to rupees two or upwards shall be claimable on goods, whether of the same or different descriptions, exported on the same date or on different dates, during one month from date of first exportation, and whether consigned to the same or different persons or places.' Mr. Lang said :—The reason for the first of these amendments is that the Municipality have not shown themselves very ready to follow the instructions laid down by the Government of India regarding the assessment and levying of town duties ; nor had the local Government been very careful hitherto to see that the instructions of the Government of India were carried out, and though I hope the reiterated instructions of the Government of India will cause the local Government to give greater attention to the matter, the insertion of this provision in the Act will be a safeguard and enable the Government to interfere. The second amendment is to carry out the principle that people who import goods and pay town duties shall have every facility granted them to obtain refunds. A great many people who import goods into Bombay are not able to sell them within six months, and it is unfair that they should suffer in consequence. The amendment regarding timber is in accordance with the views expressed by Mr. Pedder on the subject. I think it is right that we should exclude everything at all objectionable in the way of town duties, and I intend to move subsequently that timber be omitted altogether from the schedule. I do not think it is necessary for me to recapitulate all the arguments on the matter, because they are fully stated in the letter which the Chamber of Commerce sent to Government. With regard to the fourth amendment, I think the amount of Rs. 5 is very excessive, and will prevent refunds being obtained on many articles altogether, unless they are bought and sent out of Bombay in large quantities. For instance, wines and spirits pay about 4 annas a gallon, and there will have to be sent up-country a very large number of cases before the sender can get a refund to the amount of five rupees. I may mention that the Government of India, in one of their letters on the subject of Municipal taxation, referred to this very question of the minimum rate at which refunds should be granted, and instanced the Municipalities of the Central Provinces. From enquiries since made, I find from a letter received from Mr. Neill, Assistant Secretary, that the minimum refund in the Central Provinces has been generally fixed at Rs. 2 and in only a few cases on special grounds at Rs. 5. The general principle is Rs. 2, and I think that Bombay should adopt the same principle as the Central Provinces, which has been approved by the Government of India. Our object should be to give all the refunds we can. If the Municipal revenue suffer, it is for the Municipality to find out some more equitable means of taxation to make up the loss.

The Honourable Mr. Dosabhoy Framji :—I am strongly opposed to this motion of the Honourable Mr. Lang, and especially to the proposal to lower the amount, for which refunds shall be given from Rs. 5 to Rs. 2. Thanks to the enlightened views of the Town Council and the Municipal Corporation, the town duties are now levied in our city in such a manner that it cannot be said that they operate as transit duties. The Town Council has done everything in its power to meet the views of the Chamber of Commerce, and, on the suggestion of Mr. Pedder, made rules by which the levy of the town duties has been almost entirely divested of its objectionable features. I will quote figures to show the extent to which we have gone. The annual gross collections on account of town duties vary from six to eight lakhs of rupees; while the refunds in each of the last seven years have increased as follows :—1870—Rs. 15,316, 1871—Rs. 42,232, 1872—Rs. 51,436, 1873—Rs. 54,397, 1874—Rs. 1,00,316, 1875—Rs. 1,45,488, 1876—Rs. 1,90,770, and 1877—Rs. 2,04,965. Now, if we were to accept the motion of the Honourable Mr. Lang, the revenue of the Municipality from town duties will be so much reduced, as to render it necessary to find other sources of income to make up the heavy loss. At a time when the Corporation has resolved upon carrying out a drainage scheme for the city,—when a considerable addition to its already heavy liabilities is almost immediately expected,—it would be most inexpedient, if not unwise, to do anything which is likely to reduce its income. The city is already heavily taxed for municipal purposes, and further taxation in any shape will be something like the proverbial last straw which breaks the camel's back. The Select Committee has already reduced the limit of refunds to Rs. 5, and in my opinion it would be very injudicious to go any lower. I may add that the Municipal rules in respect of these refunds are more liberal than those of

Government in respect to Customs duties. The Government refund on goods re-exported is only seven-eighths of the duty paid; whereas the Municipality refunds the whole of the amount, and takes nothing for all the advantages and protection which such goods enjoy during the long time they remain in this city before they are re-exported.

The Honourable Mr. GIBBS :—I was aware that Mr. Dosabhoy has devoted a great deal of time and trouble to the consideration of this matter, and I am glad he has taken the opportunity to speak as he has done. The letter of the Chamber of Commerce was, I am informed, very carefully considered by the Town Council, on which, as is well known, there were then many gentlemen whose views are very much, if not entirely, in accordance with those of the Chamber of Commerce. The reason why the Select Committee did not make any of the alterations suggested, was that the Town Council did not recommend any such alterations, I believe because they considered they were not necessary, and that some of them, if not all, would be calculated to entail a very great amount of additional labour and cost without very much advantage being obtained. It was on these grounds that the Select Committee came to the conclusion that the Town Council acted wisely in not recommending any of the alterations which are now proposed. I think I may add to what the Honourable Mr. DOSABHOY has said, that to liken Bombay to the Central Provinces is hardly fair. The amount of wines and spirits that come within the jurisdiction of Municipalities in the Central Provinces must be, comparatively speaking, extremely small, while the consumption of Bombay is decidedly very much larger than in those places. I do not think therefore the comparison is a good one. The Select Committee, after very careful consideration, have fixed the limit at Rs. 5, which I believe is just half what it is under the present law. I am not able to accept the proposals of the Honourable Mr. LANG with regard to that, nor with regard to the other amendments he has proposed. As far as timber is concerned the Select Committee were of opinion that, considering the enormous quantity of timber used in Bombay, compared with the quantity made up into carriages, &c., and exported, there is no necessity for making the exception which has been suggested. With regard to the first amendment moved by Mr. Lang, viz., that the words "and of Government" be inserted in the 6th line, I have no objection to that being adopted. I do not suppose that any differences of opinion are likely to arise between the Town Council and Government on the point; and if it would be a satisfaction to the mercantile community, and as the Chamber of Commerce has recommended the insertion of the words, I do not object to their being inserted. With regard to all the other amendments, their adoption would only cause a great deal of labour and trouble, and would not be satisfactory.

The Honourable Mr. LANG :—It is quite true that any system of refunds must entail a certain amount of additional labour and trouble. But as long as town duties are collected there must be a system of refunds, and it is clearly for the Government, now that they are remodelling this system of taxation throughout the Presidency, to take care—especially in Bombay, which should set an example to other Municipalities—that the refunds shall be as liberal as possible. We have the distinct orders of the Government of India to that effect. The Honourable Mr. DOSABHOY has stated that great improvements have been made within the last few years. I do not deny that improvements have been made, but that is no reason why greater improvements should not be made now. I have no doubt that it is somewhat unpleasant for the Municipality to lose some portion of its revenue, but on that point also the orders of the Government of India are perfectly distinct. I will just quote a short passage from the Government of India's letter of September 1877. They there say :—"Such being the orders issued, and with such results, the Governor-General in Council would now request all local Governments and Administrations to take early steps to alter octroi taxation in towns, where such taxation transgresses against the acknowledged principles. Should this measure result in a serious falling off in municipal revenue, it will be for local Governments to decide whether it may not be desirable to combine direct with indirect taxation, or to enhance the rates on articles of consumption." It appears to me to be clearly laid down that this system of taxation should be as liberal as possible, and the sooner we set about making it more liberal the better. I think there is nothing in the arguments of the Honourable Mr. DOSABHOY or the Honourable Mr. GIBBS to show that it is not most desirable, and in accordance with the wishes of the Government of India that town duties should be refunded when goods are exported from Bombay. As to its being unfair to liken Bombay to the small towns of the Central Provinces, I think that Bombay should set a good example to other Municipalities, and be in advance of them. Up-country Municipalities have not the same amount of popular representation that the Bombay Municipa-

That the words 'or in the case of timber twelve months' be omitted.

That for the word 'five' in the last line, the word 'two' be substituted.

That the following words be added to the section :—

'Refunds amounting in all to rupees two or upwards shall be claimable on goods, whether of the same or different descriptions, exported on the same date or on different dates, during one month from date of first exportation, and whether consigned to the same or different persons or places.' Mr. LANG said :—The reason for the first of these amendments is that the Municipality have not shown themselves very ready to follow the instructions laid down by the Government of India regarding the assessment and levying of town duties ; nor had the local Government been very careful hitherto to see that the instructions of the Government of India were carried out, and though I hope the reiterated instructions of the Government of India will cause the local Government to give greater attention to the matter, the insertion of this provision in the Act will be a safeguard and enable the Government to interfere. The second amendment is to carry out the principle that people who import goods and pay town duties shall have every facility granted them to obtain refunds. A great many people who import goods into Bombay are not able to sell them within six months, and it is unfair that they should suffer in consequence. The amendment regarding timber is in accordance with the views expressed by Mr. Pedder on the subject. I think it is right that we should exclude everything at all objectionable in the way of town duties, and I intend to move subsequently that timber be omitted altogether from the schedule. I do not think it is necessary for me to recapitulate all the arguments on the matter, because they are fully stated in the letter which the Chamber of Commerce sent to Government. With regard to the fourth amendment, I think the amount of Rs. 5 is very excessive, and will prevent refunds being obtained on many articles altogether, unless they are bought and sent out of Bombay in large quantities. For instance, wines and spirits pay about 4 annas a gallon, and there will have to be sent up-country a very large number of cases before the sender can get a refund to the amount of five rupees. I may mention that the Government of India, in one of their letters on the subject of Municipal taxation, referred to this very question of the minimum rate at which refunds should be granted, and instanced the Municipalities of the Central Provinces. From enquiries since made, I find from a letter received from Mr. Neill, Assistant Secretary, that the minimum refund in the Central Provinces has been generally fixed at Rs. 2 and in only a few cases on special grounds at Rs. 5. The general principle is Rs. 2, and I think that Bombay should adopt the same principle as the Central Provinces, which has been approved by the Government of India. Our object should be to give all the refunds we can. If the Municipal revenue suffer, it is for the Municipality to find out some more equitable means of taxation to make up the loss.

The Honourable Mr. DOSABHOY FRAMJI :—I am strongly opposed to this motion of the Honourable Mr. LANG, and especially to the proposal to lower the amount, for which refunds shall be given from Rs. 5 to Rs. 2. Thanks to the enlightened views of the Town Council and the Municipal Corporation, the town duties are now levied in our city in such a manner that it cannot be said that they operate as transit duties. The Town Council has done everything in its power to meet the views of the Chamber of Commerce, and, on the suggestion of Mr. Pedder, made rules by which the levy of the town duties has been almost entirely divested of its objectionable features. I will quote figures to show the extent to which we have gone. The annual gross collections on account of town duties vary from six to eight lakhs of rupees; while the refunds in each of the last seven years have increased as follows :—1870—Rs. 15,316, 1871—Rs. 42,232, 1872—Rs. 51,436, 1873—Rs. 54,397, 1874—Rs. 1,00,316, 1875—Rs. 1,45,488, 1876—Rs. 1,90,770, and 1877—Rs. 2,04,965. Now, if we were to accept the motion of the Honourable Mr. LANG, the revenue of the Municipality from town duties will be so much reduced, as to render it necessary to find other sources of income to make up the heavy loss. At a time when the Corporation has resolved upon carrying out a drainage scheme for the city,—when a considerable addition to its already heavy liabilities is almost immediately expected,—it would be most inexpedient, if not unwise, to do anything which is likely to reduce its income. The city is already heavily taxed for municipal purposes, and further taxation in any shape will be something like the proverbial last straw which breaks the camel's back. The Select Committee has already reduced the limit of refunds to Rs. 5, and in my opinion it would be very injudicious to go any lower. I may add that the Municipal rules in respect of these refunds are more liberal than those of

Government in respect to Customs duties. The Government refund on goods re-exported is only seven-eighths of the duty paid; whereas the Municipality refunds the whole of the amount, and takes nothing for all the advantages and protection which such goods enjoy during the long time they remain in this city before they are re-exported.

The Honourable Mr. Gibbs:—I was aware that Mr. Dosabhoy has devoted a great deal of time and trouble to the consideration of this matter, and I am glad he has taken the opportunity to speak as he has done. The letter of the Chamber of Commerce was, I am informed, very carefully considered by the Town Council, on which, as is well known, there were then many gentlemen whose views are very much, if not entirely, in accordance with those of the Chamber of Commerce. The reason why the Select Committee did not make any of the alterations suggested, was that the Town Council did not recommend any such alterations, I believe because they considered they were not necessary, and that some of them, if not all, would be calculated to entail a very great amount of additional labour and cost without very much advantage being obtained. It was on these grounds that the Select Committee came to the conclusion that the Town Council acted wisely in not recommending any of the alterations which are now proposed. I think I may add to what the Honourable Mr. Dosabhoy has said, that to liken Bombay to the Central Provinces is hardly fair. The amount of wines and spirits that come within the jurisdiction of Municipalities in the Central Provinces must be, comparatively speaking, extremely small, while the consumption of Bombay is decidedly very much larger than in those places. I do not think therefore the comparison is a good one. The Select Committee, after very careful consideration, have fixed the limit at Rs. 5, which I believe is just half what it is under the present law. I am not able to accept the proposals of the Honourable Mr. Lang with regard to that, nor with regard to the other amendments he has proposed. As far as timber is concerned the Select Committee were of opinion that, considering the enormous quantity of timber used in Bombay, compared with the quantity made up into carriages, &c., and exported, there is no necessity for making the exception which has been suggested. With regard to the first amendment moved by Mr. Lang, viz., that the words "and of Government" be inserted in the 6th line, I have no objection to that being adopted. I do not suppose that any differences of opinion are likely to arise between the Town Council and Government on the point; and if it would be a satisfaction to the mercantile community, and as the Chamber of Commerce has recommended the insertion of the words, I do not object to their being inserted. With regard to all the other amendments, their adoption would only cause a great deal of labour and trouble, and would not be satisfactory.

The Honourable Mr. Lang:—It is quite true that any system of refunds must entail a certain amount of additional labour and trouble. But as long as town duties are collected there must be a system of refunds, and it is clearly for the Government, now that they are remodelling this system of taxation throughout the Presidency, to take care—especially in Bombay, which should set an example to other Municipalities—that the refunds shall be as liberal as possible. We have the distinct orders of the Government of India to that effect. The Honourable Mr. Dosabhoy has stated that great improvements have been made within the last few years. I do not deny that improvements have been made, but that is no reason why greater improvements should not be made now. I have no doubt that it is somewhat unpleasant for the Municipality to lose some portion of its revenue, but on that point also the orders of the Government of India are perfectly distinct. I will just quote a short passage from the Government of India's letter of September 1877. They there say:—"Such being the orders issued, and with such results, the Governor-General in Council would now request all local Governments and Administrations to take early steps to alter octroi taxation in towns, where such taxation transgresses against the acknowledged principles. Should this measure result in a serious falling off in municipal revenue, it will be for local Governments to decide whether it may not be desirable to combine direct with indirect taxation, or to enhance the rates on articles of consumption." It appears to me to be clearly laid down that this system of taxation should be as liberal as possible, and the sooner we set about making it more liberal the better. I think there is nothing in the arguments of the Honourable Mr. Dosabhoy or the Honourable Mr. Gibbs to show that it is not most desirable, and in accordance with the wishes of the Government of India that town duties should be refunded when goods are exported from Bombay. As to its being unfair to liken Bombay to the small towns of the Central Provinces, I think that Bombay should set a good example to other Municipalities, and be in advance of them. Up-country Municipalities have not the same amount of popular representation that the Bombay Municipality has; in fact, most of them consist almost entirely of Government officials, of Government nominees, and the independent members have no opportunity of making their views known, or of carrying them out. I have had experience of the Kurrachee Municipality for several years; and I know that in this respect they are very much behind Bombay; and I know that unless liberal measures as regards refunds are inaugurated in Bombay, there was much less probability of their ever being adopted by up-country Municipalities.

The amendments were then put to the vote. The first was carried, and the 120th section was accordingly amended by the insertion of the words "and of Government" after the words "Town Council."

The remainder of the amendments proposed by the Honourable Mr. LANG to this section were all lost.

The Honourable Mr. LANG further moved that the words 'timber excluding railway sleepers—2½ per cent. on market value'—be struck out from Schedule B.

The Honourable Mr. GIBBS:—I oppose this amendment. Considering the very large amount of timber consumed in Bombay, particularly owing to the way in which the native builders build their houses, it seems to me a most proper article for municipal revenue to be levied on.

The Honourable Mr. LANG:—I may mention that this was one of Mr. Pedder's recommendations when he was Municipal Commissioner of Bombay, because the duty on timber practically amounts to a tax on contractors in Bombay. When timber is cut up for contractors' work, and is afterwards exported, it is quite impossible to obtain any refund on it.

The amendment was lost.

The Bill read a third time and passed.

On the motion of the Honourable Mr. GIBBS, the Bill was then read a third time and passed.

The Revenue Code Bill further considered in detail.

The Honourable Mr. ASHBURNER moved that in line 2 of Section 84 of the Revenue Code Bill, No. 1 of 1875, for the words 'what revenue officers', the words 'that such revenue officers as it deems fit' shall be substituted.

The amendment was adopted.

The Honourable Mr. ASHBURNER further moved that the following words and paragraphs be added at the end of the first part of Section 288 of the Bill, after the words 'relating thereto':—

'But the provisions of the said chapter shall be applicable to—

'(a)—all unalienated lands situated within the limits of an alienated village.

'(b)—villages of which a definite share is alienated, but of which the remaining share is unalienated.

'(c)—alienated villages the holders of which are entitled to a certain amount of the revenue, but of which the excess, if any, above such amount belongs to Government.' Mr. Ashburner said that according to the Survey Act, the survey could only be introduced into certain inam villages with the consent of the inamdar, and it happened that in certain parts of the Presidency there are inamdars who hold a rent charge on the revenue of a village. For instance, a certain inamdar might hold a rent charge of, say, Rs. 150 on the revenues of a village, with a proviso that the revenue did not exceed that sum. He would naturally object to the survey to ascertain exactly what he did obtain from the village. The object of this amendment was to enable Government to survey any village with or without the inamdar's consent.

The Honourable Mr. ROGAY opposed the amendment on the ground that he did not think any change in this respect ought to be made.

The Honourable Colonel ANDERSON:—The first case in which an amendment is proposed is to provide for cases in which while the entire village is recorded as an inam village, yet Government hold certain defined lands within the limits of the village, which are entirely excluded from the inamdars' authority, and are managed solely by Government. The amendment merely authorizes the survey of these Government lands—a measure which cannot affect or injure the inamdar in any way. The second amendment is very similar in effect to the first, as it provides merely for the survey of a definite share of a village, that definite share being held by Government, while the inam land is recorded and held as inam.

The amendment was carried.

On the motion of the Honourable Mr. ASHBURNER, it was resolved that the last 22 words of the same section should be omitted, being redundant.

The Honourable Mr. ASHBURNER said he had some important amendments to move to that part of the code containing the Hereditary Offices Act.

The Honourable Mr. GIBBS, in reply to a question from His Excellency the President, said there was a distinct understanding when the Code was introduced, that no alteration should be made in codifying the Hereditary Offices Act. The only way of amending it would be to have a conference of Commissioners and Collectors interested in the matter, and if it was decided to amend the Act, the amendments should be made by a separate measure.

The Bill read a third time and passed.

The Honourable Mr. ASHBURNER said he objected very strongly to any more conferences. They had had nothing but conferences on the Hereditary Offices for years past. But if it was the case, that an assurance had been given that there should be no amendments of the Hereditary Offices Act, he was prepared to move that the Revenue Code Bill be read a third time and passed. It was accordingly read a third time and passed.

His Excellency the President then adjourned the Council *sine die*.

By order of His Excellency the Honourable the Governor in Council,

JOHN NUGENT,

Under Secretary to Government.

Bombay, 8th February 1878.

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