

[B. Pocker Sahib Bahadur] [1st June 1946]

of the families concerned. So, Sir, Government have themselves introduced fuel rationing according to the requirements of the families. So far as we people in Malabar are concerned, I refer to the Moplahs in particular, they need only a particular kind of cloth for their use and as a matter of fact a member of the Moplah community cannot ask for any kind of cloth which he does not use. Therefore when issuing cards, this may be borne in mind and people concerned must be asked to say what kind of cloth is required for their use. Whether it is the officials or committees, they know what is actually wanted, the difficulty is not as regards their wants, but as regards the quantity that may be available. I say, Sir, to the extent to which cloth is available let the Government do the best that is practicable. I remember, Sir, when Malabar was suffering for want of rice, I along with other Malabar friends waited in deputation on the then Commissioner of Civil Supplies, Mr. Brown, and when we suggested to him that rationing of rice should be introduced, he said 'Oh, it is an impossible thing, my head will be cut off if I introduce rationing.' I asked, 'why?' He replied, 'there must be enough stock to support rationing and, how am I to introduce rationing if there is not enough stock?' Thereafter sufficient stock was made available and rice was introduced and it was a success. After the introduction of rice was introduced. So, Sir, in regard to the Hon. the Premier approaches the problem to solve it, he is sure to succeed.

"Mr. Speaker, Sir, I wish to refer to only one or two small points more before I sit down. I do not want to stand in the way of many other hon. Members wishing to speak on the subject. As regards the kind of cloth required by the Moplahs, I may say, Sir, they require only mill cloth and not handloom cloth, excepting perhaps for the headwear of Moplah ladies and they also require some kind of mill cloth (long cloth) dyed in particular colours called 'kachies.' Licensing is required for that dyeing also. They may require some quantity of mill cloth (mull) for jackets. I do not say that mill cloth can be made available everywhere. What I say is, it should be distributed equitably to people in places wherever it is actually required. There are, of course, many places in which mill cloth is not required and people there want only handloom cloth and you may give handloom cloth to them. After all half a yard or one yard of mill cloth (mull) is sufficient for a jacket for a Moplah woman and this may last for about 6 months. Therefore, I say, Sir, to the extent to which mill cloth is available, it will be of immense use to the people concerned if the same is guaranteed as a result of rationing. As a matter of fact, there are certain areas in which people do not wear mill cloth, but only handloom cloth and you can easily ration handloom cloth there without any difficulty. I only wish to point out that if only Government apply their mind to it in a proper manner I am sure Government can achieve the purpose.

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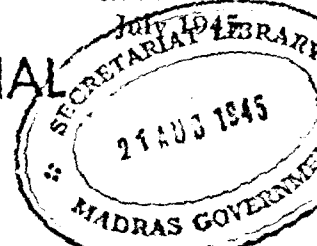
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ELECTION ADMINISTRATION IN THE MADRAS DISTRICT MUNICIPALITIES*

By V. VENKATA RAO, M.A.,
Research Student, Madras University.

Significance and Importance

The ideal form of election administration is one which produces uniformly honest and accurate results. Election results should be as accurate as the bank account. Nay more than that. A mistake in the bank account can be measured in rupees, but in the case of elections it means the difference between good government and bad government involving the welfare of a community. Fair elections are therefore essential for good government.¹ The presence of election frauds endangers the whole system of representative institutions, undermines public interest in civic affairs and discredits the public servant entrusted with this aspect of administration.

The essential features of an efficient election administration are, there should be a single officer in every municipality in charge of all the work connected with elections, subject to the control of the Provincial Government. This officer should appoint and control the election personnel. The election personnel must be efficient and honest. The ballots of all the booths must be identical and must be printed at the Government Press. The polling booths must be located in public buildings. Secrecy of voting must be secured. Provision must be made to challenge the identity of any person who applies for a vote and for the decision of election disputes.

The most decisive factor in election administration is the election personnel. Rules may be wise and comprehensive; arrangements may be efficient; all this will be of no avail if the election personnel is grossly incompetent and hopelessly corrupt. The employment of politicians, political hangers on and thugs as election officers is primarily responsible for the inefficiency of election administration in countries like the United States.²

Election Personnel

Administration of elections by officials is normally efficient and honest. An official adopts a neutral attitude between parties and factions and does not stoop to practice frauds. He does not permit laxness, inertia and politics to influence his actions. But election administration in the district municipalities till 1930 was in the hands of non-officials, viz., the chairman and the municipal councillors. There was practically no supervision over them. As a result of it, election administration was not generally honest. Voters' lists

*A paper read in the 'Politics Seminar' Madras University on 26-4-44.

¹ Harris. *Election Administration in the United States*, p. 5.

² Harris. *Op. cit.*

were manipulated; nominations were rejected on flimsy grounds and the ballot boxes were interfered with. All these factors impelled the Local and Municipal Public Health Advisory Committee to recommend to the Provincial Government to entrust election administration to officials.¹

In 1930, however, there was a change for the better. The chairman is no longer the election officer. We have at present a hierarchy of officials to conduct elections. At the apex there is the Inspector of Municipal Councils. He is the Election Authority for every municipality.² Till 1938, when the Madras Legislative Assembly electoral rolls for the territorial constituencies relating to municipalities were adopted for purposes of municipal elections, the manifold details connected with the preparation of voters' lists were settled in his office. He issued regulations fixing the dates for the publication of preliminary voters' lists, for the receipt of objections and claims, for the sittings of the Revising Authority.³ He appointed the members of the revising authority.³ At present he is responsible for the conduct of elections only. In the discharge of his duties he is assisted by a number of officers. There are three Deputy Inspectors of Municipal Councils. The election authority may delegate any of his functions to the Deputy Inspectors. Before the appointment of municipal commissioners, district election officers were appointed for each district to perform the functions connected with the preparation of voters' lists and to conduct the election of municipal councillors.⁴ With the appointment of commissioners, they are appointed as election officers.

Next to the election authority we have the election officer. The functions of the election officer varied from time to time. Till 1930 he was the chairman of the revising authority.⁵ Till 1938 he was responsible for the preparation of the voters' lists. At present he is responsible for the conduct of election of municipal councillors only. He appoints polling officers, counts votes and publishes the results. We have therefore at present one officer in charge of election administration in every municipality controlled by the Provincial Government.

Then comes the polling officer. He determines the character of elections. If he is corrupt, unscrupulous, with political leanings, elections will be conducted in a slipshod manner. Therefore persons interested in the outcome of elections should not be appointed as polling officers. Polling officers must possess character, must be honest, respectable, reputable, able to handle the voters with courtesy and despatch. These conditions did not obtain till 1930. Before that date, sitting councillors interested in the outcome of elections were appointed. Since 1930 officers of the Revenue, Public Works, Forests, Co-operative, Agriculture, Excise, Education, and Public Health departments

1 Q. No. 1964. M. L. C. P. Vol. 39.

2 G. O. No. 63. L. M. 10-1-1931.

3 Notification No. 451. P. 1. A. 1931. F. S. G. G.

4 I. L. B. Office D. Dis. No. 16750-32.

5 G. O. No. 3034. L. M. 30-11-1921.

or the ministerial officers of the police¹ and the judicial departments² are appointed as polling officers.

The functions of the polling officer are, he must maintain the secrecy of ballot; he must see that the elections are free and unrestrained; he must normally allow every one whose name is on the voters' list to vote; he must maintain order and call for the assistance of the police whenever election proceedings are threatened by a riot or disturbance. The electoral roll is binding on him, and it is no part of his business to question its correctness.

The polling officer is assisted by a clerk. In addition to the clerk a watcher is appointed (since the adoption of the colour box system) to see that each voter drops his ballot paper in one or other of the boxes and to hand him over to the police if he leaves the booth without depositing the ballot paper.³

Lastly we have the election agents. They are appointed by the candidates. There are three classes of election agents, election agents, polling agents and counting agents. The election agents attend the scrutiny of nomination papers; they may raise any objection; they have a right to examine the nomination papers. The polling agents are appointed to detect impersonation on the polling day. They may ask the polling officer to put questions to an intending voter. They may challenge the identity of a voter. The counting agents are appointed to attend the counting of votes. The ballot boxes must be opened in their presence. They should be given opportunities to examine the ballot papers. It must be said that this class of election personnel is not really efficient. Very often persons who do not know the 3 R's are appointed as election agents and under their very nose frauds are being committed. It is therefore essential that the candidates should select intelligent persons to act as their agents.

Right to Vote

The right to vote does not occupy the same position which the right to life or the right to property occupies. Even in democratic countries like England and the U.S.A. the right to vote was denied for a very long time to a section of the population. It is approximately correct to say that it is conceded to every adult citizen, male or female, since 1920.

In this presidency the question of conceding this right was considered when the Act of 1865 was under discussion. Excepting the collector of Malabar all other district officers were against the proposal and therefore it was dropped.⁴ It came up again for consideration when the act of 1871 was being enacted, and a large body of public opinion demanded its introduction. The Act of 1871 conceded this right but where it should be introduced and to whom it should be given was left to the discretion of the Provincial

1 G. O. No. 3942. L. M. 5-9-1934.

2 G. O. No. L. M. 25-9-1934.

3 G. O. No. 1278. L. A. 1933.

4 *Manual of the Administration of the Madras Presidency*, Vol. I, p. 223.

Government. The Act of 1884 conceded this right to certain classes of persons.

To vote at a municipal election, a person must possess certain qualifications. These qualifications may be divided into two classes, general and special. The general qualifications are, a person must have attained the age of 21 years; he must be a British subject or the ruler or subject of a State; he must have resided within the Municipal limits for 120 days in the aggregate during the previous financial year. A person is supposed to reside in a house if he sometimes uses it as a sleeping place. A person is not deemed to cease to reside in a house merely because he is absent from it or has another dwelling house provided he is at liberty to return to the house at any time and has not abandoned his intention of returning.¹ The intention of the legislature in prescribing the residential qualification appears to be that persons who reside in a municipality generally take interest in its civic affairs and it is therefore natural that they alone should be given the privilege of electing their representatives. Persons of unsound mind, deaf mutes and lepers are denied this privilege.

The special qualifications have varied from time to time. Prior to 1930, this was conferred only on those who paid any of the following taxes, property tax, tax on companies, profession tax or a surcharge on Income tax payable under the Indian Income-tax Act,² subject to the condition that he paid all other taxes, including the taxes on carriages, carts and animals³ before the last day of the previous financial year.⁴

In 1930 the franchise was liberalised and the right to vote was given to all those who were assessed to and paid any tax including a tax on carriages, animals and carts, payable to the Government of India or the Local Government or to any Local Authority in the Presidency of Madras. Retired, pensioned or discharged officers, non-commissioned officers or soldiers of His Majesty's regular forces were also given the right to vote.⁵

Since 1938 every person whose name is included in that part of the electoral roll for any territorial constituency of the Madras Legislative Assembly relating to Municipalities is entitled to a vote.⁶

In other words the right to vote is given to the following classes of persons. Persons who in the previous financial year paid tax under the Madras Motor Vehicles Act, 1931, for the whole of that year; or paid for both the half years of that year to a municipality or local board or cantonment authority in the province, profession tax or property tax under the Madras City Municipal Act, 1919, the Madras District Municipalities Act, 1920 or the Cantonments Act, 1924; or occupied as a sole tenant throughout that year a house in

¹ G. O. No. 897. Public. (Elections) 27-5-1938.

² Speech of Hon. Mr. Ramanuja Acharya. M. L. C. P. dated 12-3-1920.

³ G. O. No. 2715. L. M. 4-12-1923.

⁴ G. O. No. 2318. L. M. 19-10-1923 & G. O. No. 2625. L. M. 26-6-1928.

⁵ Sec. 38, Madras Act X 1930.

⁶ Sec. 3(3) Madras Act II 1938.

respect of which property tax or house tax has been paid for both the half years of that year; or assessed to income tax.

Again, a person who was on the last day of the previous *fasli* year, a registered landholder, inamdar, ryotwari pattadar or occupancy ryot under the Madras Estates Land Act, 1908 or was in and for the previous *fasli* year assessed to ground rent payable to the Madras Government or during the whole of the previous *fasli* year a kanamdar or kuzhikanamdar or the holder of a kudiyaruppu or a verumpattadar having fixity of tenure or was during the whole of the previous *fasli* year a mortgagee with possession or lessee under a registered instrument of immovable property in the province whose annual rental value is not less than Rs. 100.

Guardians of minors who by virtue of the above provisions would have been included in the electoral roll for that constituency if he were of full age and possessed the general qualifications and persons who were proved in the prescribed manner, to be literates are given the right.

Members of the scheduled castes are also given the right provided they occupied in the previous financial year a house whose annual rental value is not less than Rs. 18.

A woman is included in the electoral roll provided she is the pensioned widow or the pensioned mother of a person who was an officer, non-commissioned officer, or soldier of His Majesty's forces or the wife of a retired, pensioned or discharged officer, non-commissioned officer of His Majesty's regular forces or the wife of a person who in the previous financial year was assessed to any one of the following taxes, viz., companies tax, profession tax, property tax, income tax or the wife of a pattadar, inamdar, a registered land holder or a ryot or a tenant under a landholder holding land whose annual rental value is not less than Rs. 10.

A woman who at the date of the death of her husband is included in the electoral roll of a territorial constituency by virtue of his qualifications is continued to be on the roll unless she becomes disqualified.

The one notable feature of this survey is that the right to vote depended on ownership of property or the payment of taxes. The idea behind this provision appears to be that by paying a tax a person is contributing to the support of a municipality and therefore he is entitled to participate in its administration.¹

Preparation of the Electoral Roll²

Having determined the persons who should be included in the electoral roll, let us see how they are registered. The registration of voters may be

¹ Speech of the Hon. Mr. Habibullah. M. L. C. P. dated 12-3-1933.

² The following notifications published in the Fort St. George Gazette contain rules regarding the preparation of voters' lists. P.I.A. Nos. 953 dated 12-10-1930; 1136 dated 6-12-1921; 694 dated 8-7-1924; 248 dated 8-3-1921; 23 dated 22-12-1926; 494 dated 9-4-1927; 451 dated 3-3-1931; 928 dated 19-5-1931; 25 dated 20-12-1921; 1498 dated 4-12-1934; 87 dated 9-1-1936.

done in two ways, viz., the card system and the list system. The card system means that printed cards are delivered to the owner or manager of every residence in the city. They are filled up by the residents and handed over to the manager or the owner, who checks them, places them after affixing his signature in a cover provided for the purpose. These covers are collected by messengers and delivered to the election officer who checks them by reference to the records available in his office.

The second system is the addressograph system, the register containing not of paper cards but of zinc plates. For each voter a plate is stamped with necessary information. These plates when they run through the press produce the voters' list. These two systems are in vogue in Germany.¹

What we have in this Presidency is the list system. Preliminary electoral rolls are prepared by reference to the assessment lists. Two principles must however be observed in the preparation of electoral rolls. Firstly, no person who does not possess the prescribed qualifications should be registered. Secondly, no person should be registered in more than one ward. If a person possesses qualifications in more than one ward, he should be registered in the ward in which he ordinarily resides and spends a major portion of his time. A voter is primarily interested in the ward in which he lives and is therefore best qualified to take interest in the civic needs of that ward and to select the right type of persons to represent him in the council. If this principle is not adhered to, the ward system is likely to prove a failure so far as the numerical distribution of voters is concerned.²

The electoral roll must be in the chief vernacular of the town. It must contain the names of voters in full, father's, karnavan's or husband's name, the address and the qualifications under which the person is registered. Separate rolls should be prepared for each ward with a separate numbering. The names must be arranged in the alphabetical order. Here we have to note a distinction. The election authority must prepare and publish a complete electoral roll in the years in which elections for all the ordinary vacancies must be held. The preliminary roll must be published every year on or before the 15th May.

After the publication of the preliminary roll, the public must be informed by notice as to the mode in which, and the time within which, the claims and objections must be preferred and the date on which and the place at which the revising authority will sit for their disposal. It is open to any one who claims the right to vote but whose name is not entered in the preliminary roll or is incorrectly entered, to make a claim for entry or to correct the entry. Similarly it is open to any person to object to the inclusion of any person in the register. The claims and objections were submitted to the election officer till 1938. Since that date they are being submitted to the Registration Officer.

¹ Pollock. *German Election Administration*, p. 7.
² I. L. B. Office D. Dis. No. 11962-37.

The registration officer may enquire into all these claims and objections and may on his own accord remove or correct any name. He must publish a list of claims and objections received and a list of corrections made on his own accord; send a copy of notice of objection to the person to whose registration objection had been taken, intimate the persons concerned of the corrections he had made on his own accord and inform all the concerned persons of the time and place of sittings of the revising authority.

The composition of the revising authority has changed from time to time. During the period of 1920-30 the revising authority consisted of the chairman of the council as the chairman of the revising authority and two non-officials nominated by the collector of the district. The revising authority as constituted above did not work satisfactorily. It was packed very often with partisans. Its decisions were arbitrary and coloured by local politics. In 1930 the composition of the revising authority was changed. The chairman of the council was no longer its chairman. All the three members were non-officials not being members of the council. They were all appointed by the election authority. One of the three was appointed to act as its chairman. The change in the composition did not produce the desired effect. Since 1938 the revising authority consists of the Registration Officer as chairman and two non-officials nominated by the collector of the district as members.

In addition, two more non-officials are appointed as members-in-waiting to take the place of any member who refuses to attend or becomes incapable of attending or rendered unfit to take part in the decision of a claim or objection due to personal interest in them. The members-in-waiting are therefore appointed to function temporarily. They step in when an emergency arises and step out when it ceases.¹

The functions of the revising authority are to add names which ought not to have been omitted and to omit names which ought not to have been included. It is not its concern to enquire into complaints as to how the mistakes had occurred whether on account of fraud or oversight.² Nor is it competent to question the assessment lists. The assessment lists are binding on it.³

The revising authority is expected to discharge its duties honestly and impartially. Whenever any claimant suspects any one of its members as having interest in the disposal of his claim or objection he must object to the participation of such member in the disposal of his petition. If he does not do so, he forfeits his right and cannot raise it subsequently.⁴

The decision of the revising authority is arrived at by a majority vote. But when the members differ on any point, a final decision ought not to be

¹ Chairman, Municipal Council, Srirangam. V. Ananthasubrahmanian. 53 I. L. R. Madras 653.

² Athimolam Servai. V. Gopalakrishna Kone. 51 M. L. J. 230.

³ 62 M. L. J. 264.

⁴ 30. L. W. 851. See the judgment of Justice Venkatasubbarao.

pronounced without discussing the points of difference at a conference of all the members of the authority and without endeavouring to arrive at a unanimous decision. Any decision given without such discussion and such endeavour is not a valid one.¹

The sittings of the revising authority must be public and the claims and objections must be disposed of without adjourning its sittings. Whenever it adjourns its sittings, notice of it should be given to every one concerned.²

The orders of the revising authority are final. The roll which it finally approves is conclusive and no one has a right to question its validity even though it may contain the names of persons who should not have been included.³

The electoral roll must be corrected in accordance with the orders of the revising authority. The corrected roll is printed at the Government Press or at some private press under the supervision of the Registration Officer and published by the election officer in the Municipal office, in the office of the election officer, in one conspicuous place in the wards concerned and in such places as determined by the election authority. A signed copy of the final roll must be sent to the election authority.⁴ Copies of the final roll must be made available for inspection and sale.⁵

Mistakes are likely to occur and a need may arise to correct the rolls in between the preparation and publication of rolls. Provision is therefore made to meet such contingencies. Any person may apply to the registration officer for the correction of an existing entry in the final roll and if the registration officer is satisfied he may correct the entry or include new names and publish them in the same manner as the final rolls.

Every person whose name is entered in the final roll has a right to vote.⁶

Having so far considered the rules for the preparation of the electoral roll, let us now examine whether the preparation was honest and correct. It must be said to the discredit of all concerned that the rolls were manipulated. The manipulation took various forms. Firstly, persons whose names ought not to have been omitted were deliberately omitted. For instance, the names of one Dr. Devaraj and 40 others residing in the 4th ward of the Dindigul Municipality were omitted even though they paid profession tax before the last day of the previous financial year in 1921.⁷ Curiously enough, they were registered by the same election officer who prepared the municipal voters' list, as voters for the Madras Legislative Council elections held in 1920. The electoral roll of Adoni⁸ and Nellore⁸ contained the names of persons who died long before the preparation of the voters' list.

1 30. L. W. 851. See the judgment of Justice Venkatasubbarao.

2 G. O. No. 1719. L. M. 19-5-1931.

3 Hammond. *Indian Candidate*, p. 18.

4 G. O. No. 687. L. A. 26-2-1938.

5 I. L. B. Office D. Dis. No. 9900-37.

6 M. L. C. P. Vol. 1. A. pp. 552.

7 I. L. B. Office D. Dis. No. 32286-36.

8 I. L. B. Office D. Dis. No. 13265-36.

Secondly, the names of persons who ought not to have been included were deliberately included. For instance, 49 persons were included in the Madura Municipal electoral roll in 1922 even though they did not pay their taxes in time.¹ Test audits of the electoral rolls of several municipalities revealed the fact that the names of persons who paid animal or vehicle tax only were also included in the rolls contrary to sub-section (1) of section 46 of the District Municipalities Act.²

Thirdly, double entries were very often made. A person may own properties in more than one ward but he should be registered in the ward in which he usually resides. This rule was not observed and the names of such persons were entered in all the wards in which they had property qualifications. Again the name of a single person was entered in more than one place with several permutations. In one municipal electoral roll the names of the wife of the municipal chairman, the municipal office manager and the sanitary inspector were entered in more than one place with several permutations. Supposing the full name of a person is Sitamalakshamma, she is entered once as Sitamahalakshamma, again as Mahalakshamma and again as Lakshamma.

Fourthly, the names of certain persons were incorrectly entered with a view to eliminate them either at the time of scrutiny of nominations or at the polling booth. For instance, the name of one Mr. Chakrapani Ayyangar, Advocate, Madura was printed as Chukrapani Ayyangar and he was refused a vote at the polling booth on the ground that he was not the same person mentioned in the roll.³

Lastly, the most common way by which the electoral rolls were manipulated was to get a number of persons assessed either as owners of animals, carts or vehicles or as persons professing some trade or calling. There are innumerable instances to establish the truth of this statement. For instance, in Bezwada just before the preparation of the electoral rolls in 1936, 300 persons got themselves assessed, 271 as owners of cycles, 13 as owners of dogs and 21 as owners of pigs with a view to secure the entry of their names in the electoral roll. A comparative study of the assessment registers reveals the following facts. During the year 1935-36, 698 cycles and no pigs were assessed. During 1936-37, 967 cycles and 21 pigs were assessed. It is therefore evident that the entry of these three hundred persons was secured by persons interested in the municipal elections.⁴

Let us take the Ellore episode. A comparative study of the assessment registers reveals the fact that an organised attempt was made to swell the voters' list of that Municipality just before the elections. For instance,

1 G. O. No. 2313. L. M. 19-10-1923.

2 G. O. No. 2622. L. M. 18-6-1922.

3 M. L. C. P. dated 10-10-1929. Speech of Mr. T. C. Srinivasa Ayyangar.

4 I. L. B. Office D. Dis. No. 13409-37.

22nd ward.	1934-35.	8 cycles only
	1935-36.	11 cycles only
	1936-37.	10 cycles and 56 dogs were assessed.
6th ward.	1934-35.	9 cycles only
	1935-36.	9 cycles only
	1936-37.	9 cycles and 36 dogs were assessed.
7th ward.	1934-35.	17 cycles only
	1935-36.	17 cycles only
	1936-37.	17 cycles and 42 dogs were assessed.

This thing had happened in almost all the wards of that Municipality. The application forms of these assesses were presented in separate bunches for each ward; each bunch was written up by one and the same person; the assessments were paid on behalf of all the assesses by the same person on one and the same day, viz., 12-12-1935. In addition 400 new persons were got assessed as professing some trade and all these assessments were paid, curiously enough, on two occasions, viz., 30th September and 22nd December 1936. Here also the application forms presented on these two dates were prepared by one and the same person and the assessments were paid by the same person on behalf of all.

The interesting part of this episode was this. The congress party which was in opposition came to know of these manipulations very late. They found that things had gone a long way. They therefore tried to follow suit. On the 22nd March 1937, the Executive Authority was presented with 400 applications and "a pack of yelling hungry curs, their owners professing that they wished their dogs to be licensed before the hot weather, lest they should be destroyed in pursuance of the campaign against rabies." The Executive Authority enquired into all these 400 applications and found them to be on behalf of ownerless dogs picked up from the streets.¹

The Ellore episode pales into insignificance when compared with that of Peddapuram. Here was a well planned conspiracy to pad the electoral roll. On the 31st March 1936 applications on behalf of 1191 persons as owners of animals and vehicles were presented to the Executive Authority and he accepted them. The Collector of East Godavari who was informed of this conspiracy hastened to the spot and on enquiry found that some of the persons who paid taxes as owners of dogs and goats did not actually possess them; that some of the names were fictitious; that some of them belonged to certain families interested in the municipal elections. As in Ellore the applications were presented in bunches written up by one and the same person and the assessments were paid by the same person. The Collector came to the conclusion that it was highly improbable that 1191 persons would have come forward to make voluntary payment of their taxes on the last day of the financial year.² The Government superseded the

¹ Report by Mr. (now Sir) D. N. Strathie, I.C.S., I. L. B. D. Dis. No. 14095-37.

² Letter of the Collector of East Godavari. *Ibid* D. Dis. No. 13663-36.

Council for a period of two years just to prevent the bogus voters from exercising their franchise.¹ The instances given above are by no means solitary ones. Such things had occurred at Trichinopoly² Madura³ Saidapeta⁴ Srirangam⁵ Coimbatore⁶ Rajahmundry⁷ and Adoni to mention a few places.

The dishonest preparation of the electoral roll was due to the collusion between the election officers and politicians. Till 1930 the chairman of the council was the election officer and he was interested in the manipulation of voters' list.

The whims and fancies of the election officer would have been checked had the revising authority been properly constituted. It was not the case. It was packed, very often, with partisans and, as we had already seen, their decisions were high-handed and arbitrary. Had the revising authority consisted of the Revenue Divisional Officer as chairman, the election officer and a person of the locality as members there would not have been the scope to commit frauds mentioned above. It is regrettable that at times even the commissioners in their capacity as election officers were a party to the manipulation of the electoral rolls. It must therefore be said that during the period of 1920-38 the preparation of the electoral rolls was not generally honest. However the situation has improved with the adoption of the electoral rolls for the territorial constituencies of the Madras Legislative Assembly. The rolls are nearly accurate and the scope for manipulation has been minimised though not completely eliminated.

The ward System

Every municipality is divided into a number of wards for purposes of municipal elections. Every ward is a territorial area returning one or more councillors. A polling booth is located in every ward and all the electors in that ward must go to that polling booth to exercise their franchise. Unlike in some American cities the minimum or the maximum of voting strength is not fixed for each ward. But certain principles should be observed in the formation of wards. Regard must be paid to the commercial, historical, geographical and other natural factors. An ideal ward must be a compact aggregation of citizens united by racial or religious bond; or of a number of villages which have retained their individuality; or of quarters inhabited by particular classes or artisans. There should not be marked difference between one ward and another, either in population, voting strength or in the revenue derived. The areas must be contiguous.⁸

¹ G. O. No. 2858. L. M. 6-7-1936.

² 57. M. L. J. 551.

³ 54. M. L. J. 269.

⁴ 62. M. L. J. 264.

⁵ 20. L. W. 851.

⁶ I. L. B. Office D. Dis. No. 14107-37.

⁷ I. L. B. Office D. Dis. No. 11496-37.

⁸ G. O. No. 1040. M. 12-5-1915.

No. of the ward	Salem	Coimbatore	Vellore	Viziana-garam	Adoni	Tiruvarur	Ongole	Coonoor
1	645	596	348	415	490	400	532	336
2	1,036	600	810	605	570	285	617	396
3	525	1,458	267	308	514	164	379	260
4	413	443	71	523	364	234	316	46
5	652	1,377	729	534	379	284	276	267
6	525	150	923	506	523	522	546	45
7	551	690	306	345	311	281	199	261
8	639	962	445	378	197	372	330	105
9	558	1,073	415	791	516	340	563	553
10	1,121	608	598	214	382	212	439	306
11	795	1,037	145	356	518	435	567	463
12	870	1,822	189	361	450	371	390	204
13	799	437	358	348	362	241		
14	514	645	593	391	502	354		
15	542	804	362	328	523	646		
16	1,071	589	71	378	490	359		
17	222	894	895	521	579	193		
18	916	878	793	362	271			
19	423	813	639	553				
20	1,178	971	885	619				
21	740	530	971	462				
22	776	427	390	338				
23	636	627	741	236				
24	909	622	458	344				
25	605	832						
26	1,071	1,348						
27	637							

In accordance with these principles every municipality is divided into a number of wards. Before 1930 all the municipal councils excepting Parlakimidi (since transferred to Orissa) Cocanada, Chirala, Guntur, Tenali, Calicut, Nellore, Kumbakonam, Mayavaram and Negapatam had multi-member constituencies. Bimilipatam with 2 wards elected 12 councillors; 14 municipal councils had 4 wards in each with 12 elective seats. The 15 elective seats in Cochin were distributed as follows, 1st ward 5 seats, 2nd 4 seats, 3rd 3 seats, 4th 3 seats. These figures clearly tell us that the distribution of elective seats was not even. While it entailed little effort to those who contested for a seat in a ward with 2 elective seats, it threw a heavy burden on those who contested for a seat in a ward with 5 seats.

However in 1930 the policy of one ward one seat was adopted. We have at present in each municipality a number of wards equal to the number of general seats excepting in Coimbatore, Ootacamund, Srivilliputtur, Vizagapatam, Kodaikanal, Bimilipatam and Masulipatam.

Let us now consider whether the principles adumbrated above were observed in the formation of wards. We find certain deviations from them in certain respects. For instance the voting strength of the wards in many municipalities is not equal.¹

The figures given above show that the voting strength of the wards is not equal. In Salem for example there were in 1938, 645 voters in the 1st ward, 1036 in the 2nd, 222 in the 17th, 916 in the 18th, 423 in the 19th, 605 in the 25th and 1071 in the 26th wards. All these wards were single member constituencies. Here we find a difference of 400 in one case and 700 in another. Similarly, in Coimbatore there were in 1938, 150 electors in the 6th ward, 690 in the 7th, 962 in the 8th, 1073 in the 9th, 608 in the 10th and 1037 in the 11th ward. Here again all these wards were single member constituencies and yet we find disparity in the voting strength. This disparity we notice in all the 43 municipalities for which the writer collected figures. There is therefore need for a rational distribution of the voting strength of wards.

Again small bits, inhabited by different communities, scattered throughout the town are joined together instead of attaching them to a neighbouring ward. Localities inhabited by certain classes of persons opposed to the party in power are attached to a ward where they form a minority and command no influence.

¹ These figures were collected from the following papers.

I. L. B. Office, D. Dis. No. 6578-38. (Salem)
Ibid No. 9473-38. (Coimbatore)
Ibid No. 6324-38. (Vellore)
Ibid No. 8026-38. (Vizianagaram)
Ibid No. 6584-38. (Adoni)
Ibid No. 6565-38. (Tiruvarur)
Ibid No. 6327-38. (Ongole)
Ibid No. 6784-38. (Coonoor)

Since 1938 no general elections were held. The figures may be taken as the latest ones.

Though we notice some of these defects, on the whole it must be said that the above principles were observed in the formation of wards.

There is a school of thought which is opposed to the division of municipalities into wards, for election purposes. They argue that the division may reduce the number of voters in each ward to an undesirable extent and may result in the election of persons who may not really represent the feelings and aspirations of the townsmen. For instance the voting strength was 74 in the 7th ward of the Vaniyambadi Municipality,¹ 57 and 69 in the 3rd and 10th wards of the Walajapeta Municipality,² 48 and 66 in the 6th and 10th wards of the Kodaikanal Municipality³ and 46 and 45 in the 4th and 6th wards of the Coonoor Municipality.⁴ It is therefore argued that the entire town should be treated as an electoral unit. But it should be remembered that the figures given above are exceptions. A comparative study of the figures collected for the 43 municipalities shows that the voting strength of each ward is generally more than 200. While we suggest that the voting strength of each ward should be equalised we do not advocate the idea of treating the entire town as an electoral unit. Nor is it impracticable; it places unnecessary strain on the candidates involving them in unnecessary expenditure. It makes public life a costly luxury.

Again it is contended that the single member constituency system may put a minority in power or give a party with 10 per cent majority in voting strength, 90 per cent of the total number of seats. Under these conditions it is likely that even strong minorities may go unrepresented.⁵ This argument postulates the existence of strong party systems in the municipal councils. The party system did not exist in the councils till 1938 when only one party, the congress party, contested elections on party ticket. No other party contested elections. In municipal elections personalities count more than party affiliations. Therefore the question of political minorities getting under representation or political majorities getting over representation does not arise.

Finally it is argued that the single member constituency system may return a person elected by a minority vote when more than two candidates contest for a single seat. For instance the following election results prove the fact.

Nellore Municipality. 10th ward, 1938 elections:

Mr. C. V. N.	polled	141
Mr. V. S.	polled	73
Mr. H. R.	polled	147 (elected)

¹ I. L. B. Office. D. Dis. No. 6577-38.

² *Ibid.* No. 6571-38.

³ *Ibid.* No.

⁴ *Ibid.* No. 6784-38.

⁵ Daniels. *A Case For Electoral Reform*, pp. 17-30.

Salem Municipality. 18th ward, 1938 elections:

Mr. S. C.	polled	70 (elected)
Mr. N.	polled	52
Mr. N. R.	polled	41

Bezwada Municipality. 15th ward, 1938 elections:

Mr. N.	polled	96
Mr. S.	polled	246 (elected)
Mr. M.	polled	218

In all these cases the elected persons did not secure a majority of the votes polled. They were all elected by a minority vote and therefore the contention that a candidate may be elected by a minority vote under the single member constituency system appears to be correct. But it is not wholly correct. Very often candidates are elected by a majority vote even in triangular contests. For instance the following election results establish this fact.

Virudunagar Municipal elections 1938:

- (a) 4th ward, Mr. S. polled 21,
Mr. I. polled 223 (elected)
Mr. R. polled 8
- (b) 12th ward, Mr. K. polled 1
Mr. S. polled nil
Mr. S. polled 240 (elected)
Mr. P. polled 62

Tiruvannamalai Municipality. 11th ward, 1938 elections:

Mr. I.	polled	1
Mr. N.	polled	40
Mr. M.	polled	41
Mr. M.	polled	257 (elected)
Mr. U.	polled	19

Bezwada Municipality. 8th ward, 1938 elections:

Mr. A. K.	polled	615 (elected)
Mr. A.	polled	5
Mr. P.	polled	378

Coimbatore Municipality. 20th ward, 1938 elections:

Mr. M. A.	polled	88
Mr. K.	polled	1
Mr. K.	polled	101
Mr. R.	polled	331 (elected)

Of the 43 Municipal councils for which figures were collected, only in 12 municipalities single seats were contested by more than two candidates in the 1938 elections. In some places like Coimbatore and Virudunagar even four candidates contested for a single seat. In all these 12 municipal councils 39 seats were contested by more than two candidates. Of the 39,

ten were elected by a minority vote and the rest by a majority vote, the proportion being roughly 1:3. Therefore our conclusions are that on an average not more than 5 per cent of the total number of seats are contested by more than two candidates; that such contests occur in some councils and not in all; that 75 per cent of the triangular contests are resulting in candidates being elected by a majority vote and there is no need to disturb the present system of one ward one seat.

Qualifications of The Candidates

The minimum qualification of a candidate is that his name must be on the municipal electoral roll. Till 1930 persons of male sex alone were eligible to contest municipal elections. At present women are permitted to stand as candidates. Secondly, a person contesting a reserved seat must belong to the community for which the seat is reserved. Persons who suffer from any of the following disqualifications are prohibited to stand as candidates.

A candidate must not be a Government servant or a servant of the council or an honorary magistrate except a village officer. Extra departmental postmasters¹ Honorary Medical Officers² are not disqualified to contest municipal elections. But Medical Inspectors of Municipal schools should not contest municipal elections.

He must not have been convicted for a criminal offence excepting political offences or offences not involving moral delinquency for a period of six months. Such persons are not allowed to contest municipal elections for a period of 5 years from the date of expiration of the sentence. He must not be a lunatic, deaf mute, or an adjudged bankrupt or an undischarged insolvent.

He must not have interest in municipal contracts.³ But lessees of municipal cart stands⁴ municipal markets, slaughter houses, municipal vacant lands are not prohibited to stand as candidates.

He must not be a paid legal practitioner on behalf of or against the council. A legal practitioner who appeared on behalf of or against a municipal council but the case was disposed of before the date of nomination⁵ or offers his legal services free of cost⁶ is not disqualified to contest municipal elections.

He must not be a servant or employer or the official subordinate or official superior of a sitting councillor. Such persons need not necessarily be government servants. This provision is intended to secure the independence of the councils and the purity of their administration and to prevent

¹ G. O. No. 735. L. M. 25-2-1932.

² G. O. No. 1134. L. M. 21-3-1939.

³ See the case of Municipal Chairman, Bellary. V. Abdul Rawoof.

⁴ G. O. No. 868. L. M. 24-2-1928.

⁵ See the case of Mr. Devata Sriramamoorthy, I. L. B. Office. D. Dis. 7906/1932.

⁶ See the case of Mr. C. Rajagopalachari, Ibid D. Dis. No. 6538-38.

opportunities to form cliques and factions within them.¹ The secretary of a bank is not the official subordinate of the President of the bank.² Similarly an hereditary archaka of a Hindu temple is not a servant of the trustee of the temple³ and therefore these persons are not disqualified to stand as candidates.

Call for Elections⁴

In all countries there is a definite call for each election. Elections are of two kinds, ordinary or casual. Ordinary elections are held when all the municipal councillors go out of office after the expiry of the term of the council. Casual elections are held when a councillor dies or when he accepts office under the Crown or acquires any one of the following disqualifications, viz., continuous absence for more than three months, bankruptcy, conviction for a criminal offence or unseated by a judicial decision. Casual elections are not held to fill up vacancies occurring within three months before the date fixed for the next general elections. A person elected at a casual election holds office for the remaining period of his predecessor and must go out of office along with other councillors after the expiry of the term of the council.

The election officer must inform the public by a notice, the number of persons to be elected, the wards for which elections will be held, the number of seats reserved, the date on which, the place at which, and the hours between which nomination papers should be presented, the day on which nomination papers will be taken up for scrutiny, the day on which and the place and hour at which votes will be counted.⁵ The election officer is prohibited from altering the dates or places or hours once fixed.⁶

Nominations

The publication of notice brings forward a number of candidates aspiring for the positions. This is one of the two steps in the process of election. It is popularly known as nomination. It is of three kinds. Firstly, declaration of candidacy unaccompanied by a filing fee or petition; secondly, declaration of candidacy and depositing certain amount of money; lastly nomination by petition, i.e., certain percentage of voters should sign a petition nominating a particular person as a candidate. In France law makes no provision for the nomination of candidates. The parties select their own candidates, print their own ballot papers with the names of candidates and distribute them on the day of election.⁷

¹ Kandaswamy Chettiar vs. Municipal Council, Pollach. 37. L. W.

² Ibid.

³ Mangala Gounder vs. Ayyathorai Mudaliar, 55. M. L. J. 644.

⁴ See the notifications in *The Fort St. George Gazette*. P. 1. A. Nos. 1120 dated 23-11-1920; 882 dated 12-2-1922; 904 dated 19-12-1922; 527 dated 12-5-1925; 482 dated 5-4-1925; 593 dated 3-6-1926; 1111 dated 20-8-1927; 1032 dated 13-7-1927; 149 dated 19-1-1931; 1267 dated 21-7-1931; 390 dated 8-3-1932; 373 dated 25-3-1933; 1396 dated 23-10-1934; 181 dated 25-3-1935; 1247 dated 7-10-1935; 925 dated 20-8-1936; 88 dated 9-1-1936.

⁵ G. O. No. 4122. L. A. 15-10-1938.

⁶ G. O. No. 3975. L. M. 17-10-1927.

⁷ Munro. *Municipal Government and Administration*, Vol. 2, p. 285.

What we have in this presidency is the second system. The nomination of each candidate must be made by a separate nomination paper prescribed for the purpose, stating the name of the candidate in full, father or husband's name, age, sex, occupation, address and the number of the candidate on the electoral roll. Each candidate must be proposed and seconded by two electors and they should affix their signatures on the nomination paper. The candidate must sign a declaration himself, expressing his willingness to stand for election. Affixing of signature either by son or by agent on the declaration though acting under the authority of the candidate, is not valid.¹

Nomination papers should be presented to the election officer by the time, date and place appointed for the purpose either by the candidate in person or by the proposer and seconder together. Nominations received after the appointed hour should be rejected. They are not complete unless they are accompanied by a money receipt depositing Rs. 25 in the case of Adi-Dravidas and Rs. 50 in the case of others.

The deposit is returned to those who withdraw within the prescribed time; to the successful candidates; to the defeated candidates provided they secured not less than one-eighth of the total number of votes polled.

Plural nomination is permissible. That is a candidate may file nominations for more than one seat provided he makes separate deposits for each seat. Only one deposit is returned, all others being forfeited.

The liberty given to the candidates to file plural nominations seems to have been abused. There is a tendency on the part of some candidates to file more than one nomination. In Chingulput one candidate filed nominations for all the 12 general seats in 1938.² Such plural nominations entail a lot of work to the election officer. It should therefore be laid down that a candidate validly nominated for more than one seat should withdraw from all the wards excepting one and if he does not do so he must be considered to have withdrawn from all the wards. This prevents not only frivolous candidature but also avoids administrative inconveniences.

Immediately after the hour appointed for the receipt of nominations, the election officer must publish a list of nominations received and a notice informing the candidates, the date on which nominations will be taken up for scrutiny.

Scrutiny of Nomination Papers

The scrutiny of nomination papers should be taken up on the appointed day. It is the duty of the election officer to see that the candidates do not suffer from any of the disqualifications already mentioned. He must give the candidates or their agents all reasonable facilities to examine the nomination papers. The candidates or their agents may raise any objection. The objec-

¹ Doraiswamy Nadar. V. Joseph Mothier. 24. L. W. 209.

² I. L. B. Office. D. Dis. 6575-38.

tions generally raised are that the signatures of the proposer and the seconder are secured by false representations; that the candidate is interested in municipal contracts; that he is an official subordinate or official superior of the sitting councillor; that he is not 21 years of age; that he is not the same person mentioned in the electoral roll; that he is a leper etc. The election officer must decide all the objections raised by the candidates or their agents. The scrutiny of nomination papers should not be adjourned under any circumstances.

The election officer should not reject the nomination papers merely on the ground of misdescription of the candidates' name or of the proposer or seconder, if the identity of the candidate, proposer or seconder is established beyond all reasonable doubt; nor should they be rejected on the ground that they were not presented by both the proposer and seconder together or on such other flimsy grounds. In practice, however, many nomination papers were rejected on the ground that they were not presented both by the proposer and seconder together.¹ The chairman of the Hindupur municipality rejected a number of nomination papers on the ground that the signatures of the proposer and seconder were not genuine without making any enquiry. The Government set aside the order of the chairman.² The chairman of the Madura Municipality rejected the nomination of Mr. L. K. Tulasiram M.L.C. on the ground that he was not the same person mentioned in the electoral roll. To establish his identity, Mr. Tulasiram had to go to a court of law and spend Rs. 500.³ These instances show that the election officers at times rejected nominations arbitrarily. Such rejections restricted the choice of the electorate. However the situation has considerably improved with the appointment of commissioners as election officers and the provision of a right of appeal to the collector of the district⁴ which did not exist till 1938.

Withdrawal of Candidature

A candidate who is validly nominated may withdraw his candidature by delivering a signed notice either in person or through an agent to the election officer before 3 p.m. of the very next day of the day fixed for the scrutiny of nominations. Or he may withdraw by delivering a signed notice in person to the election officer at least three days before the date fixed for poll, subject to the condition that he forfeits his deposit. The election officer must publish a list of nominations accepted and a list of withdrawals.

Uncontested Elections

Elections are said to be uncontested if the number of persons nominated is equal to the number of vacancies. Before 1930 if at an ordinary election no person was elected, the retiring councillor, if willing to serve, was

¹ G. O. No. 4551. L. M. 22-10-1936.

² M. L. C. P. Vol. 26, p. 467.

³ Ibid dated 10-10-1929.

⁴ G. O. No. 4120. L. A. 15-10-1938.

deemed to have been re-elected. Uncontested elections are not a rare feature. The municipal general elections in Proddatur, Pollachi and Karaikudi were entirely uncontested in 1938.¹ The table given below gives us an idea of the percentage of uncontested elections.

Year in which elections were held 1	Total No. of seats available for contest 2	Total No. of seats contested 3	Total No. of seats uncontested 4	Percentage of col. 4 to col. 2 5	Kind of election 6
1935-36 ...	145	86	59	40.71	Casual
1936-37 ...	130	50	80	61.54	Casual
1937-38 ...	25	4	21	84	Casual
1938-39 ...	1,879	1,050	829	47.47	General

Election Arrangements

In case the number of persons validly nominated exceeds the number of seats available, elections must be held. The election officer must appoint at once the required number of polling officers, polling clerks, identifying officers and watchers.

He must then select proper places for the location of polling booths. The qualifications of an ideal polling booth are, it must be of sufficient size to take care of the voters without crowding; it must be well ventilated, permanent and accessible to all; it must have congenial surroundings. A proper polling booth greatly facilitates the smooth conduct of elections and minimises the number of election frauds. If they are located near the arrack shops and toddy pandals, they gather crowds, and voters find it difficult to go to the booths. Thugs and intimidators will haunt the places. But their location in public buildings will eliminate all such disadvantages. Separate polling booths must be provided for women if sufficient number of suitable women are available to act as polling officers.

The ballot papers must be printed at the Government Press. The number of ballots to be printed must be equal to the number of electors on the roll plus some more to cover wastages. Before the introduction of the color box system, the names of candidates were printed on the ballot paper in the alphabetical order. The ballot paper contained the name of the municipality and the number of the ward for which election was to be held. Each ballot paper contained an outer foil and a counterfoil. The outerfoil contained the names of candidates and space just opposite the names to place the mark of preference. The ballot paper was as follows:—

FORM IV (See rule 15)

BALLOT PAPER

Counterfoil
Serial No. 1

Outerfoil

Bellary Municipality Ward I

Bellary Municipality

Ward No. I.

Date of election

Name and number on the electoral roll

Serial No. 1	Name and description of candidate 2	Mark showing the elector's choice 3
1	Devendra Naidu. M.	
2	Nair M. G.	
3	Narayana Rao. M.	
4	Subrahmanyam Tekuru	

After the introduction of the color box system, the names of candidates are omitted on the outerfoil. The ballot paper is as follows:—

Counterfoil

Outerfoil

FORM IVA (See Rule 15) Bellary Municipality, Ward No. 1	FORM IVA (See Rule 15) Bellary Municipality, Ward No. 1
Serial No. 1	Serial No. 1
Name and number of elector on the electoral roll.	

A day before the date fixed for poll, the election officer must deliver to the polling officer, sufficient stationery, election papers, an electoral roll and sufficient number of ballot papers. Before the introduction of the color box system, only one ballot box was supplied. At present the election officer must provide as many ballot boxes as there are candidates, each ballot box bearing the distinctive color assigned to the candidate. He must also provide a board containing the names of candidates and the colors assigned to them.

The election officer must also requisition the services of the police to keep order at the polling booth on the polling day and inform the collector of the district the date of poll so that he may order the closure of arrack and toddy shops.

On the election day the polling officer must see that the board containing the names of candidates is hung outside the polling booth. In addition to this

a board containing instructions to voters is placed in a prominent place. The instructions are printed. They are brief and yet complete. They are as follows. 'Come and exercise your vote early. Place your ballot in one of the boxes. If you spoil your ballot paper, return it and get another.' Then he must clear the polling booth of all persons excepting his assistants, the candidates and their agents. The polling officer immediately before the commencement of the poll must show to the candidates or their agents that each ballot box is empty, lock it up, seal it and place it inside the compartment set apart for the purpose of voting. He must then read out the provisions of section 14 of the Indian Election Offences and Inquiries Act 1920 to the candidates or their agents.

After these preliminaries are over, polling begins at the appointed hour. The polling officer must remember that the electoral roll is binding on him. The first step in permitting an elector to vote is to see that he is registered. The elector announces his name as he approaches the polling officer. Before supplying him with a ballot paper he may on his own accord or must at the instance of polling agents question him as follows.

- (a) Are you the person enrolled as follows, (reading the whole entry from the roll)?
- (b) Have you already voted at the present elections in this polling station or in any other polling station?

Unless the voter answers these questions satisfactorily, he should not be given a ballot paper. In practice no attempt is made to identify voters, for there is no need. The polling agents generally know the voters and recognise them on their appearance. Before handing over a ballot paper to a voter the polling officer should stamp it, enter on the counterfoil, the name and number of the elector on the electoral roll. He must detach the outerfoil, deliver it to the elector and place a sign against the number of the elector on the electoral roll to indicate that he (the voter) has received the ballot paper. He should not mention the serial number of the ballot paper given to the elector on the electoral roll as it may lead to the identification of the person to whom the ballot paper is given. Before the introduction of the color box system, the elector on receiving the ballot paper proceeded to a chamber set apart for the purpose, marked the ballot paper and placed it in the ballot box in the presence of the polling officer, after having shown him his initials at the back. At present an elector is given as many ballot papers as there are seats to be filled. The elector on receiving them proceeds to the chamber where ballot boxes are placed and places them in the boxes bearing the colors assigned to his candidates.

Assistance to Voters

Provision is made to assist those who are unable to exercise their franchise. Before the introduction of the color box system, if any elector was unable to read the ballot paper or mark thereon the polling officer had to mark the ballot paper according to the wishes of the elector in the presence

of polling agents and place it in the ballot box.¹ This provision suffered from three serious defects. Firstly, it destroyed the secrecy of voting. Due to the prevalence of mass illiteracy, illiterate voters could not but seek the assistance of the polling officer. As there was no secrecy of voting, it deterred a number of illiterate voters from visiting the polling booth and even when they visited they had not the freedom to exercise their vote as they pleased. Secondly, it afforded opportunities to practice intimidation and bribery. Bribed voters were asked to declare themselves as illiterate, even though they were literate, before the polling officer and seek his assistance to mark the ballot paper so that the candidate or his agent might know the person to whom he voted. School teachers² in municipal service were intimidated to declare themselves as illiterate before the polling officer and seek his assistance to mark the ballot paper. Thus persons otherwise literate outside the polling booth became illiterate at the polling booth.³ Curiously enough even the professional document writers came to the polling booth and said 'Sir, I am illiterate. Please mark the ballot for me.' Thirdly, it afforded an opportunity to the polling officers who were partisans,⁴ to abuse their position. Whatever might have been the wish of the elector, the polling officer marked the ballot papers according to the directions received from the chairman.⁵ Some polling officers marked the ballot papers without allowing the candidates or their agents to know how they were marked.⁶

With a view to secure the secrecy of voting at municipal elections, a resolution recommending the introduction of the color box system was passed by the Madras Legislative Council.⁶ The Government did not accept it.⁷ But the color box system was introduced in 1938.⁸ At present assistance is rendered to blind voters.

The working of the color box system in turn has revealed certain defects. For instance the watcher may reveal the progress of polling to the candidates or their agents and thus enable them to check the results and resort to foul means if necessary. Secondly, the watcher's seat and that of the polling officer are so closely situated that the watcher is able to hear the name of the elector and thus watch how he votes. These two defects can be rectified only by dispensing with watchers. But the danger is that the elector may not deposit the ballot paper in the ballot box. He may take it back and misuse it. Though these defects are noticed, the fact cannot be denied that the color box system liberates all voters, whether literate or illiterate from political pressure and intimidation. It minimises the number

1 G. O. No. 2628. L. M. 23-9-1924.

2 Speech of Dewan Bahadur M. K. Nayar, M. L. C. P. Vol. 35 p. 1434.

3 Speech of Sir C. P. Ramaswamy Iyer *Ibid.* p. 489-91.

4 Speech of Mr. A. Kaleswara Rao, *Ibid.* p. 1434.

5 U. U. Taraganar vs. Mohideen Pillai, 1927. M. W. N. 838.

6 Resolution of Mr. Biswanath Das, M. L. C. P. Vol. 35. p. 1431.

7 Question. No. 1487. M. L. C. P. Vol. 52.

8 G. O. No. 1047. L. A. 24-3-1938.

of voting frauds. It secures the secrecy of voting. This is vouched by all the election officers who conducted the 1938 general elections.

Tendered Ballot Papers

It is likely that when an elector applies for a ballot paper, it may be found that one has already been given to a person representing himself to be the voter. Under such circumstances, if the polling officer is satisfied he may hand him a 'tendered ballot paper'. The voter must put the ballot paper in a cover and hand it over to the polling officer. These covers are kept separately.

Spoilt Ballot Papers

A voter may inadvertently deal with his ballot paper and spoil it. In such cases the elector may deliver it back to the polling officer and obtain another ballot paper. After the introduction of the color box system the number of spoilt ballot papers has been negligible.

Challenges

Provision is made by which a candidate or his agent may undertake to prove that a particular person has committed impersonation. The person challenging the identity of a voter must deposit Rs. 20. The polling officer after obtaining a written statement from the person who challenges, may deliver a ballot paper to the elector. He should send a list of challenged votes to the election officer who after instituting necessary enquiries may take steps to prosecute the persons who impersonated. In practice, however, the number of challenges is very few.

Absent Voting

Provision is made for absent voting. But this right is reserved only to the polling officers and other public servants who are on election duty. Many people do not avail themselves of this privilege because the procedure fixed involves some extra labour. Every one desires to be saved from that.

The Adjournment of Polls

When the proceedings at a polling station are obstructed by a riot or by open violence the polling officer may adjourn the proceedings and report to the election officer the circumstances under which he was forced to do that. The election officer should forward the report to the election authority who may order the continuance of the poll by the number of hours for which it was not held or he may order fresh elections.

Closure of Poll

The polling station must be kept open till the appointed hour and must be closed punctually at the appointed time. No intending voter should be admitted and no ballot should be given out after the appointed time excepting to the persons who had been admitted to the polling station before the

closing time. A rush of voters is curiously common during the last hour and the polling officer must be strict in closing the poll at the appointed time.

Immediately after the closure of poll, the polling officer must, in the presence of candidates or their agents, packet separately and seal with his own seal and with that of such candidates as may desire to affix their seals, each ballot box with keys attached, the tendered ballot papers, the unused ballot papers, the spoilt ballot papers, the marked copy of the electoral roll, the counterfoils of the ballot papers, the list of tendered voters, the list of challenged voters and the covers containing absent voting ballot papers. These packets must be accompanied by a statement accounting for the expenditure of the ballot papers received by him. The packets and the statement must be handed over to the election officer.

Voting Frauds

Let us see how far voting is honest. Is it free from frauds? It can be said without the fear of contradiction that it is not. Different kinds of frauds are committed on the voting day. For instance chain voting is one of them. By 'chain voting' we mean, an extra official ballot is secured by hook or cook. It is marked by the candidate or his agent and given to the bribed voter with instructions to deposit it in the ballot box and bring back the ballot given to him by the polling officer. This is kept up all day long and is known as the 'endless chain ballot'. This kind of fraud was committed before the introduction of the color box system.

Impersonation is another, i.e., sending persons to polling booths under the names of bogus voters whose entry was secured into the electoral roll by foul means. This kind of fraud is practiced on a wide scale, especially in places where gosha ladies are permitted to vote without unveiling their faces for purposes of identification. It was reported that in the 1932 general elections held at Nellore, men in the guise of gosha ladies visited the polling booths and demanded votes.

Violence and intimidation are resorted to very often with a view to bully 'soft' electors. As long as the election officer happened to be the chairman, municipal servants and their dependants and poor tax payers were intimidated to vote in a particular way. At present violence is resorted to very often.

Bribery and treating and kidnapping of recalcitrant electors are some of the frauds committed in broad day light under the very nose of the authorities.

Lastly, the spoiling of ballot papers by the polling officer is another fraud committed on the voting day. A number of polling officers under instructions from the chairman placed unnecessary marks on the ballot papers so that they might be rejected by the election officer at the time of counting. At present it is not practised because the polling officers are Government servants.

Counting of Votes

The counting of votes must be taken up on the appointed day. The election officer must open the ballot boxes in the presence of candidates or their agents, count and record the ballot papers of each box. He must give all reasonable facilities to the candidates or their agents to inspect the ballot papers and decide all objections raised by them. He must reject all ballot papers bearing a mark which definitely leads to the identification of the elector; the ball of papers which are not stamped; the ballot papers having the number of the elector on the electoral roll. At the time of counting it was found that a number of ballot papers had one or other of these defects. No less than 177 ballot papers were rejected in 1938 by the election officer, Rajahmundry, for bearing the number of the elector on the roll. All the votes polled in the 4th ward polling booth in Ongole were rejected for bearing the name of the voter and no candidate was declared elected.¹ As a result of it fresh elections had to be held.² The election officer must endorse on the rejected votes 'rejected' and if the rejection is objected to he must write 'rejection objected'. The rules do not prescribe a second count. A second count is generally allowed where two candidates poll very nearly the same number of votes.³ After the counting is over, the election officer must separately bundle the votes accepted and the votes rejected and seal them up.

Even at the time of counting of votes frauds are committed by the election officer by rejecting valid votes and by counting invalid votes. For instance the first count of the votes polled at the elections of the 3rd ward of the Walajapeta Municipality, held to fill up three vacancies showed the following result.

(1) T. K. Ratnavelu Chettiar	170 (elected)
(2) M. Lakshmier	127 (elected)
(3) K. S. Mallappa Chettiar	123 (elected)
(4) S. Rajam Iyer	116
(5) P. Venkataswamy Naidu	109

The first three were declared elected. The recount ordered by the election court revealed the following result.⁴

(1) T. K. Ratnavelu Chettiar	160 (elected)
(2) S. Rajam Iyer	124 (elected)
(3) P. Venkataswamy Naidu	123 (elected)
(4) M. Lakshmier	120
(5) K. S. Mallappa Chettiar	116

Frauds of this kind are of a very rare occurrence and they do not occur at present as the counting is done by a responsible official.

¹ R. C. No. 983-38 from the Ongole Commissioner.

² G. O. No. 1817. L. A. 17-5-1938.

³ G. O. No. 1387. L. A. 20-4-1938.

⁴ Lakshmier vs. Rajam Iyer, 56. M. L. J. 118.

In case two candidates secure equal number of votes, lots are drawn. After the counting is over, the election officer must publish a list of successful candidates and send a copy of the same to the Superintendent Government Press for publication in the Fort. St. George Gazettee. The bundles containing the election documents must be sent to the record room for retention for a period of one year and destroyed, unless otherwise directed by a competent court, after the expiry of the period.¹

Percentage of Voting

Percentage of voting generally reveals the political behaviour of the electorate. There is a general charge that the rich and the educated are not very enthusiastic to exercise their vote.² Even in countries like England the percentage of voting at municipal elections is very low.³ So far as this presidency is concerned the percentage of voting is generally high. It is nearly 70 per cent at the general elections and a little higher at casual elections. For instance it was in—

1935-36	...	69.	Per Cent.
1936-37	...	71.7	" "
1937-38	...	72.3	" "
1938-39	...	69.	" "

Election Disputes⁴

Defeat at polls is a bitter pill to swallow. The unsuccessful candidate may attack the validity of an election on several grounds, viz., that the election was affected by bribery, treating, undue influence, impersonation, or that the candidate was suffering from a disqualification on the date of nomination; that the election officer adopted irregular procedure in accepting nominations; that the arrangements for taking poll were inadequate; that the polling station was opened or closed before time and that the counting of votes was partial.

An election petition may be presented within 7 days from the date of publication of election results. It must contain all the material facts. It may be submitted by any candidate or elector against any successful candidate to the election commissioner who is generally the subordinate judge or the district judge having territorial jurisdiction over the municipal area. The petition must be accompanied by a deposit of Rs. 200 as security to meet all costs, charges or expenses for which the petitioner may become liable.

The trial is taken up on the appointed day. The election commissioner is a 'persona designata'. He is not assisted by a jury.

¹ G. O. No. 5460. L. M. 1934.

² Political Quarterly, 1938, p. 271.

³ Ibid 1934, p. 164.

⁴ G. O. No. 3793. L. M. 12-10-1931.

G. O. No. 104. L. M. 9-1-1936.

An election petition may be withdrawn with the consent of all parties concerned but the election commissioner may not allow the withdrawal if he suspects that it is induced by a bargain. A petition abates with the death of the petitioner.

The decisions of the election commissioner are final. There is no appeal against any of his orders and no court has a right to revise it unless it can be proved that the judge acted without jurisdiction.¹

Is the election administration efficient? Does it produce accurate results. The above survey leads us to the conclusion that it was neither efficient nor free from fraud during the period 1920-30. It was primarily due to the fact that the entire election administration was in the hands of political crooks and thugs. At the risk of repetition it may be said that the election officer was the municipal chairman; he was also the chairman of the revising authority; he had therefore opportunities to manipulate the electoral roll, to appoint his own men as polling officers, to reject nominations on flimsy grounds, to assist impersonation and use of violence and intimidation on the election day and to make false returns. Thus the close alliance between politics and election administration was responsible for the inefficiency of election administration till 1930. Since 1930, however, the situation has improved. Administration is separated from politics. Officials are entrusted with election administration. Though the administrative machinery is efficient, the personnel is honest and the rules are comprehensive and wise, frauds are still committed on the voting day. This may be attributed to the close relationship between election and vice. To practice intimidation and violence, tougher element is required. Therefore the services of criminals are requisitioned. Drink is supplied free of cost. How to purify elections? The solution of this problem is not the business of public administration.

¹ Shanmuga Mudaliar vs. Subbaraya Mudaliar. 63. M. L. J. 932.

GREATER BOMBAY

By CHUNILAL D. BARFIVALA, M.A., LL.B.

I*

The word "greater" used as an attribute of cities has acquired a specialised meaning in literature relating to City Governments. It is not a large area nor a big population that makes a city a "Greater" city. Agglomeration of large number of individuals constitute a city. Greater City is not a small city grown large in its normal process. It is only when grown up cities acquire metropolitan characteristics, that the question of "Greater Cities" and their Governments arise. The characteristics briefly are extreme congestion, a tenderloin, a considerable transient and heterogeneous population, a cosmopolitan outlook, and above all a group of satellite local government units revolving round it and shining in its reflected splendour. A metropolitan area is one within which a large portion of the population moves to and from the central city for work, trade, amusement or other purposes. The problem of problems of these metropolitan areas is to bring within the orbit of one political or governmental organisation—the growing cities and their satellite units—all these being geographically, economically and socially one with the parent city. This is the main problem of the metropolis of "Greater Cities". This is the problem of which solution has been attempted in the formation of "Greater London, Greater Berlin or Greater New York" and a host of other metropolitan cities.

Bombay. Our city — Bombay — reached this metropolitan stage long ago.

Bombay was indeed a 'small thing', 'a poor little island' when Catharine of Braganza brought it as a dower when she married Charles II. It was not however destined to remain a mere fishing village. In the early seventees, its progress was retarded for a time by its most insanitary condition. Mortality figures were very high and European population was severely affected. The population was reduced from 60,000 to 16,000 only. It had become almost a proverb that Bombay had become a grave-yard of the Englishmen and it was stated that in Bombay "the age of man was only two monsoons". These conditions took some time to improve but they gave birth to municipal government. From small beginnings

* Speech delivered at the International Fellowship Meeting held on 23rd July 1945, at the Indian Merchants' Chamber, by Chunilal D. Barfivala, Esqr., M.A., LL.B., Director, Local Self-Government Institute and President, District Local Board, Bombay Suburban District.

— from the use of native agency for tax collection — the municipal government has now grown into powerful organisation. But this growth has not kept pace with its requirements. The growth has been haphazard, unco-ordinated, un-regulated and unplanned. There are mere accretions to the Centre from time to time.

Metropolitan Conditions in Bombay. The City boundaries cannot accommodate its over-grown population of 15,00,000 (in round figures) according to the Census of 1941 (14,89,883) and 21,00,000 (20,89,425) according to the Rationing Authorities (in 1944). Bombay's industries and commerce require urgent expansion. Housing the population and finding room for its factories attached thereto and for commercial activities are problems which have remained unsolved. The greater the delay, the greater the complexity. Unregulated expansion creates vested interests and retards planning and efforts at regionalisation. **Centrifugal movements** of population and industry have driven mass of our people from the centre to the periphery. **Density of population** has become extremely dangerous. It is stated that normally we should have a 100 Sq. Ft. of accommodation per individual. Bombay had only about 27 Sq. Ft. to a man in 1941. Today it must be about half of that. In the northern part of our City, we have simply godowns and store-houses where human beings are literally stored. All imaginable spaces, gangways, terraces, balconies and verandahs and even roofs, stables and garages, bath-rooms and lumber-rooms are all occupied. Even our foot-path population is sufficient to inhabit a separate City. In our search for accommodation — we turned to western method of bunkers, basements and under-ground floors. We attempted to permit sky-scrappers — and marginless buildings. We asked the sea to give up some land for our use and called it reclamation. But we made little real efforts directly and boldly at solving the problem of the metropolis.*

Two Efforts. Two conscious efforts were the Improvement Trust and the Development Department. The former cleared a few slum areas and the latter gave us the reclamation area. The sum total of their efforts was hardly adequate to meet our needs. The suburban development which was taken up seriously in the beginning was given up rather abruptly and for the last few years every impediment is put in the way of further suburban development.

Improvement Trust and Development Department.

* Add Development of Slums (See Report of the Rent Enquiry Committee.)

We did not realise in time that economic and other sociological factors — factors relating to industry and commerce and factors relating to the daily needs of our vast population required large-scale solution of a different kind. We failed to realise that Bombay had become ripe for large-scale boundary changes. We did not realise that these factors call for specialised developments and that these developments could not wait till the political or administrative problem of the Greater Bombay was solved.

No efforts at **improvement of Bombay in isolation** i.e. without improvements of its environs will solve our difficulties. Every effort at individual improvement is bound to be neutralised by some negligent, some ignorant or some necessitous neighbour—or revolving satellite. Every police precaution taken to protect the life and property of the citizens of Bombay is bound to be thwarted as long as the areas within the jurisdictions of our satellite suburbs were unguarded and unprotected. Every effort of the sanitary authorities in Bombay would fail to produce its full result unless the suburban authorities were able to maintain an equally effective service to combat insanitation. "We have got to realise that in a modern world areas lie side by side without a Chinese Wall between them".

Improvements of Bombay in isolation.

Influence of neighbours—poor-ignorant or negligent.

Police.

Sanitation.

Adulteration of food.

No Chinese Wall.

Bacteria.

Burglars and Bootleggers.

"No area is bacteria-proof.

None is bacteriologically self-contained.

No area is criminal proof.

None is burglariously insulated".

The problem therefore is to bring these outlying areas within the sphere of the influence of the City or rather to co-ordinate the authorities in the City and the suburbs for the mutual benefit of both of them.

Conscious and serious efforts at solving this problem of our metropolitan government have been few and far between. The following may be mentioned:—

Efforts

(1) There was the appointment of the Bell Committee in 1925. Its report is a very important document so far as efforts at reorganisation of local self-government in the suburbs is concerned. Views of the suburban leaders as revealed in the unpublished evidence given by them before the Committee furnish a readable material for a proper understanding of the suburban problems. This inquiry however is not of much use from the view-point of Greater Bombay. It did not at all touch the question of co-ordination of the Suburbs with the parent city. It was a matter of settling of and apportioning the inheritance amongst the children only.

Bell Committee.

I would place in the same category the various non-official meetings and local self-government conferences held in the suburbs from time to time. They did not consider any scheme of co-ordination with the city.

(2) It is the primary concern of the Bombay City Corporation to solve the metropolitan problem but it has miserably failed to apply its mind to it seriously. Efforts like these made by Sir Chunilal Mehta and Sir V. Chandavarkar in attempting to extract Municipal Commissioner's report on the subject were not pushed further. Reports of the Sir Vishweshwerayya and of Shriyut Vithalbhai Patel Committee show that the Corporation was not unaware of the growing problem of metropolitanism. The gravity of the subject was however minimised. Efforts to solve the problem were wholly wanting.

(3) The Government of Bombay under the late Sir Jehangir Vakil the then Honourable Minister for Local Self-Government and particularly under the influence of then versatile Collector of Bombay Mr. Master did take a somewhat lively interest in the subject. But the results—as far as the Government of Greater Bombay was concerned—did not go beyond the issue of a review styled “Greater Bombay”. As it is, it is a sound document showing one of the possible ways of solving the problem. We are indebted to the Congress Government to have given an impetus to the idea of Greater Bombay and there is a general belief that had it continued in office it would have pushed the matter to a proper solution. It would have been able to persuade the Bombay Corporation to agree to an expansion for which it is reported, Corporation was reluctant. This reluctance seems to have been due to considerations of financial implications.

We are now indebted for reviving the subject to the present administration under the guidance of Mr. Taunton, Adviser to His Excellency. I have no doubt that he must have felt the acuteness and urgency of the problem when he was the Municipal Commissioner of Bombay.

What are the desideratta.

The city wants adequate accommodation for its present population of over 20 lakhs.

The city finds that its 50,000 properties fall far short of its requirements. The city finds that density of houses is a danger to its health.

The city finds that density of its population in different wards has reached dangerous levels. It was 600 to 700 per acre in 1943-44 in some of its wards.

The city finds that even normal decennial increase in population is giving cause for anxiety. It was about 27% between 1931 and 1941 census. This increase in the suburban district is even greater (about 45%).

The city finds that its costly health administration cannot ensure good health as it is exposed to all possible dangers from its neighbours who cannot afford to maintain similar standard. Plague, Cholera, Small-pox and other epidemics have got to be checked not only in Bombay proper but in the environs. Bombay must moreover regulate the production and distribution of milk and vegetables for preserving the health of its inhabitants.

The city needs to regulate and zone out its trading activities.

These and several other factors call for a solution mainly in one direction viz. City's influence must transcend its municipal boundaries. This is the crux of the whole problem and its solution should engage the attention of all of us who are interested in the welfare of Bombay and its suburbs. Our first question therefore would be what should be the area of this influence of Greater Bombay?

The present area of the city is 24 square miles and of the suburban district 124 square miles. The suburban trains on two Railways run upto Virar and Kalyan which are at a distance from Bombay of 35 and 34 miles respectively. Borivli and Thana are at distances of 19 and 21 miles from Bombay.

In fixing the proper area as in other matters pertinent to our inquiry let us take our lessons from countries who have attempted solutions of these problems. The solutions are by no means very convincing. They cannot be so in the very nature of the subject. We have therefore to find a solution which is best “under the circumstances” prevailing in the metropolis.

Let us not fall into the errors which others have committed. To that extent, experience of others is a good guide.

Cities after cities have tardily and never adequately reshaped their areas of local self-government in relation to the changes necessitated by the circumstances of the growth. Many of them have slept over till the problems grew unmanageable. If therefore cities are to have an adequate planning and housing they should not wait till suburbs are built up in haphazard fashion and then attempt to effect expansion by annexing the suburb or by some other less drastic method. It is then too late. Sufficient evil is already done. A solution which

would have served very well before the growth of the suburbs—assumed magnitude is out of date when the city awakes from its criminal slumber. What the metropolis needs for its regulated and regionalised planning is a large area of unbuilt land which will allow full scope and real opportunities of development.

I would, under the circumstances, recommend our planners of today to look ahead a number of years and not think of solutions which appear to satisfy your immediate needs. Even for these immediate needs the city will have to take a sufficiently comprehensive view.

Having sounded this note of warning I venture to suggest that in our search for area distances of 34 miles from Bombay on either of the Railways should be brought within the purview of our inquiries. I am not suggesting that area up to Virar and Kalyan should be annexed to Bombay. Far from it. But I do suggest that for certain purposes to which I shall refer shortly metropolitan influence should pervade even over these areas.

I do not also suggest that areas nearer the city should be annexed to the city out and out. I do not propose extinction or abolition of the local governing organs of any of the areas, be they Borough Municipalities or humble Gram Panchayats. I do not wish to play the game of **running down the Civic pride** of these suburban satellites. I would not effect their outright absorption and **merge their homogeneity into the heterogeneity of the city**. I would like that their fear of being overshadowed and merged and overruled be removed by proper safeguards. A central and all absorbing city government annexing outright vast areas that we must need include in the "Greater Bombay" of the future would create an "administrative incubus". (2) It would be cut off from actual contact with various outlying parts and (3) would tax the wit of the most effective executives through its sheer diversity and top heavy character. (4) It must not also be forgotten that local improvements are best left in local hands. The Bombay Municipal administration has already assumed dangerous top heavy character. In fact the Government of Bombay have already held it to be so as far back as in the year 1930. **The gigantic machine has already begun to give "diminishing returns"**. It should also be borne in mind that bigger administration calls for higher bureaucratic control and kills the spirit of democracy. Let me quote what a standard modern authority Mr. **Finer** says on this subject:—

Unbuilt area more necessary than the built up area.

Virar and Kalyan to be brought under influence.

Policy of annexation.

Civic pride.

Homogeneity.

Fear of being out vetoed.

Administrative Difficulties 'incubus'.

Loss of contact with parts.

Top heavy character.

Localism administratively important.

Law of Diminishing returns.

Bureaucratic control.

"The continued existence of locally elected smaller authorities is of the utmost importance in a largely bureaucratised civilisation. The official is indispensable and we owe him much gratitude. State and Municipal monopolies are desirable. But just as necessary and desirable are safeguards against abuses of power in the name of the public—sheer tyranny, stupidity, ill-will and red tape".

I believe these words spoken in connection with civilised western countries should be convincing to us—the more so in our present political stage of development.

I should add that authorities generally agree in condemning out and out annexations. This method was adopted in Los Angeles in America. The results are, in the opinion of these authorities, not such as would induce any one to copy this method. Birmingham experiment on the same lines is also not favoured.

Having rejected this one case of out and out annexation I proceed to consider other alternatives.

Ad hoc or Special Committees

One of the solutions suggested is the appointment of several *ad hoc* Committees for execution of schemes in which the city and the satellites are jointly interested. For example there will be water supply administration and a committee consisting of representatives of different local bodies concerned would work up the scheme. Similarly local bodies may form Special Committees for electric generation and distribution, for drainage, for the fire fighting arrangements and for a number of other objects.

Such Committees have been appointed in different countries on the following lines.

(1) Committees consisting of officials and non-officials both appointed by and acting as agents of Central Government e.g. the metropolitan Police District of Greater London.

(2) Committees consisting of only representatives of local bodies concerned e.g. (1) Water Board of Greater London. (2) London Conservancy Board.

It should be mentioned here that the Municipal Acts of our Province also provide for appointment of such *ad hoc* Committees consisting of representatives of local bodies e.g. Poona Suburban, Poona Municipal and Cantonment authorities for Drainage and Water Supply.

(3) Committees consisting of persons directly elected by the voters of the locality concerned e.g. The Sanitary District of Chicago.

3 directly elected.

(4) Committees chosen directly by the people interested in the services rendered, e.g. Trustees of the Port of London elected by those who pay Port duties, wharfingers, owners of river-craft and others nominated by Government. It appears that the system of appointing these *ad hoc* committees had a certain deceptive charm about it. Almost all authorities now agree that these committees instead of solving the problem of metropolitanism serve to complicate it further.

The reasons why these committees found favour are :

- (1) They point a way out of piecemeal solution and do very little violence to the structure of individual units. (2) Experts and officials very often help to foster the growth of such committees. Their friendliness is due very often to the fact that they give greater scope of employment to their fraternity.
- Piecemeal solution therefore politically easy.**
Experts.
Tendency to
 1. Multiply
 2. To disintegrity
 3. Complexity
 4. Popular confusion
 5. Budgetary difficulties
 6. Irresponsibilities
 7. Influential vs. inarticulate committees
 8. No co-ordination.
- Dangers to which this method is exposed are ably stated by authorities like Dr. Robson, Mr. Reed and others. They have pointed out that these **Committees multiply in course of time** and lead to **disintegrity and complexity**. Popular understanding of Government is seriously obstructed. Real co-ordination of local Government budgets is rendered difficult. Various spending bodies submit independent demands. More vocal or influential Committees get overfed whereas others, though more essential are starved. No authority knows what other authorities are doing.

The Kale Committee also recommends that those bodies that find it necessary to enter into such agreements for joint action should rather try to combine for all purposes rather than have resort to such Committees.

Federation : We shall now proceed to examine the Third solution which seems to be recognised as the best so far adopted—viz. **federation**. Growth beyond a certain size is bound to popularise the federal idea in Municipal as in National Government or at least some concession to the principle of federalism. This principle of federalism is the basis of Government of Greater London. (Of course here the operation of the principle has been weakened by the existence of numerous *ad hoc* bodies which serve as obstructions) in Greater Paris and in Greater Berlin and in Greater New York—with variations in detail which however do not affect the general principle.

This federal principle is also at the root of the recommendations of the **Recognised by Bell Committee.** Recommendations embodied in the Government Review of Greater Bombay seem to be directly founded on this principle and influenced by the history and the working of the administrative machinery of Greater London.

also in Government Review.

Problems of federation.

We shall consider here what are the problems that confront us if we were to adopt this principle of federation.

(1) As I mentioned above we shall have in the first instance to decide as to what is the area of which we want the local units to federate.

I shall not dogmatise on this issue. I, however, feel that we should take a long range view and form a federation of bodies right upto and including Virar on the west and Kalyan on the east. For those who are shy of taking such big stride and I am afraid there will be many, the least that can be suggested is the inclusion of whole of the Suburban District in the proposed federation and to arrive at some arrangement with areas upto Virar and Kalyan in respect of activities to be undertaken by the General Council of the federated body for the benefits of the body. For example I would suggest that activities in respect of milch cattle stables, activities in respect of epidemic diseases, activities in respect of public utility concerns which the federation may undertake. Federation should be given a free hand and ample jurisdiction beyond its boundaries.

Area.

(Extra mural powers) For the purpose of water supply such extra territorial powers are given to the Bombay Municipality under the present act. This extra mural plan is suggested only as an alternative to the general wider plan of federation, because of the fear of opposition to my suggestion for inclusion of a wider area.

Position of the City of Bombay.

(2) The second question is as to what will be the position of the City of Bombay in this federation.

It should be noted that the whole plan of federation envisages some sort of **equality** between the federal units. It should further be borne in mind that in a federation we propose to permit the management of **local functions to the local units and general functions to the central body**. So that the central body shall be left free to tackle important problems. We wish to provide for discovery and exhibition of local geniuses and to allow them full play in the management of local affairs. We finally wish to remove the impression and the fear in the incoming suburban units that they will be simply swamped in the majority vote of the combined City unit. In order to provide for all these objects the city will have to be divided for local management into several parts, each part more or less equal to the uniting units or parts thereof forming individual units in federation. This will give a uniform system where all parts will have full play to develop its respective territory with the help of local geniuses and local philanthropy or voluntary efforts.

This is the arrangement arrived at in the formation of Greater London, Greater Paris, Greater Berlin and Greater New York and we might adopt it with suitable modifications.

(3) As to the number of sub-divisions to be made of Bombay—I suppose we should adopt the 19 wards of the city as 19 sub-divisions with seats allocated either in proportion to their present strength and on a fresh basis to be fixed. Their representation will of course have to be co-ordinated with the strength of other federating units. We will have to guard against the following pitfalls regarding the composition of the Central Council.

Sub-divisions of Bombay.

Composition of the Central Council.

(i) The number of members should not be very large so as to make it clumsy and difficult to work.

(ii) The number should not at the same time be so small as to make the Council unrepresentative.

(iii) Some weightage shall have to be given to the Suburban units when question of their representation is decided. If you give them representation on the mere basis of their population we would justify their fears that they would be swamped and outnumbered by the City votes. Even the combined votes of the Suburban units (population say about 5 lakhs) will be out-voted by the city votes (population of 20 lakhs). This is an important aspect of the question and on the generous attitude of the City Council depends its solution.

(iv) Here is the further question as to whether representatives on the central body shall be elected directly by the people residing in the local unit or whether indirectly by the local Councils of these units. If many functions are allocated to the Centre—direct representation may be preferable. It is desirable in the interest of the whole administration that more important functions should be given to the Centre or else good people will not be drawn to it.

(4) **Primary Units.** Question as to what units are to be federated will depend upon our decision as to what area we incorporate in our scheme of federation. I would submit for consideration a few suggestions.

Primary Units

In the first place I would enlarge northwards the jurisdiction of the Bombay Suburban District Local Board by including therein all the parts of the rural area right upto and including Virar on the west and enlarge southwards the Boundaries of Thana District Local Board to include all the rural parts upto the boundary of the City. I would then leave the management of Rural parts—areas within Gram Panchayats as well as outside to these District Local Boards, and include these District Local Boards and municipal areas in these northern portion in the Scheme of federation as primary units.

As regards the urban part in the present Suburban District—the present municipal bodies—including Borough Municipalities of Bandra, Parle-Andheri and Kurla and the District Municipalities of Juhu and Ghatkopar would each form a primary unit. If need be, some or all of them may be subdivided like the city into smaller units. It would in my opinion promote to the greater

welfare of the area if places like Santa Cruz, Khar, Vile-Parle and Andheri were constituted individual primary unit. Each of the notified areas, may be made a primary unit of the federation.

Allocation of Functions

Functions of common interest will of course be assigned to the Central Council. They will include Arterial Roads, Public Health Control (exemptive powers with primary units), Water Supply, Main Drainage, Public Utility Schemes like Electricity, Transport, Education, Fire Central Brigade, Hospitals, Adulteration of Food, Town Planning. Over and above these general powers—some of the controlling powers—reserved to Government in the respective Municipal Acts of our province should be vested in the Central Council. This decentralisation is essential to make federation a success. For example, powers of execution in case of default by local bodies, powers to frame Bylaws and to enforce their observance in primary areas should also be reserved to the Central Council.

Allocation of functions.

The primary units should be governed by the Municipal Boroughs Act as far as the Sub-divisions of Bombay and the Borough Municipalities are concerned and by the District Municipalities Act as far as the District Municipalities and the Notified Area Committees are concerned. These Acts will of course have to be suitably amended or better still a special Act may be framed for the purpose.

Finance

Solution of financial difficulties of federation will tax the utmost brains of our experts who will be called upon to formulate a scheme acceptable to all parties concerned including the Provincial Government.

Finance.

I prefer to give only general principal suggestions without entering into details.

(A). The Provincial Government will have to come forward and support the scheme of federation by lending a helping hand in a number of ways— (1) It will have to give up to the Central Council not only non-agricultural revenue but also land revenue which forms part of the sources of the income of the Local Bodies in other countries. (2) The Provincial Government should continue to maintain the provincial roads. (3) Provincial Government will have to grant monopolies for transport service and Electric Supply and such other utility concerns as may be suitably handled by the federal council. These will serve to reduce tax burdens either directly or indirectly by introduction of cheap transport. (4) Substantial subsidies will have to be paid by Government for housing, planning and zoning activities that the federal council will have to undertake. (5) In short, Government will have to foster the development of this federal scheme by all possible means. The scheme if successful will give

great impetus to further development of Industry and Commerce and will ultimately benefit the provincial treasury.

(B.) The Bombay Municipal Corporation stands to benefit to the highest extent. It should not therefore hesitate to launch the scheme merely because the poorer suburbs cannot directly give a proportional share of working the scheme. Many of the suburbanites are citizens of Bombay and share its tax burden to a certain extent.

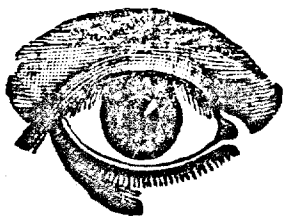
(C.) The primary units should have lower tax levels until the standard of facilities accorded to them come on a level with Bombay. Even then capacity or ability to pay will have to be measured at every stage and in case of every primary unit.

The above suggestions are made tentatively only with a view to evoke discussion. I am not certain as yet which or any of them will be acceptable to the Committee which Government have appointed for the purpose of reporting on Greater Bombay planning, or to the Bombay Corporation and the Suburbs.

The problem of metropolitanism is so very complicated that there are bound to be great differences of opinions amongst experts. These differences of opinion and opposition will have to be met and satisfied before we can make any solution acceptable to the parties affected by the scheme.

These are the inferences drawn from the history of other countries. Our metropolitan problem will have to be solved in our own peculiar way taking a long range view of the subject. We have been discussing the subject for not less than quarter of a century. Let us now put into effect whatever scheme we agree to. Let the scheme be not half-hearted nor short sighted or else we will again create conditions which will further complicate our problems and make them insoluble for another quarter of a century. I hope all concerned will rise to the occasion and make a determined effort to solve the problem.

HATIM BROTHERS



Manufacturing Opticians

302, ABDUL REHMAN STREET,
BOMBAY 3

Doctors' Prescriptions Carefully Executed

Notes.

'Corrupts or fouls,' i.e., by some act which *physically* defiles or fouls the water.

Technical words.

For the word '*voluntarily*' see A (e), *supra*.

Illustration.

A cultivates paddy in the bank of a tank, the water of which was used as of right by the public for drinking purposes. A is guilty of an offence under this section.

[*Ramtripati*, (1881), *Weir* 231.]

(c) Causing danger, obstruction, or injury to any public way. [Sec. 283, I.P.C.]

Section.

"Whoever by doing any *act*, or by omitting to *take order* with any *property in his possession* or under his charge, causes danger, obstruction or *injury* to any *person* in any *public way* or public line of navigation, shall be punished....." [Sec. 283, I.P.C.]

For a conviction under this section it must be proved that—

- (i) the accused caused the *danger, obstruction* or *injury* in question, and
- (ii) the same was caused *by his act*, or *omission to take order with property in his possession* or under his charge, and
- (iii) the *person put in danger, obstructed, or injured*, was *then in a public way or public line of navigation*.

Notes.

'To take order', i.e. to dispose of the property in his possession or charge in such a way as to prevent danger, obstruction, or injury.

'Public way'. Any way which is common to all subjects, whether directly leading to a town, or beyond a town as a thoroughfare to other towns, or from town to town, may properly be called a public way. (Russell 761.) There must be a definite enduring trackway in some particular direction. Merely temporary and transitory tracks not passable in all seasons cannot be regarded as public ways. [*Schwinge v. Dowell*. (1862) 2 F. & F. 845.]

Technical words.

'Act'—see A (g), *supra*.

'Property in his possession'—see A (b), *supra*.

'Injury'—see A (i), *supra*.

'Person'—see II. Note (2) (7), *supra*.

Offences (some) affecting the human body.

(a) Voluntarily causing hurt. [S. 323, I.P.C.]

Section.

"Whoever, *except in the case provided for by section 334, voluntarily causes hurt shall be punished.....*"

[S. 323, I.P.C.]

Technical words.

1. '*Hurt*'.—'Whoever causes (i) bodily pain, (ii) disease, or (iii) infirmity, to any person is said to cause hurt'.

[S. 319, I.P.C.]

2. '*Voluntarily causes hurt*'.—'Whoever (A) does any act (i) with *intention* of thereby causing any *hurt* to any person or (ii) with the *knowledge* that he is likely thereby to cause hurt to any person, and (B) does thereby cause *hurt* to any person is said *voluntarily to cause hurt*'. [S. 321, I.P.C.]

Illustrations.—

- (1) Pulling a woman by hair is to cause hurt to her. [(1883) Weir, 3rd Edn. 196].
 (2) Throwing a piece of brick at a person which strikes him in his back, is to cause hurt to such person.
 (3) '*Except in the case provided for by section 334.*'
 S. 334 reads as follows:—

Voluntarily
causing hurt on
provocation.

Whoever voluntarily causes hurt on grave and sudden provocation, if he neither intends nor knows himself to be likely to cause hurt to any person other than the person who gave the provocation, shall be punished with imprisonment of either description for a term which may extend to one month, or with fine which may extend to five hundred rupees, or with both.

Grievous hurt.—Hurt should be distinguished from grievous hurt. The following kinds of hurt *only* are designated as 'grievous':—

- (i) emasculation,
 (ii) permanent privation of the sight of either eye,
 (iii) permanent privation of the hearing of either ear,
 (iv) privation of any member or joint,
 (v) destruction or permanent impairing of the powers of any member or joint,
 (vi) permanent disfiguration of the head or face,
 (vii) fracture or dislocation of a bone or tooth,
 (viii) any *hurt*—which *endangers life*, or which causes the sufferer to be during the space of 20 days—
 (1) in severe pain, or
 (2) unable to follow his ordinary pursuits.

[S. 320, I.P.C.]

Note.—A Village Bench has **no jurisdiction** to take cognizance of or try the offence of causing grievous hurt.

For a conviction under this section it must be proved that—

- (i) the accused by his act caused *hurt* (i.e. bodily pain, disease, or infirmity) to the complainant,

- (ii) the accused did such act *intentionally or with a knowledge* that it would cause hurt to any person,
 (iii) such hurt, etc. was caused *without grave provocation*.

Aggravated forms of the offence of causing hurt.

Following are the aggravated forms of the offence of causing hurt:—

(A Village Bench has **no jurisdiction** to take cognizance of or try any of them.)

- (1) Voluntarily causing hurt *by dangerous weapons or means*. [S. 324]
 (2) Voluntarily causing hurt *to extort property or to constrain to an illegal act*. [S. 327]
 (3) Causing hurt *by means of poison, etc., with intent to commit an offence*. [S. 328]
 (4) Voluntarily causing hurt *to extort confession, or to compel restoration of property*. [S. 330]
 (5) Voluntarily causing hurt *to deter public servant from his duty*. [S. 332]
 (6) Voluntarily causing hurt *on provocation*. [S. 334]
 (7) Causing hurt *by act endangering life or personal safety of others*. [S. 336]

- (b) **Assault or use of criminal force otherwise than on grave and sudden provocation.** [S. 352, I.P.C.]

- (c) **Assault or use of criminal force on grave and sudden povocation.** [S. 358, I.P.C.]

Sections:—

- (1) **S. 352.**

"Whoever *assaults or uses criminal force* to any person otherwise than on grave and sudden provocation given by that person, shall be punished.....

Explanation.—Grave and sudden provocation will not mitigate the punishment for an offence under this section, if the provocation is sought or *voluntarily* provoked by the offender as an excuse for the offence, or if the provocation is given by anything done in obedience to the law, or by a *public servant*, in the lawful exercise of the powers of such public servant, or if the provocation is given by anything done in the lawful exercise of *the right of private defence*. Whether the provocation was grave and sudden enough to mitigate the offence, is a question of fact".

- (2) **S. 358.**

"Whoever *assaults or uses criminal force* to any person on grave and sudden provocation given by that person, shall be punished.....

Explanation.—The last section is subject to the same explanation as section 352."

Notes.

The provocation referred to in the above sections must be *grave as well as sudden*.

Technical Words:—

1. 'Voluntarily'—see A (e), *supra*.
2. 'Public servant'—see II, Notes, (2), (1), *supra*.
3. 'The right of private defence'—see B, II, (iii), Note, *supra*.
4. 'Uses criminal force'.

(a) 'uses force'—

A person is said to have *used force* to another—

(i) if he *causes* $\left\{ \begin{array}{l} \text{motion, or change} \\ \text{of motion, or cessa-} \\ \text{tion of motion,} \end{array} \right\}$ *to that* $\left\{ \begin{array}{l} \text{other, or} \end{array} \right\}$

(ii) if he *causes to any substance such—*

$\left\{ \begin{array}{l} \text{motion, or change of} \\ \text{motion, or cessation} \\ \text{of motion,} \end{array} \right\}$ *as brings that subs-*
tance into contact
with—
any part of that other's body, or anything
which that other is (wearing or carrying), or
anything so situated that such contact affects
that other's sense of feeling;

provided that the person causing—

$\left\{ \begin{array}{l} \text{the motion, or} \\ \text{change of mo-} \\ \text{tion, or cessa-} \\ \text{tion of motion,} \end{array} \right\}$ *causes* $\left\{ \begin{array}{l} \text{motion, or} \\ \text{change of} \\ \text{motion, or} \\ \text{cessation} \\ \text{of motion,} \end{array} \right\}$ *by—*

$\left\{ \begin{array}{l} \text{his own bodily power, or} \\ \text{disposing any substance in such a manner,} \\ \text{that the—} \end{array} \right\}$

$\left\{ \begin{array}{l} \text{motion, or change} \\ \text{of motion, or cessa-} \\ \text{tion of motion,} \end{array} \right\}$ *takes place*
without

$\left\{ \begin{array}{l} \text{any act} \\ \text{on his part, or} \\ \text{on the part of} \\ \text{any other person,} \end{array} \right\}$ *or*

$\left\{ \begin{array}{l} \text{inducing} \\ \text{an animal to} \end{array} \right\}$ $\left\{ \begin{array}{l} \text{move, or change its motion,} \\ \text{or cease to move.} \end{array} \right\}$

[S. 349, I.P.C.]

(b) 'uses criminal force'.

Whoever *intentionally uses force* to any person,
without that person's *consent*—

in order to the committing of any offence, or
intending by the use of $\left\{ \begin{array}{l} \text{injury,} \\ \text{to the person} \end{array} \right\}$
such force to cause, or $\left\{ \begin{array}{l} \text{fear,} \\ \text{to whom the} \end{array} \right\}$
knowing it to be likely $\left\{ \begin{array}{l} \text{or} \\ \text{force is used,} \end{array} \right\}$
that by the use of such $\left\{ \begin{array}{l} \text{annoy-} \\ \text{is said to use} \end{array} \right\}$
force he will cause, — $\left\{ \begin{array}{l} \text{ance,} \\ \text{criminal force} \end{array} \right\}$
to that other.
[S. 350, I.P.C.]

Note.—For 'consent', see B, III, Note A, *supra*.

For 'Offence', see A (h), *supra*.

Illustrations of 'using criminal force'.

- (a) Z is sitting in a moored boat on a river. A unfastens the moorings, and thus intentionally causes the boat to drift down the stream. Here A intentionally causes motion to Z, and he does this by disposing substances in such a manner that the motion is produced without any other act on any person's part. A has therefore intentionally used force to Z; and if he has done so without Z's consent, in order to the committing of any offence, or intending or knowing it to be likely that this use of force will cause injury, fear or annoyance to Z, A has used criminal force to Z.
- (b) Z is riding in a chariot, A lashes Z's horses, and thereby causes them to quicken their pace. Here A has caused change of motion to Z by inducing the animals to change their motion. A has therefore used force to Z; and if A has done this without Z's consent, intending or knowing it to be likely that he may thereby injure, frighten or annoy Z, A has used criminal force to Z.
- (c) Z is riding in a palanquin. A intending to rob Z, seizes the pole, and stops the palanquin. Here, A has caused cessation of motion to Z, and he has done this by his own bodily power. A has therefore used force to Z; and as A has acted thus intentionally, without Z's consent, in order to the commission of an offence, A has used criminal force to Z.
- (d) A intentionally pushes against Z in the street. Here A has by his own bodily power moved his own person so as to bring it into contact with Z. He has therefore intentionally used force to Z; and if he has done so without Z's consent intending or knowing it to be likely that he may thereby injure, frighten or annoy Z, he has used criminal force to Z.
- (e) A throws a stone, intending or knowing it to be likely that the stone will be thus brought into contact with Z, or with Z's clothes, or with something carried by Z, or that it will strike water and dash up the water against Z's clothes or something carried by Z. Here, if the throwing of the stone produces the effect of causing any substance to come into contact with Z, or Z's clothes, A has used force to Z; and if he did so without Z's consent, intending thereby to injure, frighten or annoy Z, he has used criminal force to Z.
- (f) A intentionally pulls up a woman's veil. Here, A intentionally uses force to her and if he does so without her consent, intending or knowing it to be likely that he may thereby injure, frighten or annoy her, he has used criminal force to her.

- (g) Z is bathing, A pours into the bath water which he knows to be boiling. Here A intentionally by his own bodily power causes such motion in the boiling water as brings that water into contact with Z, or with other water so situated that such contact must affect Z's sense of feeling. A has therefore intentionally used force to Z; and if he has done this without Z's consent, intending or knowing it to be likely that he may thereby cause injury, fear or annoyance to Z, A has used criminal force.
- (h) A incites a dog to spring upon Z, without Z's consent. Here, if A intends to cause injury, fear or annoyance to Z, he uses criminal force to Z.

5. 'Assaults'.

Whoever—

makes any } gesture, or
preparation,
intending, or }
knowing it to } that such { gesture,
be likely, } or { preparation, } will
cause

—any person present to apprehend that he who makes that—

—{ gesture, or } is about to use criminal
preparation, } force to that person,

is said to commit an assault.

Explanation.—Mere words do not amount to an assault. But, words which a person uses, may give to his—

—gestures, } such a meaning { gestures,
or } as may make { or
preparations, } those { preparations, }—

amount to an assault.

[S. 351, I.P.C.]

Illustrations of 'assault'.

- (a) A shakes his fist at Z, intending or knowing it to be likely that he may thereby cause Z to believe that A is about to strike Z. A has committed an assault.
- (b) A begins to unloosen the muzzle of a ferocious dog, intending or knowing it to be likely, that he may thereby cause Z to believe that he is about to cause the dog to attack Z. A has committed an assault upon Z.
- (c) A takes up a stick, saying to Z, "I will give you a beating". Here though the words used by A could in no case amount to an assault, and though the mere gesture, unaccompanied by any other circumstances, might not amount to an assault, the gesture explained by the words may amount to an assault.

For a conviction under S. 352, I.P.C., it must be proved that—

- (1) { the accused *assaulted* the complainant,
or
the accused *used criminal force* to the complainant,
and
(2) the accused *did not receive* any grave and sudden provocation from the complainant.

For a conviction under S. 358, I.P.C., it must be proved that—

- (1) { the accused *assaulted* the complainant,
or
the accused *used criminal force* to the complainant,
and
(2) the accused *received* grave and sudden provocation from the complainant.

[Note:—(1) To show that the accused *assaulted* the complainant, it must be proved that—

- (i) the accused made a gesture or preparation in the presence of the complainant,
(ii) the accused intended or knew it to be likely that such gesture or preparation would cause the complainant to apprehend that the accused was about to use criminal force to the complainant,
(iii) such gesture or preparation did cause the complainant to apprehend the same.

(2) To show that the accused *used criminal force* to the complainant, it must be proved that—

- (i) the accused intentionally used force to the complainant,
(ii) the accused so used such force without the complainant's consent,
(iii) the accused so used such force in order to commit an offence; or,

the accused, { intended to
cause, or
knew that
he would
thereby be
likely to
cause, } injury, fear,
or annoyance
to the com-
plainant.]

Aggravated forms of the offence of committing assault or using criminal force.

Following are the aggravated forms of the above offence:—

[A Village Bench has no jurisdiction to take cognizance of or try any of them.]

- (1) Assault or criminal force *to deter public servant from discharge of his duties.* [S. 353, I.P.C.]
- (2) Assault or criminal force *to woman with intent to outrage her modesty.* [S. 354, I.P.C.]
- (3) Assault or criminal force *with intent to dishonour person, otherwise than on grave and sudden provocation.* [S. 355, I.P.C.]
- (4) Assault or criminal force *in attempt to commit theft of property carried by a person.* [S. 356, I.P.C.]
- (5) Assault or criminal force *in attempt wrongfully to confine a person.* [S. 357, I.P.C.]

E. Offences (some) against property.

- (a) **Theft.** (Where the value of the property stolen does not exceed Rs. 20.) [S. 379, I.P.C.]

Section.

"Whoever commits *theft* shall be punished....."
[S. 379, I.P.C.]

Technical words.

'Theft'.

"Whoever, intending to take *dishonestly*—any *moveable property*—out of the *possession of any person* without that person's *consent*, moves that property in order to such taking, is said to commit theft.

Explanation 1.—A thing so long as it is attached to the earth, not being *moveable property*, is not the subject of theft; but it becomes capable of being the subject of theft as soon as it is severed from the earth.

Explanation 2.—A moving effected by the same act which effects the severance may be a theft.

Explanation 3.—A person is said to cause a thing to move by removing an obstacle which prevented it from moving or by separating it from any other thing, as well as by actually moving it.

Explanation 4.—A person who by any means causes *an animal* to move, is said to move that animal, and to move everything which, in consequence of the motion so caused is moved by that animal.

Explanation 5.—The consent mentioned in the definition may be expressed or implied, and may be given either by the person in possession or by any person having for that purpose authority either express or implied."

[S. 378, I.P.C.]

For the word '*dishonesty*' see A, (c), *supra*.

For the words '*moveable property*' see A, (a), *supra*.

For the words '*possession of any person*' see A, (b), *supra*.

For the word '*consent*' see B, III, Note, A, *supra*.

For the word '*animal*' see A, (k), *supra*.

Illustrations.

- (a) A cuts down a tree on Z's ground, with the intention of dishonestly taking the tree out of Z's possession without Z's consent. Here, as soon as A has severed the tree in order to such taking, he has committed theft.
- (b) A puts a bait for dogs in his pocket, and thus induces Z's dog to follow it. Here, if A's intention be dishonestly to take the dog out of Z's possession without Z's consent, A has committed theft as soon as Z's dog has begun to follow A.
- (c) A meets a bullock carrying a box of treasure. He drives the bullock in a certain direction, in order that he may dishonestly take the treasure. As soon as the bullock begins to move, A has committed theft of the treasure.
- (d) A being Z's servant, and entrusted by Z with the care of Z's plate, dishonestly runs away with the plate, without Z's consent. A has committed theft.
- (e) Z, going on a journey, entrusts his plate to A, the keeper of the ware-house, till Z shall return. A carries the plate to a goldsmith and sells it. *Here the plate was not in Z's possession. It could not, therefore, be taken out of Z's possession, and A has not committed theft*, though he may have committed criminal breach of trust.
- (f) A finds a ring belonging to Z on a table in the house which Z occupies. Here the ring is in Z's possession, and if A dishonestly removes it, A commits theft.
- (g) A finds a ring lying on the high road, *not in the possession of any person*. A, by taking it, commits no theft, though he may commit criminal misappropriation of property.
- (h) A sees a ring belonging to Z lying on a table in Z's house. Not venturing to misappropriate the ring immediately for fear of search and detection, A hides the ring in a place where it is highly improbable that it will ever be found by Z, with the intention of taking the ring from the hiding place and selling it when the loss is forgotten. Here A, at the time of first moving the ring, commits theft.
- (i) A delivers his watch to Z, a jeweller, to be regulated. Z carries it to his shop. A, not owing to the jeweller any debt for which the jeweller might lawfully detain the watch as a security, enters the shop openly, takes his watch by force out of Z's hand, and carries it away. Here A, though he may have committed criminal trespass and assault, has not committed theft, *inasmuch as what he did was not done dishonestly*.
- (j) If A owes money to Z for repairing the watch, and if Z retains the watch lawfully as a security for the debt,

and A takes the watch out of Z's possession, with the intention of depriving Z of the property as a security for his debt, he commits theft, inasmuch as he takes it dishonestly.

- (k) Again, if A, having pawned his watch to Z, takes it out of Z's possession without Z's consent, not having paid what he borrowed on the watch, he commits theft, though the watch is his own property, inasmuch as he takes it dishonestly.
- (l) A takes an article belonging to Z out of Z's possession without Z's consent, with the intention of keeping it until he obtains money from Z as a reward for its restoration. Here A takes dishonestly; A has, therefore, committed theft.
- (m) A, being on friendly terms with Z, goes into Z's library in Z's absence, and takes away a book without Z's express consent for the purpose merely of reading it, and with the intention of returning it. Here, it is probable that A may have conceived that he had Z's implied consent to use Z's book. If this was A's impression, A has not committed theft.
- (n) A asks charity from Z's wife. She gives A money, food and clothes, which A knows to belong to Z, her husband. Here it is probable that A may conceive that Z's wife is authorised to give away alms. If this was A's impression, A has not committed theft.
- (o) A is a paramour of Z's wife. She gives a valuable property, which A knows to belong to her husband Z, and to be such property as she has not authority from Z to give. If A takes the property dishonestly, he commits theft.
- (p) A, in good faith, believing property belonging to Z to be A's own property, takes that property out of B's possession. Here, as A does not take dishonestly, he does not commit theft.

For a conviction under this section it must be proved that the accused committed theft, i.e. it must be proved that—

- (i) the property in question is moveable property;
- (ii) such property was in the possession of a person;
- (iii) the accused moved such property whilst in possession of that person;
- (iv) the accused did so without the consent of that person;
- (v) the accused did so in order to take the same out of the possession of that person; and
- (vi) the accused did so with intent to cause wrongful gain to himself or wrongful loss to that person.

Notes:—Theft amounts to *robbery* if—

- (i) in order to the committing of the theft,
 - or
 - (ii) in committing the theft, or
 - (iii) in carrying away, } property obtained by the theft,—
 - or
 - attempting to carry away, }
- the offender, for that end, voluntarily—
- (a) causes, or
 - (b) attempts to } to any person } death, or hurt,
 - cause, }
- (i) death,
 - (ii) hurt, or
 - (iii) wrongful restraint.
- [Sec. 390]

Illustration of robbery.

A holds Z down, and fraudulently takes Z's money and jewels from Z's clothes, without Z's consent. Here A has committed theft, and, in order to the committing of that theft, has voluntarily caused wrongful restraint to Z. A has, therefore, committed robbery.

Robbery is thus an *aggravated form of theft*. The following are the **other aggravated forms of theft**:—

(A Village Bench has **no jurisdiction** to take cognizance of, and try any of, the aggravated forms of theft.)

1. Theft in a dwelling house, etc. [Sec. 380]
2. Theft by clerk or servant of property in possession of master. [Sec. 381]
3. Theft after preparation made for causing death, hurt, or restraint in order to the committing of the theft. [Sec. 382]*

* Special provisions as regards a Village Bench's power to take cognizance of and try the offence of theft:—

- (1) The value of the property stolen should not exceed Rs. 20.
- (2) The accused person must have been
 - (i) apprehended, or
 - (ii) recognised and named. (S. 41)
- (3) The accused
 - (a) should not have been previously convicted of an offence punishable under Chapter XII or Chapter XVII of the I.P.C. (i.e. offences relating to coins and Government stamps, or offences against property) with imprisonment for 3 years or more;
 - (b) should not have been previously fined for theft by any panchayat;
 - (c) should not be a registered member of a criminal tribe under S. 4 of the Criminal Tribes Act, 1924; or
 - (d) should not have been bound over, to be of good behaviour in proceedings under S. 109 or S. 110 of the Code of Criminal Procedure, 1898. (S. 42)

If any of the above conditions is wanting in a case of theft, a Village Bench shall not try it.

- (b) **Mischief** (when the loss or damage caused does not exceed Rs. 20.) [Sec. 426, I.P.C.]

Section.

"Whoever commits mischief shall be punished....."
[Sec. 426, I.P.C.]

Technical Words.

'Mischief'.

Whoever—

with intent to cause,
or
knowing that he is likely to cause,
—causes } $\left. \begin{array}{l} \text{wrongful loss,} \\ \text{or} \\ \text{damage,} \end{array} \right\} \begin{array}{l} \text{to the public,} \\ \text{or} \\ \text{to any person,—} \end{array}$

the destruction of any property,
or
any such change } $\left. \begin{array}{l} \text{in the property,} \\ \text{or} \\ \text{in the situation} \\ \text{of the property,} \end{array} \right\} \text{as —}$

$\left. \begin{array}{l} \text{destroys,} \\ \text{or} \\ \text{diminishes,} \\ \text{or} \\ \text{affects it injuriously,} \end{array} \right\} \text{its } \left\{ \begin{array}{l} \text{value,} \\ \text{or} \\ \text{utility,} \end{array} \right.$

—commits mischief.

Explanation 1.—It is not essential to the offence of mischief that the offender should intend to cause loss or damage to the owner of the property injured or destroyed. It is sufficient if he intends to cause, or knows that he is likely to cause, *wrongful loss* or damage to any *person* by injuring any property whether it belongs to that person or not.

Explanation 2.—Mischief may be committed by an act affecting property belonging to the person who commits the act, or to that person and others jointly. [Sec. 425, I.P.C.]

For '*wrongful loss*' see—A. (c), *supra*.

For '*public*' see—I, Note 2 (8), *supra*.

For '*person*' see—I, Note 2 (7), *supra*.

Illustrations.

- (a) A voluntarily burns a valuable security belonging to Z, intending to cause wrongful loss to Z. A has committed mischief.
- (b) A introduces water into an ice-house belonging to Z, and thus causes the ice to melt, intending wrongful loss to Z. A has committed mischief.
- (c) A voluntarily throws into a river a ring belonging to Z, with the intention of thereby causing wrongful loss to Z. A has committed mischief.

- (d) A, knowing that his effects are about to be taken in execution in order to satisfy a debt due from him to Z, destroys those effects, with the intention of thereby preventing Z from obtaining satisfaction of the debt, and of thus causing damage to Z. A has committed mischief.
- (e) A, having insured a ship, voluntarily causes the same to be cast away, with the intention of causing damage to the underwriters. A has committed mischief.
- (f) A causes a ship to be cast away intending thereby to cause damage to Z, who has lent money on bottomry on the ship. A has committed mischief.
- (g) A, having joint property with Z in a horse, shoots the horse, intending thereby to cause wrongful loss to Z. A has committed mischief.
- (h) A causes cattle to enter upon a field belonging to Z, intending to cause and knowing that he is likely to cause damage to Z's crop. A has committed mischief.

For a conviction under this section, it must be proved that—

- (1) the accused—
 - (i) destroyed any property,
or
 - (ii) caused change in $\left\{ \begin{array}{l} \text{the property,} \\ \text{or} \\ \text{the situation of the property;} \end{array} \right.$
- (2) the said act of the accused—
 - (i) destroyed or diminished the value or utility of such property, or
 - (ii) affected such property injuriously;
- (3) the accused did the said act—
 - (i) intending to cause,
 - (ii) knowing it to be likely to cause, $\left. \begin{array}{l} \text{wrongful loss or damage} \\ \text{to the public or to any} \\ \text{person.} \end{array} \right\}$

Aggravated forms of mischief.

Following are the aggravated forms of mischief:—

(A Village Bench has no power to take cognizance of or try any of them.)

- (1) Mischief causing damage to the amount of Rs. 50. [S. 427]
- (2) Mischief by killing or maiming animal of the value of Rs. 10. [S. 428]
- (3) Mischief by killing or maiming animal of any value, or any animal of the value of Rs. 50. [S. 429]
- (4) Mischief by injury to works of irrigation or by wrongfully diverting water. [S. 430]

- (5) Mischief by injury to public road, bridge, river, or channel. [Sec. 431]
- (6) Mischief by causing inundation or obstruction to public drainage attended with damage. [S. 432]
- (7) Mischief by destroying, moving or rendering less useful a light-house or sea-mark. [S. 433]
- (8) Mischief by destroying or moving, etc., a land-mark fixed by public authority. [S. 434]
- (9) Mischief by fire or explosive substance with intent to cause damage to amount of Rs. 100, (or in case of agricultural produce, Rs. 10.) [S. 435]
- (10) Mischief by fire or explosive substance with intent to destroy house, etc. [S. 436]
- (11) Mischief with intent to destroy or make unsafe a decked vessel or one of 20 tons burden. [S. 437]
- (12) Mischief as in (11) committed by fire or explosive substance. [S. 438]
- (13) Intentionally running vessel aground or ashore with intent to commit theft, etc. [S. 439]
- (14) Mischief committed after preparation made for causing hurt.* [S. 440]

(c) Criminal trespass. [S. 447, I.P.C.]

(d) House trespass. [S. 448, I.P.C.]

Sections.

- (c) "Whoever commits *criminal trespass* shall be punished....." [S. 447, I.P.C.]
- (d) "Whoever commits *house trespass* shall be punished..." [S. 448, I.P.C.]

Technical words.

1. 'Criminal trespass.'

Whoever—

- (A) enters into or upon the property in possession of another, with intent—
to commit an offence, or
to intimidate, insult or annoy any person in possession of such property ;
or
- (B) having lawfully entered into or upon the property in possession of another,
unlawfully remains there, with intent—
to commit an offence, or
thereby to intimidate, insult or annoy any person in possession of such property ;
—is said to commit *criminal trespass*.

[S. 441, I.P.C.]

*Special provisions as regards a Village Bench's power to take cognizance of and try the offence of mischief :—

The loss or damage caused by the mischief in the case should not exceed Rs. 20 ; if the same exceeds Rs. 20, a Village Bench shall have no power to take cognizance of and try that case. (S. 41)

2. 'House trespass'.

Whoever—

commits *criminal trespass*

- | | | |
|-------------------|---|--|
| by entering into, | } | (1) any building, tent, or vessel used as a human dwelling, or |
| or remaining in, | | (2) any building used as—
(i) a place of worship, or
(ii) a place for the custody of property, |

—is said to commit *house trespass*.

Explanation.—The introduction of any part of the criminal trespasser's body is entering sufficient to constitute house trespass. [S. 442, I.P.C.]

Notes.—House trespass is an aggravated form of criminal trespass.

3. 'Offence'. See A, (h), *supra*.

For a conviction under S. 447 (for criminal trespass) it must be proved that—

- (1) the property was in possession of the complainant;
- (2) the accused—
(i) entered into or upon that property, or
(ii) having lawfully entered into or upon that property unlawfully remained there ;
- (3) the accused did so with the intention—
(i) to commit an offence, or
(ii) to intimidate, } any person in possession of
insult, or } that property.
annoy,

For a conviction under S. 448 (for house trespass) it must be proved that—

- (1) the accused committed criminal trespass ;
- (2) he did so by entering into or remaining in any building, tent or vessel ;
- (3) such building, tent or vessel was used as a human dwelling, or
such building was used as a place of worship or as a place of custody of property.

Aggravated forms of criminal trespass and house trespass.

The following are the aggravated forms of criminal trespass and house trespass :—

(A Village Bench has no power to take cognizance or try any one of them.)

1. House trespass in order to commit offence punishable with death. [S. 449]
2. House trespass in order to commit offence punishable with transportation for life. [S. 450]

3. House trespass in order to commit offence punishable with imprisonment. [S. 451]
 4. House trespass after preparation for hurt, assault or wrongful restraint. [S. 452]
 5. *Lurking house-trespass* or *house-breaking*. [S. 453]
- [*'Lurking house-trespass'*.

Whoever—

commits house-trespass,

after having taken precautions to conceal such house-trespass from some person who has a right to exclude or eject the trespasser from the building, tent or vessel which is the subject of the trespass—

is said to commit '*lurking house-trespass*'. [S. 443]

'House-breaking'.

A person is said to commit *house-breaking*, who commits house-trespass, if

- (i) he effects his entrance into the house (or any part of it) in any of the following six ways ;

or

- (ii) being in the house (or any part of it) for the purpose of committing an offence, or having committed an offence therein, he quits the house (or any part of it) in any of the following six ways :—

- (a) through a passage made by himself, or by any abettor of the house-trespass, in order to the committing of the house-trespass ;
- (b) through any passage not intended by any person other than himself or an abettor of the offence for human entrance, or through any passage to which he obtained access by scaling or climbing over any wall or building ;
- (c) through any passage which he or any abettor of the house-trespass has opened, in order to the committing of the house-trespass by any means by which that passage was not intended by the occupier of the house to be opened ;
- (d) by opening any lock in order to the committing of the house-trespass, or in order to the quitting of the house after a house-trespass ;
- (e) by using criminal force, or committing an assault or by threatening any person with assault ;
- (f) by any passage which he knows to have been fastened against such entrance or departure, and to have been unfastened by himself or by an abettor of the house-trespass.

Explanation.—Any out-house or building occupied with a house, and between which and such house there is an

BORROWING BY LOCAL BODIES

A SURVEY OF LAST FIFTY YEARS (1890-1940)

By S. S. MORE, B.A., LL.B., (Poona).

CHAPTER I

(1) Sources to Meet Extra Expenditure

It is a fundamental, if not the foremost, principle of a sound finance that the expenditure should be equally balanced with the income. When the former exceeds the latter the individual as well as the institution is faced with a deficit but when income exceeds the expenditure a surplus is the result. In the case of a private person or a company as large a surplus as possible is the most covetable and pronounced objective but a public administration, whether of the State or a local authority, has to make necessary efforts to avoid even Surpluses as they supply proof positive of either bad budgeting or culpable parsimony. In the case of such administration deficits and surpluses are tarred with the same brush of criticism. Persons in charge of public finance have to steer their ships clear of the charybdis of deficit and scylla of large surpluses.¹

Thus income has to keep pace with the growing expenditure. All items of ordinary and usual expenditure are expected to be defrayed out of the proceeds of the normal income. When the latter is found short to meet and satisfy the usual and recurring wants the public financier is constrained to have recourse to extra or enhanced taxation.

Usually efforts are made to maintain a balance between expenditure and income as dictated by principle of prudent finance. But "this delicate and rarely available equilibrium is however violently disturbed when some extraordinary item of outlay suddenly crops up". Occasions, not infrequently, arise when the State or a local authority has to spend large amounts on some specific and non-recurring object. War, for instance, being difficult to foresee and provide against, compels, when it breaks out, belligerent countries to incur colossally huge expenditure for its prosecution. Students of the history of local bodies, especially in India, will assuredly find many occasions when prolonged famines or violent and devastating outbreaks of severe epidemics have compelled Local Bodies to incur heavy expenditure for public relief. No ordinary income can stand such a crushing load.

How to meet such a sudden and imperative call is a question which, frequently worries, almost to despair if not to death, an administrator. This

¹ Government of India showed for good many years 'large, continuous and progressive Surpluses' and this only showed as "Colonel Chisney points out in the March number of *Nineteenth Century and After*, that more money is being taken from the people than is right".—*Speeches of G. K. Gokhale*, p. 7.

unanticipated and extra-ordinary expenditure may be incurred with funds drawn from four possible sources:—

- (1) Accumulated funds held in reserve to meet such an emergency,
- (2) funds spared from Current Income,
- (3) additional taxation,
- (4) loans.

We shall examine them at some length seriatim.

(1) **Accumulated Funds:**—Confining our discussion to the case of Local Bodies we may at once state that this source is hardly available to local bodies. With growing popular demand for more amenities and less taxation, most of the local bodies find it increasingly difficult to make the two ends meet. Bodies, which show some tendency to have large balances at the end of their financial year, are roundly reprimanded by the Local Audit Department and Government for faulty budgeting. Even states in these modern times, with changed social and economic conditions and with growing pressure of public opinion, find it difficult to hoard. Some of them may build up a reserve to meet a particular emergency as a famine but such earmarked reserves are bound to be very few. Much less can local bodies think of building a reserve fund to meet any emergency necessitating extra outlay. Even when they possess accumulated funds they are censured by Government if they use such funds for financing capital works.¹

(2) **Current Income:**—Should a State or a local authority make an 'extra-ordinary' outlay from its current fund? This question, which is of more than academic interest, does not admit of categorical reply. If the 'extra-ordinary' outlay be of small proportion, which can be met from current income with slight and not inconvenient adjustment, no theorist will have any objection to such expenditure from current income. But frequently these extra-ordinary purposes demand enormous outlays. Even the richest country in the world cannot meet war-expenditure from current funds. Projects, such as efficient water works and underground drainage system on the most modern lines, require such huge outlays that no local authority can finance them from its current income without serious contraction of other amenities already provided. These considerations rule out even this source as far as local bodies are concerned.

Though this source has very practical utility still many local bodies have often attempted in the past to finance capital works out of current revenues.² This raises a theoretical issue. Is such a course commendable, if for nothing else, on grounds of principle?

Many financial experts have advanced more than one ground deprecating the use of current revenues for financing capital works of permanent

¹ Resolution reviewing the reports on the Administration of Local Boards in the Bombay Presidency, (1923-24) para 39.

² In his budget speech in 1902, Mr. Gokhale severely criticised Government of India for meeting all sorts of extraordinary charges, amounting to about 70 crores in sixteen years out of current revenues. *Vide, Speeches of G. K. Gokhale*, p. 7.

utility. Considerations of space prevent us from drawing upon lengthy arguments. Briefly stated it amounts to this:— The present generation has contributed, sometimes at a very great personal inconvenience, to realize the current income and it is entitled to have full and immediate benefit of the same in the form of present amenities. When huge capital works are executed out of current income the present generation is made to suffer for procuring certain benefits for the future generations. This is unfair and unequitable. Local authorities which usually finance capital works out of current revenue, do not apparently realize that by so doing they are not only not taking advantage of their strong financial position to obtain funds but are also frequently burdening the present generation with capital costs of works of which the benefits will to a large extent, be reaped by posterity."¹

Conceding the rebuke is well merited by the local bodies, we cannot refrain from stating that these local bodies have only attempted to emulate the Government of India which as late as 1915-16, if not later still, have financed capital works from current revenues in spite of repeated and trenchant criticism particularly from the late Mr. Gokhale.

(3) **Additional Taxation:**— The third source suggested is that of extra taxation for securing funds needed for extra-ordinary purposes. These advocates of additional taxation, to whom borrowing by State or local authorities is ruinous extravagance, if not financial sacrilege, never hesitate to prescribe taxation, even at the risk of incurring public odium, for obtaining funds for capital works. They argue that the only elastic source at the disposal of public bodies for yielding additional funds is that of taxation and it is but neat and proper that this source should unhesitatingly be tapped when additional funds are wanted for capital projects.

Much can be and has been said to traverse what has been said in favour of additional taxation. Suffice it to say that even this source, if exclusively utilised, imposes an inequitable burden on the present generation in order to benefit the future generation. What we said by way of criticism about financing capital projects from current revenues may be repeated with equal force, with reference to this source also. Arguments of equity and fairplay apart, recourse to this prescription will not be a matter of practical politics, especially, when the public has been well organised and extremely watchful.

(4) **Debts:**— The last but not therefore the least source which is recommended for meeting extra-ordinary expenditure is that of borrowing. There are many experts who strongly commend this method of raising funds for extensive adoption by local bodies. "Local Government borrowing is defended on grounds of economy and justice. The practice is in general employed where large capital outlays would be too great a burden on annual income and where it appears equitable for future generations, who will

¹ Resolution Reviewing the Reports on the Administration of the Local Boards in the Bombay Presidency (1922-23), para 15 vice also similar Resolution for the next year para 42.

derive some of the benefits of the expenditure, to contribute to it."¹ "The practice of spreading certain types of expenditure over a term of years is a more equitable method of meeting the capital cost of providing facilities which will be shared by a future generation than paying the whole cost out of revenue forthwith: because the payment for their benefits is then shared by those rate-payers of later years who will have the advantage of them."²

Borrowing by local bodies has been strongly recommended more for its political expediency than for its financial equity. Though our modern revenue collecting machinery has been highly developed its power to yield revenue is effectively limited by diverse political and economic conditions. We have already seen how the equilibrium between income and expenditure gets frequently disturbed under the growing and combined pressure of popular demands for more and more amenities and calamitous emergencies like famine and epidemics. The gulf between the income and expenditure goes on menacingly widening and frequent attempts have to be made to bridge this chasm. Increase in income or retrenchment in expenditure are two of the usual expedients to narrow the gulf. To secure the former rise in taxation is called for and to achieve the latter contraction of some of the amenities becomes imperative. Both these expedients, therefore, provoke strong discontent and create unpleasantness among the public. Naturally politicians, who depend for their support on public opinion, are usually reluctant to try any of these devices.

The method of borrowing to meet extra expenditure is therefore very convenient and handy. The late Sir R. Dutt held the opposite view. "Lord Lawrence endeavoured to meet all expenditure from the annual income. Lord Mayo's plan of constructing Public Works with borrowed capital was a mistake. When money is easily borrowed it is easily spent and the debt accumulates."³

It opens out a new channel for profitable investment for capitalistic interests who enthusiastically offer their powerful support in its favour.

We need not go, for our present purpose, to trace all the stages through which it has passed before public borrowing developed into a system. Undoubtedly it is a product of the last two centuries. The modern times have their own peculiar social, economical and political conditions and problems which have materially helped to stimulate and develop public borrowing into a system. In its initial stages it had to face very vehement criticism;⁴ but it has successfully weathered the storm and has now been established on secure foundation.⁵

¹ *Local Government in Europe*, edited by William Anderson (1939), pp. 52-53.

² *The Rate Payer's Money* by Arthur Collins, p. 167 and also *Public Finance* by Bastable, p. 666.

³ *India in the Victorian Age*, p. 376.

⁴ *Public Finance* by Bastable, pp. 662-663.

⁵ The reader interested in tracing the origin and the succeeding stages of its developments is referred to *Public Finance* by Bastable, pp. 629-57.

Thus all responsible Governments have recognised, and implicitly acted on, this principle the sound public finance that extra-ordinary charges of expenditure should be defrayed by borrowing funds. But the Government of India, not responsible to the people of the country, have always defrayed the extra-ordinary expenses for such undertakings as re-armament, reform of military organisation and Railway Construction from proceeds of the current revenues. In order to have the necessary funds they went on securing "large, continuous and progressive surpluses" by "continuous piling of tax on tax" and thus fixing "the taxation of the country at a level far above the actual needs of the situation." The finance member, who treated loan as an "imposition of a permanent burden on future generation" went to the absurd length of congratulating himself "on having done that which even the richest nations of Europe have not considered it advisable to attempt."¹ In spite of very trenchant and scathing attack by the late Mr. Gokhale and other non-officials the Government of India in a most non-chalant and arrogantly indifferent manner went on violating this most tacitly accepted canon of public finance.²

(2) Extra-Ordinary Expenditure and Borrowing

Though the system of public borrowing has come to stay and is looked upon by almost all students of public finance as its inseparable and unavoidable part yet it does not mean that there is unanimity of views regarding the purposes for which it may be resorted to. As a matter of fact all its warm advocates, who stand by it with solid unanimity when it was subjected to withering criticism by its opponents, find now themselves divided into two opposite camps when discussing the purposes for which it may be utilised.

One group urges that every item of extraordinary expenditure should be met by borrowing. But the other group is averse to go so far. Critics belonging to this group urge that the item of extra-ordinary expenditure may be of a recurring or non-recurring character. If it is of the former category then it shall be met from the revenue. To raise additional funds for meeting such expenditure may be highly inconvenient but inevitable. Any attempt to meet recurring but extra-ordinary items of expenditure only by continual borrowing will lead to insolvency. Because the canon that income and expenditure must balance each other is the very base and foundation of solvency. One cannot go on indefinitely borrowing without meeting disaster. The debt has to be redeemed some day or other and this can be only done by seeking some addition to the income sufficient to have surplus which may be

¹ Quoted in *Speeches of Gopal Krishna Gokhale*, p. 6.

² The most flagrant and irresponsible violation of the canon of public finance, that non-recurring extraordinary items of expenditure should be defrayed by raising loans, is seen in the Finance Member's speech regarding the cost of building New Delhi. The Government of India's Despatch in this respect of 25th August 1911 proposed the raising of a special loan for that purpose. The Secretary of State sanctioned this proposal and yet the Finance Member "made a pronouncement and even pointed mention of devoting such surpluses as may be available to the new capital."—*Speeches of G. K. Gokhale*, pp. 544-45.

diverted for repayment of debts. Hence a recurring item of extra-ordinary expenditure should be met from current income augmented by necessary taxation while a non-recurring item of expenditure may be financed from borrowed funds.

But economists belonging to this group are further sub-divided into two opposing sections. One section makes a somewhat sweeping statement that nonrecurring extra-ordinary item of expenditure may be met by loans but the other section refuses to subscribe to this statement. The latter section contents that such non recurring extra-ordinary item of expenditure may be either for reproductive or for non-reproductive purpose. If it is for reproductive purpose such as Tramway or Electricity then alone borrowing may be resorted to. Because the project, when completed, will yield some income sufficient, if not more than what is required, to pay off the debt contracted.¹ "When we have called "Economic" outlay has a claim to be met by borrowing that does not hold in respect to other forms. Non-economic expenditure is primarily to be met out of income and unless it can be so dealt with ought not to be incurred. National culture, education, the promotion of social progress are all most desirable; but their promotion is not so urgently required as to need the use of borrowing by the public powers. It is, indeed, true that much of State expenditure may be regarded as indirectly productive, as likely to add to the national income in the future. A loan for the purpose of expanding education, or for improving the housing of the workers, though it does not directly provide the interest needed, may yet so increase the income of the community as to make the tax receipts greater, without any increase in the rates of rigour of collection. Regarded in the abstract such a proceeding seems defensible; the real objection to it arises from the difficulty of application. The results of expenditure of this kind are hard to trace or measure and any statement respecting them must rest in a great degree on conjecture, the cost of the loan is definite and precise, and it constitutes a real burden on the resources of the society. Prudence seems accordingly to suggest that borrowing should hardly ever be adopted except for strictly economic expenditure."²

This rather long extract serves our purpose by briefly bringing out the important point which is advanced against borrowing for non-productive purpose. We need not go into all the other arguments which are urged to deprecate borrowing for such purpose.³

¹ Government of India were financing Railway Construction out of ordinary revenue. Objecting to this process Mr. Gokhale said, "I have been contending again and again in this Council that as our Railways earn a very fair rate of interest and as the Credit of Government is excellent, the Government should confine the outlay on Railway Construction only to such sums as can be raised in the market out of borrowings, and any sums available out of Current Revenue should be used for other more pressing objects."—*Speeches of G. K. Gokhale*, p. 361.

² *Public Finance* by Bastable, pp. 670-71.

³ Readers interested in pursuing the discussion further are referred to *Public Finance* by Bastable, pp. 670-73.

This theoretical discussion has a definite purpose. We propose to review in the following sections the extent and volume of the borrowings made by our local bodies during the last fifty years, using this discussion as a sort of background. It will help the reader to judge for himself whether our local bodies have acted rightly or wrongly when adopting the expedient of borrowing funds to meet items of extra-ordinary expenditure.

(3) Borrowing Powers of Local Bodies

(i) **Powers Conferred by Statutes** :—Local bodies are created by statutes which confer more or less powers on them. The borrowing powers also are derived from the statutes framed by superior Governments.

In the United Kingdom it is acts of Parliament which have conferred borrowing powers on local bodies. These powers have been conferred by: (1) the general law¹ (2) Local acts of Parliament² (3) Provincial orders issued by a Government department and conferred by Parliament.

In America the right to borrow is derived by the local bodies under regulations prescribed by their Charter or by General State Laws.³

In Germany these powers to borrow have been bestowed on local bodies by the Government Municipal Act of 1935.⁴

In India local authorities derive their powers of borrowing from enactments passed from time to time by the Indian Legislature. The first enactment, which conferred such powers, was Local Public Works Loans Act.⁵ It was replaced by the Local Authorities Loans Act.⁶ This piece of legislation was specially passed to authorise borrowing for meeting expenditure urgently necessitated by the wide-spread and devastating plague epidemic. These two Acts of 1879 and 1897 were repealed by the Local Authorities Loans Act.⁷ It purports, as the preamble states, "to consolidate and amend the law relating to the borrowing powers of local authorities." Section 4 of the Act confers powers on the appropriate Governments to make rules regarding various matters mentioned in the section. The Government of Bombay have, in exercise of the powers so conferred, made rules: "The Bombay Local Authorities Loans Rules of 1923."

Thus the present powers of local bodies to raise loans are conferred and controlled by the Act of 1914 and the Rules of 1923 framed by the Provincial Government. Let us see the extent and the nature of the control.

¹ Local Government Act 1933, sections 151, 195, 216. Public Health Act 1875, section 235. Diseases of Animals Act, 1894, section 42.

² Many of the larger authorities like the larger boroughs and Urban District Councils obtain special powers under Local Acts. This method which is much favoured by larger authorities is utilised for borrowing in order to execute the works not permissible under the General Acts, e.g. Mersey Tunnel Act, 1925.

³ *Municipal Administration* by W. B. Munro (1935), p. 168.

⁴ Part VI, Chapter III, sections 76-81. *Local Government in Europe*, edited by William Anderson (1939), pp. 294-96.

⁵ India Act XXIV of 1871.

⁶ India Act XI of 1879. Some additions to the powers conferred by this Act were made by the Local Authorities (Emergency) Loans Act, (India Act XII of 1897).

⁷ India Act IX of 1914.

(ii) **Powers Subject to Control:**—The powers conferred on local bodies regarding borrowing are in every country subject to control by Superior Governments. Though the degree and vigour of such control varies in different countries still opinion is wonderfully unanimous regarding the desirability of some control. "The power of borrowing varies greatly in different countries, but some restriction is always imposed. The greatest freedom anywhere acquired is where local authorities are free to borrow to a maximum limit, without control as to the purpose. In many countries the authorities are free to effect loans of small amounts or with short periods for repayment, but otherwise the consent of a superior authority is required. In Spain, Australia, Canada and the United States the towns as a rule are required to submit their proposal for the loan, with certain exceptions to a referendum of electors."¹

The obvious reason why such control is desired, imposed, and exercised is the fear of local authorities being led astray by ignorance, prejudice and recklessness to abuse these powers. When some control is deemed indispensable on the powers of local authorities in the matter of expenditure and taxation, control on the powers of borrowing becomes still more urgent and imperative.

(iii) **Statutory Restrictions:**—This control is made effective by introducing restrictions on practically every step which leads to final borrowing. Then another set of restrictions operate till repayment. These restrictions may, therefore, be conveniently divided into two groups: (1) pre-borrowing restrictions and (2) post-borrowing restrictions.

We shall very briefly state these restrictions.

(A) PRE-BORROWING RESTRICTIONS

(a) Local authority is defined and no association or public body which does not satisfy the definition can borrow at all.²

(b) No loan drawn in violation of the provisions of the statutes and rules made thereunder shall be deemed valid so as to be binding on the local authority or any of its assets.³

(c) No local authority can validly borrow without the previous sanction of the Provincial Government.⁴

This is one of the important limitations imposed on the local bodies in this country. But it is not a particular feature of our system. As a matter of fact such sanction is imposed in almost all countries where local authorities are given statutory powers of borrowing. We may particularly notice the provisions obtaining in England as they are supposed to furnish a model to almost all the attempts at constructive legislation in this country.

(To be continued)

¹ *Local Government* by H. L. Parry (1934), p. 226.

² Section 3 of Act XI of 1879, section 2 of IX of 1914.

³ Section 7 of Act IX of 1914.

⁴ Rules 4-11 of the Bombay Local Authority Loans Rules, (1923).

BORROWING BY LOCAL BODIES

A SURVEY OF LAST FIFTY YEARS

(1890-1940)

By S. S. MORE, B.A., LL.B., (Poona).

[Continued from Vol. XVI, page 48.]

The powers of borrowing conferred by general law can be exercised only with the sanction of a Government Department.¹ There are cases where such sanction is dispensed with but they are comparatively few and unimportant.² The exercise of the borrowing powers given by local and private Acts may or may not be subject to the sanction of Government Department. The borrowing powers granted by Provisional Orders in respect of works authorised by Provisional Order, are rarely exercisable without the sanction of a Government Department.³

(d) The sanction must be obtained of the proper authority after submitting an application in the prescribed form.

The enactments which prescribed the need of sanction, also give in detail the particulars which are to be incorporated in the application.⁴ The authority which is to give its sanction for raising the required loan, is also mentioned.

In England loans under the Tramways Act, 1870 require the sanction of the Ministry of Transport while in almost all other cases Ministry of Health is the sanctioning Authority.

In India under Act XI of 1879 there were two sanctioning authorities. To put it more correctly—double sanction was required before any loan was raised. The Local Government could authorise any local authority to borrow money but the Local Government do so only "with the previous sanction of the Governor General in Council" (Section 7).

Act XII of 1897 laid down that local authority may "with the previous sanction of Governor General in Council borrow money" for certain purposes mentioned in the Act (Section 2).

The Decentralisation Commission (1907-09) in their report after reviewing the then prevailing practice with general approval suggested two minor changes only:—

"(a) Local Governments should have final power to sanction the borrowing in the open markets of sums not exceeding five lakhs and repayable within 30 years; and

(b) The Provision in section 2 of Act XII of 1897, which required the previous sanction of the Governor General in Council to every loan under the Act should be abrogated; general rules governing such loans should be drawn up under section 3 of the Act; and local Governments should then have the power to sanction subject to compliance with these rules."

Government declared their policy regarding these recommendations in their resolution which was passed after consulting the opinion of the various

¹ Section 195, Local Government Act, 1933.

² *The Local Government of the United Kingdom* by Clarke, p. 503.

³ *Local Government and Local Finance* by Wright and Hobhouse, p. 255.

⁴ Rule 4, Local Authorities Loans Rules, 1923.

Local Governments to whom specific points were referred for advice. In this Resolution Government of India showed their readiness to accept these recommendations.¹

Two years later the Local Authorities Loans Act (No. IX of 1914) was passed and in that act the above recommendations of the Royal Commission were implemented. Under this Act as amended by Government of India Order of 1937 the power of granting sanction has been delegated to the Provincial Governments regarding all authorities but Cantonments Boards and Port Authorities in major ports for whom the Central Government is the sanctioning authority. (Section 2a).

A study of the procedure prescribed for obtaining the sanction shows that the different stages are exactly the opposite of what are required for prompt disposal. The application must contain exhaustive information on numerous particulars. Hardly can we find any case in which a local authority was successful in furnishing at the first instance all the relevant and needed details to the satisfaction of the Department concerned. Usually a long and almost interminable correspondence follows between Government Departments and the Examiner, Local Fund Accounts, Bombay, on the one hand and local authority on the other. This protracted and often irritating correspondence takes years and exhausts to the dregs the initial enthusiasm of the members who planned some projects for which the proposed loan was sought. Then follows the inquiry and other formalities. By the time sanction is granted the three-year period of the body will have terminated and another set of members elected and the original project materially modified, if not dropped altogether. Then another round begins, possibly with the same results.

Conceding as we do the necessity of effective safeguards to checkmate "unwise or excessive borrowing"² by irresponsible local authorities under the sinister influence of selfish lenders we are constrained to remark that the procedure laid down in the Local Authorities Loans Act and the Rules framed thereunder is, as pointed above, too elaborate to facilitate early disposal of such sanction applications. Attempts to follow it with annoying meticulousness, cannot but lead to exasperating dilatoriness. "It is a universal complaint that Government take an inordinately long time to sanction loans." It is this universal complaint which persuaded the Kale Committee to "recommend a simplification of procedure or a readjustment of official machinery so that loan applications from local bodies can be disposed of within the shortest possible time."³

The rules of 1923 do provide a shorter and more expeditious procedure when loans are needed for some urgent purposes (Rule 8-A). But these cases are extremely rare. What we want to stress is that the normal procedure for obtaining sanction for loans required for the usual and common purposes

¹ The Government of India Resolution on Provincial Finance. No. 27-F, dated Simla, the 18th May 1912, para 15.

² Report of the Indian Statutory Commission, Vol. II, p. 267.

³ Report of the Local Self-Government Committee, Bombay, 1939, para 122.

must be such as to facilitate prompt disposal. Only then shall the local bodies take to raising more loans for providing much-needed amenities to their public.

(B) POST-BORROWING RESTRICTIONS.

(a) Government imposes certain conditions regarding the amount of the loan, the time when the instalments are to be called in, the period of repayment etc. When the loan is granted by Government, if it finds that any of the conditions imposed are not observed, Government may at any time order that no further payment shall be made on account of such loan, and that any amount advanced with interest thereon shall be repaid immediately.

(b) Government retains with it control and inspection of works to be constructed by the local bodies with the borrowed money. Every deviation from any project as sanctioned cannot be carried out without the previous sanction of the Provincial Government. The accounts of expenses for the work are also to be subjected to Special Audit.²

(c) Government has power to attach the funds on the security of which the loan was advanced if the local body fails to make repayment.³

(d) Government has the power of ordering the payment of unspent balance for the purpose of reduction of the debt.⁴

All these safeguards are incorporated in the Act and the rules with the object of preventing misuse of the loan-funds and to ensure eventual liquidation of the debt itself. No one will deny that they are indispensably required in the ultimate interest of the public themselves.

(4) Method of Borrowing.

Local authorities can borrow only by certain specific methods permitted by law authorising borrowing on their part. Under the English law local authorities may borrow in the following ways:—

(1) Mortgages, (2) Saving Certificates, (3) Housing Bonds, (4) Debentures, (5) Annuities, (6) Stock, (7) Utilisation of Sinking Funds, (8) Bank Overdrafts, (9) Bills of Exchange, (10) Municipal Bank Deposits and (11) Simple Deposit Notes.

Methods 1 to 8 are authorised under Section 196 of the Local Government Act, 1933. Special powers are required for methods 9 and 10. Method 11 is not authorised.

The Local authorities in this province may borrow by:—

(1) **Mortgages:—** This is the best and still the most popular method of borrowing. It is open to all the local bodies.

(2) **Short loan bills or notes:—** This method of borrowing is restricted to some few local authorities mentioned in Schedule I to the Act of 1914

¹ Rule 11, The Bombay Local Authorities Loans Rules, 1923.

² Rule 12, *ibid.*

³ Section 5, The Local Authorities Loans Act, 1914.

⁴ Rule 14, The Bombay Local Authorities Loans Act, 1923.

and any other local authority to which the appropriate Government may by notifications in the Gazette of India, extend the provisions of Section 6 of the Local Authorities Loans Act of 1914.¹

(3) **Debentures:**—When Municipalities borrow in the open market, they borrow by issuing debentures.² Generally District Local Boards are not allowed to borrow by issuing debentures but there is one exception. When a Local Board desires to construct a minor railway partly from the proceeds of a cess levied for the purpose and partly from borrowed funds, it may with the previous sanction of Provincial Government borrow money by means of debentures.³

(4) **Temporary Advances:**—Government may lend by making a temporary advance to a local authority to enable it to tide over sudden and unforeseen deficit or to meet urgent and immediate item of expenditure. The Ahmednagar District Local Board, for instance, was given an advance of Rs. 94,000 on account of over-drawals and the Sholapur District Local Board received a special advance of Rs. 25,000 for the immediate payment of teachers' pay.⁴ Numerous such instances of advances by Government can be quoted but space does not permit it. Government has assured the local bodies that "they will be prepared to consider grants of advances in view of over-drawals in suitable cases."⁵ Similarly a District Local Board may make an advancement of money to a local authority subordinate to it.⁶ The earliest instance of such an advance reported is that of District Local Board of Kolaba when it lent a sum of Rs. 16,000 "to the Taluka Local Board of Pen as the finances of the latter were in an unsatisfactory condition."⁷

It will not be irrelevant if we discuss here another aspect of borrowing—borrowing by instalments. A local authority may borrow in one sum the amount of the debt contracted or it may get it in instalments. When the expenditure of the borrowed funds is to be spread over a number of years the loan amount is usually called for in instalments. The District Local Boards borrowed in one lump sum when the amounts were required to be spent urgently for famine or plague purposes.⁸ But there are instances also when District Local Boards borrowed in instalments. During the decade of 1890 to 1900 the Dharwar District Local Board borrowed in an annual instalment of Rs. 60,000.⁹

1 None of the authorities outside the City of Bombay find any mention in Schedule I.
2 For details how these debentures are issued, see *Quarterly Journal of Local Self-Government Institute*, Bombay Presidency, Vol. VIII, No. 4, Issue No. 32, April 1938, p. 333.

3 Rule 19, The Bombay Local Authorities Loans Rules, 1923.

4 Resolution Reviewing the Reports on the Administration of the Local Boards in the Bombay Presidency (1923-24), para 16.

5 *Ibid*, para 41.

6 Report on the Administration of Local Boards in the Bombay Presidency (1890-91), page 21.

7 Report of the Administration of Local Boards in the Bombay Presidency (1892-93), page 30.

8 Report on the Administration of Local Boards in the Bombay Presidency (1896-97), page 62.

9 Reports on the Administration of Local Boards in the Bombay Presidency (1896-97), and (1897-98), pages 62 and para 1 respectively.

Most of the Municipal borrowing has been in instalments.

(5) Extent Of Local Bodies Indebtedness.

In the light of, and against the background of, the foregoing theoretical discussion we should proceed to see the actual extent of borrowing made by the local bodies in the province during the last five decades. A student of this problem will not fail to perceive a marked difference between the attitudes of the local bodies in the Western countries and that of our own local bodies. The propensity to borrow is the strongest in the former bodies while it is the weakest as shown by the latter bodies. The "Credit" is being exploited by the local bodies in the West to such a huge proportion that the amounts of total borrowings by them are rapidly mounting up "as to excite the apprehension of reflecting observers."¹

To illustrate the above statement we give the total amounts of debts of local bodies in England and Wales at different periods during the last more than half a century.

TABLE NO. 1

Year.	£ Debts.	Percentage rise.
1875	... 92,000,000	100
1891	... 201,000,000	218
1899	... 276,000,000	300
1933-34	... 1150,000,000	1250

These figures are illustrative of the attitude of local bodies in the Western countries. The civilised peoples of these countries, with their extremely high standard of living, clamour for more and more widespread and efficient social services with the result that their local bodies raise loans for satisfying the growing and insistent demand. It is, therefore, aptly remarked that "the problem of Western countries is that of great accumulation of local indebtedness and how to restrict or control its growth."²

The problem in India is how to encourage local authorities to raise loans for financing projects of permanent utility. Our province is no exception to this general tendency of reluctance, if not aversion, to borrow. We should proceed to analyse the figures themselves.

(A) **Local Board Loans:**—Though this reluctance to borrow is a general feature of all our local bodies still it is some shades deeper in the case of local boards than in the case of Municipalities. Even in Western countries urban local authorities show a stronger inclination to borrow than those for rural areas.³ The District Local Boards in the Province during the last fifty

1 *Public Finance* by Bastable, p. 627.

2 Report of the Local Self-Government, Bombay (1933), para 120.

3 *Public Finance* by Bastable, p. 720.

years have certainly sought and secured loans but the total amounts of these loans when compared with their total income and population is indisputably infinitesimal.

When we proceed to cull material from the pertinent Government Reports to compute the total loan amount we begin to encounter some difficulties. The word "debt" is, if we take its dictionary meaning, synonymous with the word "loan" but in the administration report these two words appear not to have been used with identical connotation. The word "debt" seems to have been given wider and more comprehensive meaning than the word 'loan' which is used to indicate borrowed money. The word "debt" is used to include not only loans proper but also the "moneys deposited by contractors and others and not repaid".¹ "It represents contractors' deposits, permanent advance for Local Fund works and other items of similar nature not really affecting the resources of Local Boards".² In some reports "Deposits and Advances" figure in one column under a combined heading.³ While in some reports "Deposits from Contractors" are shown in a separate column.⁴ In some 'Deposits and Advances' is made a sub-head coupled with the other sub-heads of either "Cash recoveries" or "other debt amounts".⁵

After the Act No. VI of 1923 a separate heading "Extraordinary Debts" came to be introduced in the financial statement. This heading has further been split up into various sub-heads.

It is more than obvious that receipts shown under all these sub-headings do not fall under what we call "borrowing" nor can they be strictly treated as such. By borrowing we mean "loans" raised by local bodies to finance certain specific works of more or less durability. True that receipts under the headings of deposits and advances and even money pertaining to the Provident Fund may be temporarily used by local bodies and that, if and when such amounts are used, they may be technically construed as loans. But the reports do not supply us with any material which will enable us to ascertain and find such temporary use.

Under the general heading of "Debt" we find a separate sub-head allotted to show "loans." But even this sub-head is found to be missing from some of the reports.⁶ In some reports it is found linked up with "Cash recoveries."⁷

As the classification and tabulation of these figures have varied, not being based on one uniform basis, a study of these figures is rendered very difficult. No reliable conclusions can be based on such shifting material.

¹ Report on the Administration of Local Boards in the Bombay Presidency (1898-99), page 5.

² *Ibid*, page 27.

³ See for example Reports for the years 1890-91, 1892-93, 1912-13, 1914-15.

⁴ *Vide* Reports for the years 1916-17, 1917-18.

⁵ See Reports for the years 1911-12, 1908-09, and 1909-10.

⁶ See Reports for the years 1901-02 to 1906-07, 1908-09.

⁷ Resolutions on the Report of the Administration of Local Boards in the Bombay Presidency, (1907-08), p. 55 and (1909-10), p. 45.

The basis of classification varies not only from year to year but from division to division in the same year. We shall point only one instance. In the Resolution Reviewing the Reports of Local Boards in the Bombay Presidency for the year 1909-10, there are separate columns for "Loans" and "Cash recoveries" in Statement No. II. for Northern Division (pp. 15, 25) but these two sub-heads are grouped together in similar statements for the other two divisions. (pp. 35, 45, 55). Such confusion inevitably renders accurate computation of "loans" almost impossible. We have, however, endeavoured to give hereunder a table of loans borrowed by the District Local Boards in each of the three divisions. The table has been prepared by taking figures given under the head "loan" appearing either single or coupled with cash recoveries. It is not unlikely that such small amounts as Rs. 75,¹ Rs. 83² Rs. 2³ shown under the joint heading of "Cash recoveries and Loans" represented Cash recoveries rather than loans but there is not the least clue to separate the dross of cash recoveries from the alloy of loans in such case, we have, therefore, no alternative but to content ourselves by accepting and treating all such figures as representing 'loans'.

TABLE NO. 2

The total amounts of loans raised by District Local Boards during 1890-1940.

Decade	Total amounts of loans raised in		
	N. D.	C. D.	S. D.
1890-1900 ...	17,999	1,30,00	1,61,600
1901-1910 ...	658	8,522	46,725
1911-1920 ...	46,471	1,01,794	6,058
1921-1930 ...	2,94,822	2,43,660	84,898
1931-1940 ...	48,466	Nil	91,735
Total ...	4,07,726	2,66,976	3,91,016

These figures are eloquent and therefore do not require any elucidatory comments.

Even a most superficial observer will have to admit, after reading these figures that the borrowing done by the Local Boards is almost next to nothing. This rather unhappy state of affairs has evoked a strong condemnation from Government in more than one of their annual Resolutions: "It is somewhat surprising to find that the District Local Board with an income of merely one

¹ Resolution Reviewing the Administration of Local Boards in Bombay Presidency (1907-08).

² Resolution Reviewing the Administration of Local Boards in the Bombay Presidency (1909-10).

³ Resolution Reviewing the Administration of Local Boards in the Bombay Presidency (1907-08).

crore and half of rupees should raise practically no loans to finance their original major works. The Boards are constantly complaining of the inadequacy of their incomes but it is their usual practice to finance capital works from current revenues. They do not apparently realise that by so doing they are not only not taking advantage of their strong financial position to obtain funds for the development of their district but also are unfairly burdening the present generation with the whole capital cost of works of which the benefits will to a large extent be reaped by posterity."¹

Even conceding that the theoretical exposition in the above extract is correct yet we are compelled to remark that the attack is substantially unjustified. It is not correct to state that the "financial position" of the Boards is "strong." Looking to the vast area and the huge and ever-growing population for which they have to provide various vital and almost indispensable amenities their finances appear extremely meagre. Even if the Board showed willingness to raise loans, the real problem will be how to arrange for their repayment. Water supply within municipal limits is a productive purpose which will arrange to pay off loans raised for its provision. But within rural areas there are extremely few objects which can be said to be reproductive. The duties which the local boards are supposed to perform, though extremely useful from the point of the people within the area, are non-productive. Raising loans and spending them for such purposes will be an 'uneconomic outlay,' to quote Mr. Bastable again.² Thus these purposes being non-productive the debtor boards will have to resort to enhanced taxation for the purposes of securing the wherewithal to pay off the loans and other incidental charges. Such taxation under the present law cannot be localised. Such taxation therefore, imposed on all the tax-payers within the area will be harsh, unjust and inequitable. The capital works financed by loans will be serving, unlike those in the small municipal area, the purpose of a very limited area and small section of the population. It is unfair to tax the present generation for the benefit of the future generations. It is much more unfair to tax the whole district and population for works benefitting a small section of the area and population.

We have already seen that getting "advances" is one of the methods of borrowing. Government frequently make advances for meeting emergent deficits or for financing works. In the annual administration reports the amounts of advances are given along with those of deposits. Some of these advances are in the nature of loans and ought to be included in any reliable reckoning of the total indebtedness of the local boards. We have already referred to the advances given by Government to Ahmednagar and Sholapur District Local Boards.³ But such details, which will enable us to separate advances from deposits, are very rarely given. The total indebted-

ness of the boards, if only for the reason, must be substantially greater than that shown by the Table No. 2. We cannot help remarking that a student of those statistics is greatly handicapped by the faulty and un-uniform classification given in the Government reports.

(B) **Municipal Loans:**—When we proceed to find out the total of Loans borrowed by the municipalities during the last half a century we encouragingly feel treading on a firmer ground. In the annual "Reports on Municipal Taxation and Expenditure" a separate statement has been appended giving definite details about the financial position of the various municipalities. We have prepared the following Table by drawing on the material given in such statements.

TABLE NO. 3

Total Amount of Loans raised by the Municipalities during 1891-1940 and their proportion to total debts of the Divisions and the Province.

Decade	Amount of Loans raised in			Total 1891-1940	Percentage
	N. D.	C. D.	S. D.		
1891-1900	17,56,000	3,48,565	3,11,000	24,15,565	11.03
1901-1910	8,90,000	3,96,349	4,49,373	17,35,722	7.90
1911-1920	4,19,500	28,06,500	4,73,945	36,99,945	16.90
1921-1930	3,28,383	28,46,029	1,45,000	33,19,412	15.15
1931-1940	74,06,603	30,10,200	3,20,000	1,07,36,803	49.02
Total					
1891-1940	1,08,00,486	94,07,643	16,99,318	2,19,07,447	100
Percentage	49.31	42.94	7.75	100	

These figures markedly show different tendencies on the part of the municipalities in the three divisions. The debts contracted by the municipalities in the Northern Division show a gradual decrease during the first four decades with a steep rise in the last. Those by the municipalities in the Central Division show progressive rise for the successive decades; in the case of the Southern Division the loans went on progressively rising till the end of the third decennial when it suddenly dropped down to about one-fourth of that of the previous ten year period. In the last decennary it again rose to a hopeful level.

This table may give the mistaken impression that all municipalities are utilising their borrowing powers. Far from it, a very small number of municipalities have availed themselves of these powers as will be evident from the following table.

¹ Resolution Reviewing the Reports on the Administration of Local Boards in the Bombay Presidency 1922-23, para 15.

² Vide *Public Finance*,—by Bastable pp. 670-71.

³ Vide P. 20 *Supra*.

TABLE NO. 4

Total number of municipalities at the end of each of the five decades and the number of municipalities raising one or more loans.

Decade	Number of Municipalities at the end of each decade			Number of Municipalities raising loans			Number of loans raised		
	N. D.	C. D.	S. D.	N. D.	C. D.	S. D.	N. D.	C. D.	S. D.
1891-1900 ...	39	62	39	2	3	3	9	3	4
1901-1910 ...	35	59	39	2	10	10	4	14	10
1911-1920 ...	34	59	39	3	11	5	3	16	6
1921-1930 ...	28	63	38	3	8	3	9	19	3
1931-1940 ...	33	56	38	5	6	2	7	14	3
Total ...	—	—	—	—	—	—	32	66	26

Thus during the last fifty years only 124 loans were raised by 44 municipalities,¹ in the province. Careful perusal of the Table in the Appendix will show that in the Northern Division the largest amount of loans is raised by the Ahmedabad Municipality. Its total borrowings come to 89.05 per cent and 43.72 per cent of the loan-amounts raised in the Northern Division and the Province respectively. In the Central Division, Poona Municipality leads as its loans represent 44.11 per cent of the loans raised in the Division. The proportion of its loans to those of the Province comes to 19.22 per cent. In the Southern Division the loans raised by Belgaum, Bijapur and Dharwar Municipalities collectively bear the ratio of 74.83 per cent to the total amount of debts raised in the Division. The remaining 15 municipalities claim only 25.17 per cent of the total loans of the Division. "This state of things reveals that most of the municipalities fight shy of loans for their capital expenditure. Such work as they undertake are met generally from current revenue".²

After seeing the total indebtedness of the rural and urban bodies it is not very difficult to find out the factors which are responsible for the great disparity. We have already referred to the most important reason which discourages Local Boards from borrowing that most of the works they undertake are unproductive and confined to small sections of their vast areas and population. When they are sufficiently advanced and become enterprising enough to undertake the construction of light railways or tramways or the organisation of Bus Service—they will have to utilize these powers on a

generous scale. But for the present with their non-productive activities and inelastic and lean sources of income it is fruitless to expect them to go in for loans. The municipalities stand in a refreshing contrast to rural bodies. They have small areas with a more intelligent population having better appreciation of the amenities supplied by their municipalities. A Water-works, Market or similar project yields revenue and can pay off its own debts. Naturally the municipalities can very well afford to raise loans without in any way unjustly affecting the pocket of the public. Even in the western countries local bodies working in rural areas show some reluctance to borrow and are much behind the urban bodies as far as borrowing is concerned. The reasons are the same for the prevailing disparity.¹

Our municipalities, though ahead of our local boards, in proneness to borrow, are leagues behind their counterparts in the western countries. We need not go far to seek the reason. "The necessity for borrowing by" western urban authorities "has increased considerably with the extension of municipal trading and the ever increasing demand of the social services. Both types of undertaking necessitate the borrowing of money for capital purposes."²

Our municipalities too will have to do their best to emulate the Urban authorities in the western countries and go ahead with a large and extensive constructive programme befitting the modern times. Many of our cities and towns have not yet even the minimum services such as efficient underground drainage, safe and sufficient water supply or electric lighting which even consideration of public health and safety clamorously demand. Such and similar projects can very well be financed by borrowing the funds which are remaining idle with the private investors.

6. SOURCES OF THE LOANS

(i) Internal and External Debts

The money advanced comes from different sources and, therefore, it is usual to classify loans according to the source from which they came. According to one classification loans are either internal or external. "A loan is internal if subscribed by persons or institutions within the area controlled by the public authority which raises the loan; external, if subscribed by persons or institutions outside the area".³

An internal loan means lending by persons individually to themselves organised collectively and therefore does not involve any transfer of wealth within the community itself. When taxes are imposed for the payment of such debts it only means that a section of the community makes payments by way of taxes while another section of the community gets the proceeds of the taxes as interest and other charges. The whole community as such is very little affected.

¹ See the Table in the Appendix.

² Report of the Local Self-Government Committee, Bombay, 1939, para 122.

¹ *Public Finance*—by Bastable p. 720.

² *The Rate-payer's Money*—by Arthur Collins, pp. 166-67.

³ *Public Finance*—by Dalton, p. 244.

But when an external debt is raised there is a transfer of wealth from certain outside area to the area of the borrowing authority. It again flows back, of course in dribblets, when interest and other charges are paid to the leading community.

This expedient of raising an external loan at times excites a competition between the money investors in the area and those belonging to the outside area and thus helps to secure profitable terms to the borrowing public body.

This classification, which assumes great importance when the borrowing is done by a State, has little significance when the loans are to be raised by local authority. Especially when loans are raised in open market it becomes well nigh impossible to know whether the amounts advanced fall in the one category or the other. As far as our local bodies are concerned there is not the least data available to enable us to ascertain whether the various debts raised during the last fifty years belong to the one category or the other. Government Administrative Reports make no mention of the area to which most of the lenders belonged.

(ii) Government and Non-Government Loans

There is, however, another classification based on the source from which the loan comes. According to the classification debts are distinguished as Government loans or non-government loans. The Bombay Local Authorities Loans Rules of 1923 make this distinction.¹

(A) District Local Board Govt. & Non-Govt. Loans

When we proceed to classify debts contracted by Local Boards as Government and non-Government loans we are faced with a difficulty. The Government Reports do not furnish any indication about the source from which funds emanated. But we shall not be far from the truth if we state that preponderatingly large portion of the total loans is from Government Exchequer. Most of the permanent advances and overdrawals are from Government.² The deposits by contractors, if formidable, may be occasionally drawn upon by the needy local board and when it is so drawn upon it might be said to have come from non-government source. But such loans, by their very nature, are beyond even rough computation.

The only stray instance of borrowing from private person under statutory Government authority is in the case of Poona District Local Board. "The loan of Rs. 40,000 was obtained from Messrs. Sadashiv Mahadev

¹ Rules 9 and 10.

² Prior to 1921-22 all loans and advances made by Provincial Government were financed from the balances of the Government of India. Since the 1st April 1921, the responsibility has been transferred to the Provincial Government. "Report of the Re-organisation Committee, Bombay, 1932, para 492. The same report shows that the total amount of loans and advances to District and other Local Fund Committees outstanding on 1st April, 1930 was Rs. 12,29,915—Appendix VII, p. 315.

Purandare and Narayan Bhai Dandekar under the authority of Government Resolution, Revenue Department No. 1604 dated 3rd June 1885."

(B) Municipal Govt. & Non-Govt. Loans.

Municipalities have borrowed both from Government and Non-Government agencies as will be shown in the following Table.

TABLE NO. 5

Showing Government and Non-Government Loans by decades (1891-1940)

		N.D.	C.D.	S.D.	Total	Percentage
1890-1900	Govt. Loan ...	5,20,000	2,53,565	3,11,000	10,84,565	44.91
	Non-Govt. Loan ...	29.6 12,36,000 70.4	72.8 95,000 27.2	Nil	13,31,000	55.09
1900-1910	Govt. Loan ...	20,000	3,96,349	4,49,373	8,62,722	49.8
	Non-Govt. Loan ...	2.2 8,70,000	Nil	Nil	8,70,000	50.2
1910-1920	Govt. Loan ...	26,000	18,06,500	4,73,945	33,06,445	89.4
	Non-Govt. Loan ...	6.2 3,93,500	Nil	Nil	3,93,500	10.6
1920-1930	Govt. Loan ...	2,88,383	21,45,029	1,45,000	25,78,412	77.7
	Non-Govt. Loan ...	87.9 40,000 12.1	75.4 7,01,000 24.6	Nil	7,41,000	22.3
1930-1940	Govt. Loan ...	5,604	Nil	75,000	80,604	.7
	Non-Govt. Loan ...	.07 73,81,799	30,10,200	23.4 2,45,000	1,06,36,999	99.3
Total	Govt. Loan ...	8,59,987	56,01,443	11,54,318	79,15,748	36.1
	Non-Govt. Loan ...	99,21,299	38,06,200	2,45,000	1,39,72,499	63.9

The reader will have noticed the different tendencies manifested by the municipalities in the different Divisions and the subsequent modifications those initial tendencies underwent.

In the Northern Division the borrowing, on the whole, was preponderatingly from non-government sources, out of the five decades only the decade 1921-30 shows a very high ratio of loans taken from Government. The other four ten-year periods show the marked dwindling of loans from Government to the great advantage of loans from the other sources. In the latest decenniad the sum borrowed from Government is more than negligible.

But we see another and opposite tendency on the part of municipalities in the remaining two Divisions. Between the Central Division and the

Report on the Administration of Local Boards in the Bombay Presidency (1980-91), p. 16.

Southern Division, Municipalities, the Latter Division shows the more extreme tendency of borrowing almost exclusively from Government. In the Central Division little more than 25% borrowing was from Non-Government sources in the first decade but in the succeeding two decades the borrowing was entirely confined to Government source. In the next ten years the Non-Government sources again gained their lost ground while in the latest decade the pendulum has swung to the other extreme and the total borrowing is confined to open market.

The figures given in the above Table pertaining to the Southern Division are too evident to need any comment.

If we study these ratios for the whole province we find that in the first two decades the loans from both the sources almost equally balanced each other while in the following two decades loans taken from Government far surpassed those from the other source. But in the last ten years the loans taken from Government have suddenly shrunk to a percentage which is nearest to nil.

Most of the non-government loans appear to have been raised in the open market. In the report on Municipal Taxation and Expenditure the loans are shown as either taken from Government or raised in the open markets. There are, however, two loans which are neither taken from Government nor raised in the open market. In the Central Division the Sangamner Municipality took a loan of Rs. 5,600 from the "Provident Fund of Teachers of Patel High School while in the Northern Division the Salsette Catholic Co-operative Housing Society Ltd., advanced a loan of Rs. 40,000 to Bandra Municipality in 1921."

It is difficult to recommend any particular source from which local bodies should draw their loans. Getting the loan at the lowest possible rate of interest should be the guiding consideration in deciding the source of the loan. When money market is surfeited with loanable money in rich and overflowing abundance the loans should be raised in open market. Due to the abundant superfluity of funds awaiting investment there will be keen competition among the lenders with a resultant reduction in the rate of interest. But when conditions of money market are not so propitious a local body will have to ponder long before it decided upon the source which it should tap for securing the needed loan. Under such strained circumstances the local authority, if it goes directly into money market, may not secure a reasonable rate of interest. Possibly Government with its high credit will attract funds at a lower rate. In the event of such possibility Government should step out to help local bodies by borrowing on their own security, and advancing the borrowed funds to the needy local bodies. Such intervention of the high credit of Government between the needy local authority and the creditors will be assuredly to the certain advantage of the general public.

We cannot switch off discussion without referring to a case where local authority borrows from another local authority; such a loan, through a non-Government loan, has a peculiar feature which deserves notice. District Local Boards frequently used to advance money to Taluka Local Boards within their areas. Even Panchayats frequently require advances from District Local Boards of their district. In England, superior local authorities which are permitted to lend to minor local authorities within their areas, are allowed to borrow for the purpose of such lending.¹ In India section 3 of the Act IX of 1914 will not permit borrowing for this purpose.

It is interesting to note the ways in which local bodies in Russia raise their loans. They "obtain loans in two ways. In the first place, the Government raises considerable sums in State Loans, in 1935 the total reaching 3,550 million roubles. The collection of such loans is in the hands of the local Soviets" which get a definite percentage of the total amount collected within their area. The Soviet of Moscow, for instance, got 10 per cent of such collection and these receipts went "into the revenue side of the city budget". Secondly, the Soviets may raise loans for communal enterprises, housing and construction work mainly, from the Tsekambant, a State banking organisation which exists for assisting in the financing of such enterprises throughout the Union."

7. SECURITY FOR THE LOANS.

Every lender desires to have some security for the loan advances. Security sound enough to satisfy the creditor may secure better terms to the prospective debtor as regards the rate of interest and the period for repayment. This principle operates not only in the case of private individuals and institutions but also in the case of public bodies. Accordingly law permits a local authority to "borrow on the security of its funds or any portion thereof".³ The expression 'fund' has been defined to include, when used with reference to local authority, "any local or municipal fund to the control or management of which such authority is legally entitled and any cess, rate, duty or tax which such authority is legally entitled to impose and any property vested in such authority".⁴

(A) **Security By District Local Board:**—The debts raised by the District Local Boards are mostly taken from Government and presumably they are advanced on the security of the entire assets of the debtor board. The Government Resolution Reviewing the Reports of the Administration of the Boards do not furnish any particulars about the loans raised by Local Boards and therefore no detailed comment is possible.

(B) **Security by Municipalities:**—In the case of Municipalities the reports are more helpfully explicit. In the case of every loan, the security

¹ *Local Government and Local Finances*—by Wright & Hobhouse, p. 266.

² *Moscow in the Making*, (1937), by Sir E. D. Simon and others, p. 80.

³ Section 3, Local Authorities Loans Act (India Act No. IX of 1914).

⁴ *Ibid* Section 2.

for the same is usually specifically mentioned. The following Table shows 'debts' classified according to the nature of the security.

TABLE NO. 6.

Showing the amounts of loans and the kind of security for them—(1891-1940).

Decade	On the security of General Revenue			On the security of specific or other income with or without General Revenue (G.R.)		
	N. D.	C. D.	S. D.	N. D.	C. D.	S. D.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1891-1900	16,86,000	3,43,000	Nil	70,000 Water rate Rs. 1,367	3,565 Security not mentioned	59,000 G.R. and property
1901-1910	87,00,000	3,85,319	4,77,873	20,000 Hire of meters Rs. 3,604	11,000 House Tax	31,500
1911-1920	4,19,500	26,56,500	4,66,000	Nil	Nil	7,945 G. R.
1921-1930	2,37,383	28,11,629	1,15,000	75,000 G. R. Revenue from Market 16,000 Water rate Rs. 2,915	5,000 G. R. Income of School Board 30,000 G. R. including Water rate	30,000 G. R. and Town Planning constructions
1931-1940	74,06,603	28,26,200	3,20,000	Nil	—	Nil

It is evident from the Table, which shows the amounts of loans and the security on which they are charged, that by far the largest proportion of the total debts is secured on general revenue of the debtor municipalities. It also shows that on some few occasions the income from some special rate, such as Water Rate, was given as security. Occasionally a debt borrowed for a particular scheme was also secured on the income from that particular scheme. For instance, the Bandra Municipality borrowed two debts viz. Rs. 10,000 and Rs. 25,000 for the purpose of constructing markets at Khar and at Santa-Cruz respectively and the debts were charged on the revenue of the markets. The Vile-Parle Municipality's debt of Rs. 126,000 for town planning purposes was charged "on contributions recoverable from plot-owners". The Bagalkot Municipality in the Southern Division also borrowed a loan of Rs. 30,000 for "Town Planning Scheme" and it was also charged on the "General Revenue and Town Planning Contributions".

Thus debts may be incurred either on the security of the general revenue or on the revenue from a particular scheme or project financed by the loan/funds. This leads us to classify debts into general and special debts. "A city's general indebtedness includes all obligations which have been incurred

for city wide benefit, and for the repayment of which the full faith and credit, of the municipality is pledged. Special indebtedness represents the debt which has been incurred on the security of a certain portion of the city, (A local improvement district, for example) or a designated public utility owned by the city, or under some other arrangement which does not pledge the credit of the municipality as a whole".¹ In the light of this distinction, we may say that the general indebtedness of our municipalities is by far larger than the special indebtedness.

8. PURPOSES FOR WHICH LOANS BORROWED

Local Bodies can borrow funds only for purposes recognised by the statutes granting permission to borrow. In England such purposes are set forth by the general and special enactments. The Local Government Act of 1933 lays down the following purposes for which debts may be incurred by local bodies in the United Kingdom.

- Acquiring authorised land.
- Erecting authorised buildings.
- Executing permanent works, providing plant or other purpose, the cost of which in the opinion of the sanctioning authority ought to be spread over a term of years.
- Authorised loans to Parish Council by County Councils.
- Under authority of any enactment or statutory order.

Prior to 1897, the local authorities in India were empowered to borrow "for the carrying out of any works which it is legally authorised to carry out".² The Act II of 1897 was more specific and it enumerated in definite terms the emergency purposes for which borrowing could be done.³ The Local Authorities Loans Act⁴ now in operation specifies the following purposes for which loans may be taken.

- The carrying out of any work which it is legally authorised to carry out.
- The giving of relief and the establishment and maintenance of relief works in times of famine or scarcity.
- The prevention of the outbreak or spread of any dangerous epidemic disease.
- Any measure which may be connected or ancillary to any purposes specified in clauses (ii) and (iii).
- The repayment of money previously borrowed in accordance with law".⁵

¹ *Municipal Administration*, by W. B. Munro, (1935), p. 171.

² Local Authorities Loans Act (India Act No. XI of 1879), S. 4.

³ Section 2.

⁴ India Act No. IX of 1914.

⁵ The Act (India Act No. IX of 1914) being a consolidating measure the clauses are mostly borrowed from the previous enactments. Thus clause (i) is borrowed from India Act XV of 1879 while clauses (ii), (iii) and (iv) are extracted from India Act No. XII of 1897. Clause (v) is the only new addition.

It will be noted that clause (i) is very comprehensive and empowers local bodies to borrow for any work which falls within the purview of its duties. The scope of these duties might be widened by a new addition if the borrowing for that additional purpose is to be legalised. This has been done by the Town Planning Act which states—"The making or the execution of a Town Planning Scheme shall be deemed to be a work which such local authority is legally authorised to carry out."¹

As stated elsewhere Indian Legislations do not permit, as does the English Statute,² a superior authority to borrow for lending to minor bodies under it.

We now proceed to analyse and shift figures of total borrowings done during the last fifty years according to the purpose for which borrowings have been made.

(A) Purposes for which District Local Boards Borrowed

Details about the purposes for which loans were taken by the District Local Boards are, as a rule, not given. Rarely some casual references are made but they will hardly serve the basis of reliable inference. A very broad generalisation may, however, be permitted. The Local Boards seem to have borrowed for mainly following purposes:—

(1) **Communications:**—It appears that extensive borrowing was resorted to prior to 1890 and more particularly during the life time of Local Fund Committees which had to face the initial and very expensive task of road developments requiring huge outlays. We need not go into these borrowings as they are outside the scope of our present study.

The only references to the borrowings made by Local Boards for this purpose are two—one refers to the loan of Rs. 53,000 borrowed by the Poona District Local Board for constructing two bridges,³ the other reference pertains to the loans raised by the Ratnagiri District Local Board for spending on Ambeghat and other subsidiary roads.⁴

(2) **Famine:**—This is one of the few purposes for which District Local Boards have occasionally borrowed. The earliest instance on record of such borrowing is that of Bijapur District Local Board which borrowed Rs. 50,000 "to meet the expenditure in the famine of 1896-97 on the Begum Tank".⁵

(3) **Miscellaneous:**—Borrowing has been also made for meeting overdrawals and also to pay primary teachers' salaries to which reference has already been made.

¹ Bombay Act No. I. of 1915, Section 6.

² Local Government Act, 1933, Section 195 (d).

³ Report on the Administration of Local Boards in the Bombay Presidency, 1890-91, p. 16.

⁴ Report on the Administration of Local Boards in the Bombay Presidency, 1896-97, p. 62.

⁵ *Ibid.*, p. 62.

(B) Purposes for which Municipalities Borrowed

Detailed information about the purposes for which Municipalities have borrowed is available from Government Reports. Hereunder we give in a tabular form the amounts which were borrowed for different purposes during the last fifty years.

TABLE NO. 7A.
Northern Division

Purpose of the loan	1890-1900	1900-10	1910-20	1920-30	1930-40	Total	Percentage, to total of loans
Water Works ...	4,35,000	...	...	56,000	...	4,91,000	4.5
Drainage ...	11,70,000	3,00,000	14,000	...	24,33,799	39,17,799	36.1
Payments of old debts ...	1,00,000	1,70,000	...	...	5,70,000	8,40,000	7.6
Construction of Bridge ...	51,000	...	...	...	...	51,000	.4
Construction of Market ...	...	...	...	35,000	...	35,000	.3
Extension of main Water Pipe ...	...	...	...	...	...	...	...
Purchase of Motors ...	...	20,000	...	...	...	20,000	.1
Town-Planning ...	...	...	12,000	2,24,883	24,804	2,61,689	2.4
Road Construction ...	...	...	...	...	23,00,000	23,00,000	21.1
Quarters of Conservancy Staff ...	...	...	...	...	48,000	48,000	.4
JOINT PURPOSES:							
Water Works & Drainage ...	...	4,00,000	...	...	...	4,00,000	3.7
Water Works & Development of Sewage Farm ...	...	...	3,93,500	...	...	3,93,500	3.6
Construction of public Trains & Purchase of hydrants ...	...	...	...	12,500	...	12,500	1.1
Road Asphalted & Electric Lights ...	...	...	...	...	20,00,000	20,00,000	18.5
Construction of Market & Municipal Offices ...	...	...	...	...	30,000	30,000	.5
Total	17,56,000	8,90,000	4,19,500	3,28,383	74,06,603	1,08,00,486	100

TABLE NO. 7B.
Central Division

Water Works ...	2,50,000	3,07,395	15,08,500	10,13,392	10,88,300	41,67,587	45.01
Drainage ...	...	...	...	13,35,000	1,63,900	14,98,900	16.2
Payment of old debts ...	...	3,565	...	...	2,50,000	2,53,565	2.8
Construction of Market ...	...	...	...	1,00,000	...	1,00,000	1.06
School House ...	...	1,500	53,000	57,000	...	1,11,500	1.2
Municipal Office ...	...	3,000	...	...	...	3,000	.03
Purchase of Meters ...	...	45,000	...	...	...	45,000	.5

TABLE NO. 7B.—(Continued)

Purpose of the loan	1890-1900	1900-10	1910-20	1920-30	1930-40	Total	Percentage to total of loans
Paying the amounts of cost of spare parts of Pumping Machinery ...	...	...	...	12,000	...	12,000	.1
Municipal Purposes ...	...	11,896	...	...	...	11,896	.09
Plague Measures ...	98,565	23,993	...	...	...	1,22,558	1.3
Town Improvement ...	...	...	95,000	...	...	95,000	1.01
Town Planning ...	...	...	...	1,03,637	2,58,000	3,61,637	3.9
Laying at 6' Sub-main for fire-extinguishing arrangements	...	...	...	50,000	...	50,000	.5
Road Constructions ...	...	...	...	1,75,000	...	1,75,000	1.9
Road Asphalting ...	...	...	...	...	7,00,000	7,00,000	7.6
JOINT PURPOSES:							
Water Supply & Drainage ...	...	...	10,00,000	...	4,00,000	14,00,000	15.1
Town Improvement & Town Planning	...	...	1,50,000	...	...	1,50,000	1.7
Total	3,48,565	3,96,349	28,06,500	28,46,029	28,60,200	92,57,643	100

TABLE NO. 7C.
Southern Division

Water Supply ...	3,01,000	3,84,000	4,53,945	1,15,000	2,75,000	15,28,945	89.9
Construction of Market ...	...	2,500	...	...	...	2,500	.2
Construction of Municipal Office ...	...	...	5,000	...	...	5,000	.3
Construction of Dispensary ...	...	...	15,000	...	...	15,000	.9
Construction of Building ...	...	5,000	...	...	...	5,000	.3
Plague Measures ...	10,000	36,373	...	...	...	45,373	2.7
Removal of Salt from Tank ...	...	1,500	...	...	...	1,500	.1
Town Planning ...	...	...	...	30,000	...	30,000	1.7
Town Extension ...	...	...	...	...	45,000	45,000	2.7
JOINT PURPOSES:							
Construction of Market & Primary School Buildings ...	...	20,000	...	...	...	20,000	1.2
Total	3,11,000	4,49,373	4,73,945	1,45,000	3,20,000	16,99,318	100

A very brief comparison of the figures in the table regarding some important items will be as interesting as instructive. In the Northern Division the debts incurred for making new, or extending or improving the old, arrangements for Water Supply are definitely less than 10 percent of the total debts taken during fifty years while the largest percentage is of loans taken for the purpose of drainage. In the other two Divisions the position is different, if not quite the opposite. In the Central Division little less than half the debts were for Water Supply while in the Southern Division 90 percent of the total debts were for the same purpose. In the Central Division there is an appreciable amount of debt incurred for drainage while in the Southern Division not a pie has been borrowed for the purpose.

The Local Authorities (Emergency) Act of 1897 was specifically passed to permit local bodies to borrow for the purpose of "prevention of the outbreak or spread of any dangerous epidemic disease". This provision was readily availed of by the Municipalities in the Central and the Southern Divisions as they borrowed Rs. 1,22,558 and Rs. 46,373 respectively to combat the plague which took a very heavy toll in the closing year of the last century. Though the amount borrowed in Southern Division is smaller than that in Central Division yet it bears a larger ratio to the total borrowings in the Division. The Municipalities in the Northern Division did not borrow for this purpose. Not that the urban areas in the Northern Division did not suffer from the ravages of the deadly diseases but its mortal march was not rapid enough to compel borrowing.

It is also significant to note that town planning is one of the purposes for which all Divisions have borrowed. It is a purpose which is steadily but progressively gaining ground in the estimation of municipalities. This is as it should be. It is a highly productive purpose and can very well stand even larger borrowing.

The reader will have seen that almost all the borrowing is devoted to the Supply of Educational, Sanitary and social requirements. There is yet no attempt to borrow for financing trading enterprises which yield profit. Our municipalities, not to talk of local boards, are yet far away from undertaking such enterprises. They will have to travel long before they contemplate to raise loans for such remunerative ventures.

9. Rate of Interest

The rate of interest which a borrower may be required to pay on the borrowed money is variable. It depends on and fluctuates with other extraneous circumstances such as the degree of the solvency of the debtor, the kind of security offered, the large or small stock of loanable funds available in the money market and the extent and urgency of other demands on those

funds. The rate of interest demanded of a debtor, with a low credit and poor security will be assuredly higher than what a debtor with secure solvency and satisfactory security will be called upon to pay. The higher rate in the case of the former is by way of insurance against, or compensation for, the risk to which the lender is precariously exposed. So also, if the conditions of the money market are dull and huge stocks of money are lying idle for want of proper investment, the eager investors will be too ready to invest even at a low rate. But the rate will shoot up if money becomes scarce or other alternative channels of profitable investment become readily available.

The above regulating principles operate even when a public body is the borrower. If the solvency of the borrowing authority is above suspicion and the length of repayment is sufficiently long prudent investors will not infrequently be too willing to accept even a low rate of interest. When the public body is a local authority repayment from which is guaranteed by the superior Government the prospective lenders will accept readily even a still lower rate than what they would ordinarily demand when there is no such guarantee. In such cases the guarantee by superior Government itself becomes a sort of reliable security reducing risk to a zero point and this helps to bring down the rate of interest appreciably.

The sanctioning authority takes into account the rate of interest which will have to be paid when sanctioning the debt.

It is worthwhile to note that these factors which go to regulate rates of interest have only application to capitalistic states. In Russia, for instance, "Since there is no public market and therefore no competitive price for capital the rate of interest charged is an arbitrary one". It being 3 p.c. p.a. for short-term loans and 1 p.c. p.a. for long-term ones.¹

(A) Rate of Interest and District Local Boards

In the absence of any details regarding borrowing activities by the Local Boards, we are not in a position to say at what level their credit stands in so far as it affects the rate of interest. There is only one reference in the Government Reports for the last fifty years and according to it Poona District Local Board borrowed a loan of Rs. 40,000 at the rate of 6 p.c. per annum.²

(B) Rate of Interest and Municipalities

In the case of Municipalities, the data is amply available to find out the rate of interest which they have paid on the various loans raised. We give in the following table analysis of debts as per the rate of interest stipulated.

¹ *Moscow in the Making*, by Sir E. D. Simon & others, pp. 80-81.

² Report on the Administration of Local Boards in the Bombay Presidency, 1895-96, p. 27.

TABLE NO. 8 A.
Northern Division

Rate of Interest	1890-1900	1900-10	1910-20	1920-30	1930-40	Total	Percentage
Rs. 3½	...	...	...	...	41,00,000	41,00,000	38.0
4	...	5,90,000	14,000	...	1,16,299	7,20,299	6.7
4½	9,65,000	3,00,000	...	...	1,65,500	14,30,500	13.2
4½	7,40,000	...	3,93,500	...	10,00,000	21,33,500	19.7
5	51,000	...	...	1,94,883	10,00,000	12,45,883	11.5
5½	...	...	...	40,000	...	40,000	.4
5½	...	...	...	26,000	...	26,000	.3
6	...	...	12,000	55,000	10,05,604	10,72,604	9.9
6½	...	...	...	12,500	...	12,500	.1
Rate not mentioned	...	...	...	...	19,200	19,200	...
Total	17,56,000	8,90,000	4,19,500	3,28,383	74,06,603	1,08,00,486	100

TABLE NO. 8 B
Central Division

Rate of Interest	1890-1900	1900-10	1910-20	1920-30	1930-40	Total	Percentage
Rs.							
4	2,50,000	3,94,849	27,19,500	5,44,392	18,50,000	57,58,741	61.2
4½	...	1,500	...	...	2,50,300	2,51,800	2.7
5	45,000	...	64,000	1,75,000	9,000	3,74,000	4.0
5½	...	...	...	2,25,000	...	2,25,000	2.4
5	50,000	...	23,000	2,70,637	...	3,43,637	3.7
6½	...	...	...	4,39,000	77,900	5,16,900	5.4
6½	...	...	...	3,77,000	5,58,000	9,35,000	9.9
6½	...	...	...	7,15,000	...	7,15,000	7.5
7	...	...	...	...	1,84,000	1,84,000	1.9
7½	...	...	...	1,00,000	...	1,00,000	1.0
Rate not mentioned	3,565	...	...	...	...	3,565	.3
Total	3,48,565	3,96,349	28,06,500	28,46,029	30,10,200	94,07,643	100

TABLE No. 8 C.
Southern Division

Rate of Interest	1890-1900	1900-10	1910-20	1920-30	1930-40	Total	Percentage
Rs.							
Free of Interest	...	...	96,000	...	...	96,000	5.7
2	...	...	...	...	75,000	75,000	4.4
4	10,000	4,49,373	3,67,945	...	...	8,27,318	48.7
4½	3,01,000	...	...	...	2,00,000	5,01,000	29.5
5½	...	...	...	...	45,000	45,000	2.6
6	...	...	10,000	30,000	...	40,000	2.4
6½	...	...	...	1,15,000	...	1,15,000	6.7
Total	3,11,000	4,49,373	4,73,945	1,45,000	3,20,000	16,99,318	100

The reader will easily perceive that the range of variation of the rate of interest is wide in all the Divisions. The Ahmedabad Municipality has secured the lowest rate viz. 3¾ p.c. p.a. in the open market while the Bijapur Municipality has succeeded in getting the best terms from Government who were pleased to grant loans of Rs. 96,000 and Rs. 75,000, the former without any interest and the latter at 2 p.c. p.a. Baramati Municipality in the Poona District and Amalner Municipality in the East Khandesh District have paid the highest rate of interest e.g. 7½ on a loan of Rs. 25,000 by each to Government as their creditor. Next comes Satara city Municipality paying a rate of 7 p.c. p.a. on a loan of Rs. 1,84,000 raised in the open market. It will also be noticed that Ahmedabad Municipality, reported to be the best administered municipality outside Bombay City, has secured better terms than other municipalities with less efficient administration. This demonstrates that even good administration, creating confidence among the investors, influences the lowering of the rate of interest to the advantage of the Municipality.

Our comparison between the rates which the municipalities are paying on Government and non-government loans has led us to conclude that generally rates charged by Government are, on an average higher than these available in the open market. This statement will be borne out by the following table.

TABLE No. 9

Showing the total number of debts raised from different sources and the average rate of interest by Decades and Divisions (1891-1940).

	Number of Govt. loans			Average rate of interest on Govt. loans			Number of Non-Govt. loans			Average rate of interest on Non-Govt. loans		
	N.D.	C.D.	S.D.	N.D.	C.D.	S.D.	N.D.	C.D.	S.D.	N.D.	C.D.	S.D.
1891-1900	3	*2	4	4 8 0	6 0 0	4 6 0	6	2	...	5 3 4	5 8 0	Nil
1901-1910	1	14	10	4 0 0	4 2 0	4 0 0	3	...	...	4 12 0	...	...
1911-1920	2	16	6	5 0 0	4 4 0	3 10 8	1	...	...	4 8 0	...	...
1921-1930	8	14	3	5 9 6	6 5 5	6 2 8	1	5	...	5 8 0	4 14 5	...
1931-1940	*1	...	1	6 0 0	...	2 0 0*	13	13	2	4 5 3	5 4 4	5 0 0
1891-1940	15	46	24	5 3 4	5 2 10	3 10 3	24	18	2	4 13 9	5 3 7	5 0 0

* In the case of one loan rate of interest not mentioned.

† The source or rate of interest in the case of one debt not mentioned and therefore it is not included in the Table.

‡ The Bombay Suburban Division is included under Northern Division.

(C) **Payment of Penal Rate of Interest:**—The interest on the loans is to be paid yearly, or half-yearly according to the conditions of the loans. In the Bombay Province a local authority, which fails to make the half yearly or yearly payment of interest when it becomes due, is required, if Government so desires, to pay a "penal rate of compound interest not exceeding 10 p.c., p.a. upon all overdue instalments of interest or of principal and interest".¹

10 REPAYMENT OF LOANS

The question of repayment can be conveniently discussed in four sub-sections:— (A) The period for repayment of loans, (B) the means for repayment, (C) the modes of repayment and (D) the failure to repay.

(A) **The period for repayment of loans:**—Loans are to be repaid within an agreed period. This period fixed for repayments supplies the basis of one classification of loans: Short term loans and long term loans.

(i) **Long-Term Loans:**—"Long period loans are usually necessary and are certainly advisable when heavy expenditure has to be incurred on a national or local object, as for example, a war of defence against aggression, the restoration of areas destroyed by a natural calamity such as earthquakes, floods or fire or the provision of a social necessity of first importance, such as a trunk railway, a canal system, or irrigation works".²

In all these and similar cases it is very difficult to secure adequate funds by temporary loans. Nor is it possible to raise them by increased taxation

¹ The local Authority Loans Rules, 1923, rule 15.

² *Elements of Economics*—by Thomas, 5th Edition, p. 631.

without detriment to, or crippling effects on, the social and economic life of the community.

The raising of long-term loans instead of short-term ones is advantageous on more than one ground. In the first place it enables the burden to be distributed over a longer period and thus makes the posterity, which is really benefitted by the permanent works executed with the borrowed funds, pay for the same. Short-term loans taken for capital works of enduring utility would impose the whole financial burden unjustly and inequitably on the present generation which will repay them. Thus on the counts of justice and equity long-term loans are preferable to short-term loans.

Secondly, as we have observed previously investors are usually willing to accept a lower rate of interest when the loan is contracted for a fairly long period.

Thirdly, all members of the community can become cognizant of the total and kinds of long-term loans and the borrowing authority can make a definite and long range financial arrangements for payment of interest or the principal as it becomes due.

(ii) **Short-Term Loans:**—In spite of the above comparison short-term loans have a special utility of their own and therefore cannot be entirely eliminated. They are usually raised from individuals, or from banks or from Government to cover casual deficits or to tide over temporary shortage. We have already referred to overdrawals or advances by Government. They are sometimes described as “impounded” or “floating” loans. The extreme example in British practice of a public short-term loan is the treasury Bills, repayable after three months. Similarly loans borrowed by certain local authorities under section 6 of the Local Authorities Loans Act of 1914 are to be repaid within a period not exceeding twelve months.

Borrowing by short-term loans has certain peculiar advantages to recommend it. They are convenient for meeting temporary deficits or emergent and unforeseen expenditure, provided there is a reasonable prospect of early satisfaction. At times such a loan becomes unavoidable in the case of public bodies as in the affairs of an individual. It can be then conveniently raised with promptitude through the medium of the banks and repaid when necessary funds from current revenue become available.

When money has become scarce and the straitened condition of the money market makes the interest rates soar high borrowing by short-term loans is more advantageous than by long-term loans even when the funds are wanted for permanent capital works. Because the short-term permits the public body to take advantage of market conditions which bring down the rate of interest. Long-term loans with high rate of interest due to the temporary scarcity of money becomes burdensome even when the financial conditions have changed. The public body has to carry the crushing load till the long term has expired.

As a general principle of sound finance short-term loans, if they go beyond a certain limit, are looked upon with disfavour. “It is unquestionable that the floating debt should be within the narrowest limits possible”.¹ The reason is that they are not easily controlled and are liable to be carried to excess. There is an absence of that publicity which characterises loans from the public, while the existence of a huge floating debt engenders distrust in the national finance and a lack of faith in national stability.² The existence of a large floating debt is usually the result of a bad financial planning. Frequently it results from the carrying of one year’s deficit over to the next, and then adding some more to it. When a floating debt gets too large it becomes embarrassing to the municipal authorities. Accordingly they try to clear the decks by funding it through the issue of bonds—and they usually succeed. In this way the future generation is saddled with what ought to be current debt”.³

(iii) **Limited Option:**—There is one more variety of loans which is frequently employed in the United States. It is described as a system of “Limited option”. Under it a minimum and a maximum period for repayment are fixed. The borrowing body cannot repay till the termination of the minimum period while the creditor cannot insist on repayment till the expiration of the maximum period. During the intervening period the debtor authority is given the option to repay if it chose to do so. The fixation of the minimum period prevents the loan being a floating loan while the interregnum enables the debtor body to utilise the option for reducing profitably its debts if conditions become favourable.

We find some instances of borrowing under a limited option in this province. The Poona City Municipality raised three loans of Rs. 77,900,258,000 and 300,000 for drainage, town-planning and water supply respectively. The period for repayment fixed was “10, 20 or 30 years at the option of the municipality.”⁴

In the light of this theoretical discussion we proceed to discuss the actual debts and the period of repayments fixed for their liquidation.

It may be stated at the outset that local bodies have not the freedom which State possesses to fix the period of repayment for the loans that they raise. In their case that period is settled by the sanctioning authority, within the limits prescribed by statutes. Usually the loan is spread over the period representing the economic or useful life of the assets. The sanctioning authority uses its discretion and fixes the period after considering the merits of each application.

The statutes prescribe the maximum period with a view to prevent the creation of permanent debt.⁵

¹ *Public Finance*, by Bastable, p. 694.

² *Elements of Economics*, by Thomas, 5th Edition, p. 630.

³ *Municipal Administration*—by W. B. Munro, (1935), p. 170.

⁴ Report on the Administration of Municipalities in the Province of Bombay—1938-39, p. 128.

⁵ *The Rate-payer's Money*—by Arthur Collins, p. 167.

Under the English law the following maximum periods are prescribed for debts for different purposes.

Purpose				Asset			Term of Years
1. Education	...	...	...	Land	...	...	60
				Schools	...	...	50
				Furniture	...	...	10-15
2. Electricity	...	...	...	Land	...	...	60
				Buildings	...	...	40
				Mains	...	...	25
				Plant	...	...	20
				Equipment	...	...	10
3. Housing	...	...	...	Land	...	...	80
				Houses	...	...	60

The following tables give a classification of the debts according to the period fixed for repayment. It is hardly necessary to state that the Tables refer to municipal debts only.

TABLE NO. 10 A.

Northern Division.

Period of repayment	1890-1900	1900-1910	1910-1920	1920-1930	1930-1940	Total	Percentage
YEARS							
5	—	—	12,000	—	—	12,000	1.09
6	—	—	—	30,000	—	30,000	
10	—	20,000	—	56,000	—	76,000	
14	—	1,70,000	—	—	—	1,70,000	14.5
15	—	—	—	25,000	—	25,000	
20	—	4,00,000	4,07,500	12,500	6,00,000	14,20,000	
25	—	—	—	10,000	—	10,000	42.07
26	1,00,000	—	—	—	—	1,00,000	
30	16,56,000	3,00,000	—	—	67,81,799 5,604	87,37,799 5,604	2.34
Contingent period not mentioned	—	—	—	1,94,883	—	1,94,883	
Total	17,56,000	8,90,000	4,19,500	3,28,383	74,06,603	1,07,81,286	100

TABLE NO. 10 B.

Central Division.

Period of repayment	1890-1900	1900-1910	1910-1920	1920-1930	1930-1940	Total	Percentage
YEARS							
2	—	800	—	—	—	800	17.3
3	—	—	23,000	—	—	23,000	
4	—	1,000	—	—	—	1,000	
4½	45,000	—	—	—	—	45,000	
5	50,000	16,000	—	5,000	1,50,000	2,21,000	
6	—	6,896	—	—	—	6,896	
7	—	3,500	—	—	—	3,500	31.9
8	—	6,693	7,500	—	—	14,193	
9	—	—	—	—	2,50,000	2,50,000	
10	—	8,565	—	2,39,000	7,90,000	10,37,565	
12	—	46,500	—	—	—	46,500	
15	—	—	30,000	25,000	—	55,000	26.9
20	—	1,40,000	15,96,000	6,07,000	5,64,300	29,07,300	
21	—	1,66,395	—	—	—	1,66,395	
25	—	—	—	25,000	2,50,000	2,75,000	17.2
30	2,50,000	—	1,50,000	13,22,000	3,70,000	20,92,000	
40	—	—	10,00,000	6,23,029	—	16,23,029	6.7
Optional	—	—	—	—	6,35,900	6,35,900	
Not mentioned	3,565	—	—	—	—	3,565	
Total	3,48,565	3,96,349	28,06,500	28,46,029	30,10,200	94,07,643	100

TABLE NO. 10 C.

Southern Division.

Period of repayment	1890-1900	1900-1910	1910-1920	1920-1930	1930-1940	Total	Percentage
YEARS							
3	—	—	—	—	45,000	45,000	5.8
10	10,000	45,373	—	—	—	55,373	
12	—	8,000	—	—	—	8,000	
15	—	20,000	7,945	45,000	—	72,945	55.9
16	—	—	96,000	—	—	96,000	
19	—	2,00,000	—	—	—	2,00,000	
20	—	1,76,000	20,000	1,00,000	2,75,000	5,71,000	38.3
30	3,01,000	—	3,50,000	—	—	6,51,000	
Total	3,11,000	4,49,373	4,73,945	1,45,000	3,20,000	16,99,318	100

We do not think it is necessary to comment on these tables. The figures therein including the percentages are too evident to need further elaboration. The reader can very well draw his own inferences.

(B) Means for Repayment:— The sooner are the debts paid the better for the debtor authority. The argument for rapid repayment is

stronger, the greater the burden of the debt. The debt is like an aching tooth. The tax payer has to choose between having the "Aching tooth out quickly (without gas) or letting it continue to ache".¹

But how to secure the means with which this, to put it in the words of Bastable² "eminently desirable" redemption can be brought about?

In answer to the question the experts point out the following sources from which funds may be secured for repayment.

- (i) Surplus Funds.
- (ii) Savings made by retrenchment.
- (iii) Proceeds of additional taxation.
- (iv) Borrowed fund (i. e. conversion)

Some comments are necessary on every one of these sources.

(i) **Surplus Funds:**—Debts may be and should be, liquidated by the application of surplus revenue³ that is, the excess of income above the expenditure. This proposition is too evident to need any elaboration but the question is how to secure this much sought surplus. If the debt was spent for financing a productive purpose it is easy to get a surplus. The income from the productive works goes to augment the revenue of the authority and thus may make a decent surplus easily available for liquidation of the debt. But the difficulty of getting a surplus remains undissolved when the debt funds were utilised for unproductive purpose, such as relief of the famine stricken area or for the prevention of some devastating epidemic. In such cases, the body is faced with two alternatives viz., curtailment of expenditure or augmentation of income by additional or enhanced taxation.

(ii) **Savings made by retrenchment:**— This remedy is easier suggested than adopted. With growing responsibilities and expanding amenities under the inelastic and pressing demand of the public it becomes nearly impossible to apply the knife of retrenchment to any item of existing expenditure. Retrenchment means contraction of some of the present amenities and therefore it immediately brings a hornets nest about the ears of those who undertake it. If retrenchment is applied to some useful health service the deterioration in the health of the people is the inevitable and undesirable result. Thus social as well as political considerations prevent, if not prohibit, the recourse to this course.

(iii) **Increased or additional taxation:**— This course is recommended by many advocates. They argue that if taxation is avoided the debt-burden

¹ *Public Finance*—by Dalton, p. 269.

² *Public Finance*—by Bastable, p. 698.

³ The late Mr. Gokhale maintained that Surpluses should be devoted for the reduction of debt when it is huge as in Western Countries. In India with small unproductive debt burden, it may be utilised for giving other amenities to the people. He further asserted that productive debt should not be reduced out of the revenue of the country. Vide Speeches of Gopal Krishna Gokhale, P. 351.

will continue like a pestering sore and hamper productivity and check beneficial public expenditure. Therefore rapid repayment with the help of additional and even short lived taxation is in the best interest of the community "while the additional burden of taxation for repayment will be heavy while it lasts, but will not last long".¹

This view has its own opposition but is needless for our present purpose to go into all these controversial details. Suffice it to state that a local administrator need not be extremely exclusive in his attitude. He may arrange repayment by adopting one or more remedies simultaneously. Partly curtailment and partly additional taxation may best serve his purpose. The Nasik Municipality, for instance, arranged to pay a debt of Rs. 1,50,000 "by raising an additional income of about Rs. 25,000 by increased taxation and curtailment in expenditure".²

(iv) **Conversion:**—This course enables a public authority to reduce its annual interest charges. It involves the conversion of one loan into another bearing a lower rate of interest. Thus "conversion is not repayment; it is only the exchange of new debts for old".³ Though the statement is true still the very exchange, by which a higher rate of interest is replaced by a lower one, does involve an immediate reduction in the debt burden.

The principle on which this process of conversion is based is very simple and is applicable to both public and private credit. A debtor who has mortgaged his property at 12 p.c., p.a., will readily, if he can borrow the amount at 9 p.c., p.a., give his mortgagee the option of reducing his own rate of interest to 9 p.c., p.a., or of accepting repayment of his outstanding dues. "Loanable capital, like other commodities, will be sought on the cheapest terms and conversion is only an example of the general tendency".⁴

A sound state of public credit is a condition precedent for the successful application of the method "Punctual payments of interest, adequate provision for debt redemption and prudent administration generally will all assist in the work".⁵

Further theoretical discussion is needless for our present purpose.

The Local Authorities Loans Act of 1914 has permitted borrowing for the purpose of conversion.⁶ The previous enactments did not permit such borrowing. Since 1914, Rs. 10,93,565 were borrowed for the purpose of conversion of previous debts.⁷ As it is not shown what particular debts were

¹ *Public Finance*—by Dalton, (1936), p. 269.

² Resolution Reviewing the Reports on the Municipal Taxation and Expenditure in the Bombay Presidency, (1919-20), p. 163.

³ *Public Finance*—by Dalton, p. 282.

⁴ *Public Finance*—by Bastable, p. 806.

⁵ *Public Finance*—by Bastable, p. 706. Vide also *Elements of Economics*—by S. E. Thomas, 5th Edition, p. 644.

⁶ Section 3 (v).

⁷ Vide Table No. 7 A, B, C, above.

paid off by these new borrowings we cannot say whether any reduction of rate of interest or other more favourable terms were secured by these fresh borrowings.

(c) **The Modes of Repayments:**—"The method of borrowing will generally fix the mode of repayment. Bills of exchange must be repaid in one sum at maturity; bank overdrafts are automatically repaid by the receipt of revenue. Annuities automatically expire unless they are perpetual, in which case they can be redeemed only by purchase. Deposits are repayable on demand, but may be repaid out of other deposits".¹

For the usual methods of borrowings there are four recognised modes of repayment:—

- (i) Fixed Instalment system,
- (ii) Annuity system,
- (iii) Sinking Fund system, and
- (iv) Serial Bonds system.

(i) **Fixed Instalments System:**—According to this system equal instalments of principal together with interest on the outstanding balance are fixed. This method is widely and usually adopted for repayment. The debtor body cannot postpone the payment of instalments without the sanction of Government. Even the reduction in the amount of the instalments fixed requires Government sanction. By their order Government reduced the instalment of Rs. 2471 to Rs. 1000 in the case of a loan taken by Karad Municipality.²

When this mode of repayment is adopted "the revenue charges decrease with each payment. It has the great advantage of simplicity of accounting and cheapness. The charges to revenue are heavier in the earlier years. It is therefore advantageous where an asset is purchased which will wear well during initial period but becomes a charge on revenue for repairs later. It is not satisfactory if the asset is non-remunerative in the earlier years. Lenders, as a rule, do not like repayment in varying amounts as is necessary by this method".³

(ii) **Annuity System:**—This system in essence is an Instalment system but the only distinguishing feature of this method is that the instalments are equal. (For details of how the equal instalments are fixed and how the system is operated, readers are referred to Quarterly Journal of the Local Self-Government Institute, Bombay presidency. Vol. VIII No. 4, issue No. 32, April 1938, p. 335). The readers will be interested to note that this system was adopted in the case of repayment of a loan of Rs. 40,000 raised by the Poona District Local Board. "Interest on this sum which came to Rs. 16,608, by calculating it on the balance remaining after payment of each instalment,

¹ The Local Government of the United Kingdom, by Clark, p. 513.

² Resolution Reviewing the Reports on the Municipal Taxation and Expenditure in Bombay Presidency (1909-10), p. 173.

³ The Local Government in the United Kingdom—by Clarke, pp. 514-15.

was added to it (Rs. 40,000) and the total amount of Rs. 58,688 was stipulated to be paid by 24 half-yearly instalments of Rs. 2,362 each".¹

Annuities are of two varieties namely, life annuities and terminable ones. The first are paid till the life of the annuitants while the latter terminates after a particular point of time. "The terminable annuity has certain advantages over the less definite plan of life payments; its exact charge can be estimated and the time of extinction foreseen".²

This mode, which possesses the twin virtues of simplicity and uniformity, is for that reason, favoured by small authorities. It, however, "involves a greater temporary drain on the Exchequer, but ultimately a certain amount of debt is completely wiped out".³

(iii) **The Sinking Fund System:**—Debts may be redeemed by creating a Sinking Fund. "The phrase" Sinking Fund, "the meaning of which is not self-evident, signifies simply a debt-redemption fund".⁴ In its earlier form the "Sinking Fund was simply the surplus of certain parts of the public revenues set apart for the discharge of debt, and it derived all its efficacy from the excess of revenue over the expenditure".⁵ Thus in its original conception sinking fund was only an accumulation of surpluses set apart for redemption of debts. But very soon this fund ceased to be a part of the financial mechanism and grew into a separate and positive entity on the security of which fresh loans came to be contracted.

A sinking fund may be definite or indefinite. It is of the former type when a definite provision for repayment has been made. It is of the latter type when the provision is indefinite being dependent on largely fortuitous circumstances as, for example, when the sinking fund consists of the surpluses, if any, of revenue over-expenditure in a given year. A sinking fund may also be partly definite and partly indefinite.

A definite sinking fund may be classified from the points of view, first, according to the length of period required to repay the whole debt; secondly, according to the distribution of the sinking fund payments over this period; thirdly, according to the distribution of the fund payments as between different debts.⁶

It may be noted that the sinking fund is slowly but surely losing its former ground.⁷ The main reason for its diminishing popularity is that it is exposed

¹ Reports on the Administration of Local Boards in the Bombay Presidency, (1890-91), p. 16.

² Public Finance—by Bastable, pp. 686-87.

³ Elements of Economics, by Thomas, 5th Edition, p. 644.

⁴ Public Finance—by Dalton, p. 275.

⁵ Public Finance—by Bastable, p. 701.

⁶ For more exhaustive particulars about sinking fund readers are referred to Public Finance—by Dalton, pp. 275-80.

⁷ "Where the unproductive debt is huge, as in England, a Sinking Fund is an absolute necessity; but where it is small and where we want money urgently for other purposes, I think the Sinking Fund is an absurdity". Speeches of G. K. Gokhale, p. 361. See also pp. 546, 547, 556.

months of demand, the lender may, without prejudice to any other remedy, apply to the Court for the appointment of a receiver, provided the sum due exceeds £ 500.¹

11. Conclusion.

The foregoing discussion will have revealed that our local bodies are generally fighting shy of raising loan for capital works. They choose to finance the few capital works they undertake from current revenues rather than raise any loan. "The problem therefore is how to discourage this pay-as-you-go habit and overcome the undue timidity of local bodies in the matter of raising loans".² Government will have to take the initiative to dispel this timidity and to encourage local bodies to raise loans for capital work.

(1) As a step in the direction of giving positive encouragement Government will have to materially modify the present cumbrous and dilatory procedure for sanctioning the raising of loans. At present it invariably acts like a wet blanket damping the enthusiasm of many a local bodies seeking the sanction. Government should adopt some summary procedure for sanctioning "short-term loans, for which local bodies should not have to resort to the lengthy procedure For long-term loans we recommend a simplification of procedure or readjustment of official machinery so that loan applications from local bodies can be disposed of within the shortest possible time".³

(2) Government should actively and sympathetically help local bodies to raise loans on the most favourable terms. It is too rosy optimism to expect our Government to emulate Russian Government's example in providing sure and easy loan funds to local bodies. But it is not unreasonable if we expect Government to follow the French Government which has made, in response to united demand from the local bodies themselves, financial arrangements to facilitate cheap borrowing.⁴

During the period up-to-date Government have always played the role of an unhelpful and unsympathetic critic of the administration of local bodies. They should discontinue that carping attitude and begin to play the part of a protecting and guiding angel to the local bodies. Gradually but unfailingly will they respond and begin to march, with proper steps, in the desired direction.

¹ Local Authorities Act, 1933, Section 211.

² Report of the Local Self-Government Committee, Bombay, (1939), para 122.

³ Report of the Local Self-Government Committee, Bombay, 1939, para 124.

⁴ Local Government in Europe, (1939), Edited by William Anderson, pp. 193-94.

APPENDIX
Table Showing loans borrowed by each of the Municipalities during the period 1890-1940.
Northern Division.

S. No.	Division	No. of Loans	Amount of Loans 1891-1900	No. of Loans	Amount of loans raised 1901-1910	No. of Loans	Amount of loans raised 1911-1920	No. of Loans	Amount of loans raised 1921-1930	No. of Loans	Amount of loans raised 1931-1940	Total 1891-1940
1.	Ahmedabad	8	16,86,000	3	8,70,000	1	3,93,500	5	1,03,800	4	66,70,000	96,19,500
2.	Bandra	1	70,000	1	20,000	1	12,000	3	1,94,883	1	5,21,903	7,27,403
3.	Kurla	—	—	—	—	1	14,000	1	30,000	1	1,65,500	3,74,383
4.	Ghatkuper	—	—	—	—	—	—	—	—	—	30,000	60,000
5.	Vile Parle	—	—	—	—	—	—	—	—	1	19,200	19,200
	N. D. Total	9	17,56,000	4	8,90,000	3	4,19,500	9	3,28,383	7	74,06,603	1,08,00,486
Central Division.												
1.	Dhulia	1	2,50,000	1	45,000	2	4,50,000	3	1,68,400	1	2,50,000	6,68,000
2.	Sholapur	1	95,000	1	3,565	2	4,25,000	—	—	1	4,00,000	9,90,000
3.	Igatpuri	1	—	3	1,78,291	2	—	2	6,23,029	—	—	7,130
4.	Ahmednagar	—	—	3	5,300	—	—	—	—	—	—	5,300
5.	Bhingar	—	—	1	3,000	—	—	1	5,000	—	—	8,000
6.	Sanganner	—	—	1	1,40,000	—	—	1	4,39,000	2	4,14,300	9,93,300
7.	Jalgaon	—	—	1	5,000	2	2,50,000	—	—	—	—	2,55,000
8.	Lonavla	—	—	1	3,693	—	—	—	—	—	—	3,693
9.	Wai	—	—	1	1,500	—	—	—	—	—	—	1,500
10.	Mhaswad	—	—	—	—	2	2,00,000	—	—	—	—	2,00,000
11.	Nasik	—	—	—	—	2	7,500	—	—	—	—	7,500
12.	Jejuri	—	—	—	—	1	75,000	—	—	—	—	75,000
13.	Bhusawal	—	—	—	—	1	30,000	1	25,000	1	86,000	1,41,000
14.	Amalner	—	—	—	—	1	20,000	—	—	—	—	20,000
15.	Saswad	—	—	—	—	2	10,23,000	9	15,31,000	8	16,75,900	42,29,900
16.	Poona City	—	—	—	—	1	91,000	—	—	—	—	1,02,000
17.	Karad	—	—	1	11,000	1	2,35,000	—	—	—	—	2,35,000
18.	Barsi	—	—	—	—	1	—	—	—	—	—	25,000
19.	Baranati	—	—	—	—	—	—	—	—	—	—	30,000
20.	Vita	—	—	—	—	—	—	—	—	—	—	30,000
21.	Satara City	—	—	—	—	—	—	—	—	1	1,84,000	1,84,000
	C. D. Total	3	3,48,565	14	3,96,349	16	28,06,500	19	28,45,029	14	30,10,200	94,07,643

Southern Division.

S. No.	Southern Division	No. of loans	Amount of loans raised 1891-1930	No. of loans	Amount of loans raised 1901-1910	No. of loans	Amount of loans raised 1911-1920	No. of loans	Amount of loans raised 1921-1930	No. of loans	Amount of loans raised 1931-1940	Total 1891-1940
1.	Hubli	2	2,42,000	—	—	1	3,50,000	—	—	—	—	5,92,000
2.	Aligag	1	10,000	—	—	—	—	—	—	—	—	10,000
3.	Panvel	1	59,000	1	14,000	—	—	—	—	—	—	73,000
4.	Belgaum	—	—	1	14,373	—	—	—	—	—	—	14,373
5.	Gokak	—	—	1	2,500	—	—	—	—	—	—	2,500
6.	Dharwar	—	—	1	2,00,000	—	—	—	—	—	—	2,00,000
7.	Gadag	—	—	1	20,000	—	—	—	—	—	—	20,000
8.	Nargund	—	—	1	1,500	—	—	1	15,000	—	—	16,500
9.	Honawar	—	—	1	5,000	—	—	—	—	—	—	5,000
10.	Roha	—	—	1	8,000	—	—	—	—	—	—	8,000
11.	Uran	—	—	1	8,000	—	—	—	—	—	—	8,000
12.	Bijapur	—	—	1	1,76,000	1	96,000	—	—	2	2,75,000	5,47,000
13.	Rannebennur	—	—	—	—	2	15,000	—	—	—	—	15,000
14.	Pen	—	—	—	—	1	7,945	—	—	—	—	7,945
15.	Chiplun	—	—	—	—	1	5,000	—	—	—	—	5,000
16.	Bagalkot	—	—	—	—	1	—	—	30,000	—	—	30,000
17.	Matheran	—	—	—	—	—	—	—	1,00,000	—	—	1,00,000
18.	Nipani	—	—	—	—	—	—	—	—	1	45,000	45,000
	S. D. Total	4	3,11,000	10	4,49,373	6	4,73,945	3	1,45,000	3	3,20,000	16,99,318

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GREATER BOMBAY

CONFERENCE OF MEMBERS OF LOCAL BODIES IN THE BOMBAY SUBURBAN DISTRICT AND THANA MUNICIPALITY

(This Conference was convened in pursuance of a resolution passed at a meeting of all the Presidents of the Municipalities of the Suburban District and Thana Municipality and of District Local Board, B.S.D., and Chairmen, Notified Area Committees and School Boards and Sarpanchas of Village Panchayats in the District. It was attended by about 100 members representing these units.)

Resolutions passed at the Conference of the Members of Bombay Suburban Local Bodies held on 1st December 1945 in the Office of the Local Self-Government Institute at 11, Elphinstone Circle, Fort, Bombay under the presidentship of Chunilal D. Barfivala, Esqr., M.A., LL.B., President, District Local Board, B. S. D. and Director of the Institute.

I. Protests against the Dissection of the Bombay Suburban District for Law, Order and Revenue purposes.

(A) That this Conference protests against the dissection of the Bombay Suburban District caused by the Greater Bombay Laws and the Bombay High Court (Declaration of Limits) Act 1945 (Bombay Act No. XVII of 1945) by including the area comprised in Schedule I of the said Act in Greater Bombay and transferring the remaining area to the Thana District. The area excluded from Greater Bombay is an integral part of the City of Bombay, with which it is united economically, socially, industrially, commercially, educationally, and otherwise. This excluded area has nothing in common with the Thana District to which it is now arbitrarily annexed against the wishes and in spite of the protests of the people of the Bombay Suburban District.

(B) That the operation of the said Act has shifted the incidence of criminality from the City and the Southern portion of the Suburban

District (now included in the Greater Bombay) to the northern part of the District. The burglarious elements have found a convenient home in the unguarded northern region and have become a grave menace and a source of perennial anxiety to that region. In order to obtain a natural boundary affording effective control, it is necessary to include within Greater Bombay all the Area South of the Bhynder-Thana Creek.

(C) That the said Act has caused considerable inconvenience to the litigating public both of the suburban area included within Greater Bombay and also of the area transferred to the Thana District. The former are compelled to resort to the costly legal machinery of the High Court even in small matters because the jurisdiction of the Small Causes Court is restrictive, and the latter are obliged to go to the Bassein Court, which is indeed a very inconvenient place. A similar inconvenience is experienced in criminal matters. Government is requested to provide a cheaper and more convenient judicial machinery.

(D) That Government is requested to cancel forthwith the executive orders issued by them, transferring for the purpose of Land Revenue a large number of villages from the Bombay Suburban District (which are excluded from Greater Bombay) to the Thana District without observing even the normal formalities of inviting the opinions of the suburban people who are vitally and injuriously affected by the transfer and thereby—treating these people as mere Goods and Chattels or Pawns on a Chess Board or Persons in Bondage.

These so called revenue transfers will in their turn bring about administrative transfers, involve dissolution and reconstitution of the District Local Boards of the Bombay Suburban and the Thana Districts, and transfer to the Thana District Authorities of control of several local self-governing units, medical institutions, administration of primary education, roads, water works, etc.

Government is requested to redress the grievance without any loss of time by cancelling these orders.

(E) That in view of what is stated in Resolutions A to D, it is the confirmed opinion of this Conference that no part of the Suburban

District should be transferred to the Thana District for any purpose whatever.

Proposed by—Jeshtaram S. Kapadia, Esqr.,
B. A., LL.B., (Solicitor), Chairman,
Notified Area Committee, Borivli.

Seconded by—S. V. Iyer, Esqr., Member,
N.A.C., Malad.

II. Local Self-Government in Greater Bombay

This conference is of opinion that in the interests of the citizens of Bombay as well as the inhabitants of the Suburban District and of the Thana City, a comprehensive scheme for the administration of Greater Bombay should be formulated and introduced at a very early date.

This Conference, however, does not at this stage express any opinion regarding schemes of annexation, co-ordination, federation or regionalism. The Conference desires that wide publicity should be given to all the Schemes that may be formulated for the administration of Greater Bombay and that no Scheme should be brought into effect without affording ample opportunity of studying the same and of obtaining the views of the suburban population. In any scheme, the suburban people would insist upon the provision of the following safeguards :—

(A) The suburban people should have effective voice in the administration of Greater Bombay and should not be reduced to the position of impotent minority.

(B) That no share of the heavy burden of indebtedness of the Bombay City nor any portion of the City's Taxes representing these debt-charges should fall on the suburban people.

(C) That the percentage of City's taxes representing Improvement Trust expenses should not fall on the suburban people.

(D) That when considering the levy of taxes on the suburban area—the different stages of development of the respective places within the jurisdiction of the several suburban units—their urban, semi-urban or rural characters, their different needs, their varying taxable capacities, the benefits enjoyed by them as gifts of nature or beneficence of donors

or voluntary sacrifices of their citizens—should always be borne in mind. No area should be made to pay for amenities it does not receive.

(E) That ways and means of financing the Greater Bombay Scheme should be found in the domain of municipalisation of utility or trading concerns and that resort to further taxation of properties should be avoided as far as possible.

(F) That in view of the fact that the City of Bombay is a handsome source of revenue for the Provincial and Central Governments—Greater Bombay has a legitimate claim on them for substantial assistance.

(G) That the rights of Khots, Inamdar and Properties of villages in the Suburban Area impose certain financial burdens on the suburban properties. It should be considered how far they could be modified, the burden reduced and impediments to improvement removed.

(H) That non-agricultural assessment levied by Government imposes a substantial burden on the suburban properties and reduces the taxable capacity of the people for municipal purpose.

(I) That reduction of heavy and unfair water-charges at present recovered from the users of tap-water should receive immediate consideration in any scheme.

(J) That the questions of drainage in the congested urbanised portion of Greater Bombay should receive early priority in any scheme.

(K) That in any scheme for providing inhabitations for the present excess population of the City of Bombay and for its future increase in the Greater Bombay Area and for the housing in the Suburban Area of population that may be de housed by the break up of the 85 officially recognised slums in the City—care should be taken that congestion and slums are not created in the Suburban Area.

(L) That in the matter of removal from the City of small and big industries—their locations should be zoned in advance and no unplanned growth should be permitted.

(M) That in the matter of removal from the City to the suburbs of obnoxious trades and industries like tanneries, slaughter-houses, stables,

chemical factories, sites selected should be far away from residential areas and absolutely unobjectionable not only from the view-point of the present layout of the suburbs but also from the view-point of future developments. A long range view must be taken in this all important matter. Ample powers of controlling these obnoxious trades should be reserved to the Greater Bombay Authorities.

(N) That care should be taken to give adequate compensation to the owners of properties which are acquired for housing City's population and accommodating industrial concerns and for other public projects, including acquisition of sites of roads, and for prevention of ribbon-development.

(O) That the burden of expenditure for putting into effect expensive schemes, like underground trains, and tunnels, etc., and for beautification of Bombay City should not fall on the suburban people.

(P) That care should be taken to absorb the staff employed in suburban local bodies, including School Boards in any Scheme of Greater Bombay.

(Q) That care should be taken to get released from the Military Authorities those portions of the Suburban Area which are at present in their occupation as the same are essentially important for healthy development of the suburbs.

Proposed by—Jyotindra L. Mehta, Esqr., B.Sc.,
President, Parle-Andheri Municipality.

Seconded by—Jashvantraï G. Mehta, Esq.,
B.A., President, Ghatkopar-Kirol Municipality and Jamsbedji H. Katrak, Esq.,
Chairman, Standing Committee, Bandra Municipality.

III. Thana City

That the members of the Thana Municipality who are present here would welcome an opportunity for the inhabitants of their municipal district, of considering the advantages and disadvantages of being included in the Greater Bombay Area and of the form of Administration that may be proposed for the same. They keep an open mind on the

subject and reserve expression of opinion till a concrete scheme is put before them. They, however, agree generally with the resolutions passed at this Conference regarding safeguards to be provided in any scheme for the administration of Greater Bombay.

The Thana Members are particularly anxious to see that no slum conditions are produced near about their towns as a result of putting into effect any schemes of Greater Bombay or any burden of expenses thrown on Thana's poor finances.

Proposed by—S. L. Taskar, B.A., B.T., Member,
Thana Municipality.

Seconded by—Rao Bahadur Jayantilal Tribu-
wandas, Member, Thana Municipality.

IV. That the Conference authorises the President to forward copies of these resolutions to proper quarters and to take such steps as he considers necessary to achieve the objects underlying these resolutions.

Proposed by—Jeshtaram S. Kapadia, Esqr.,
B.A., LL.B., (Solicitor), Chairman,
N.A.C., Borivli.

Seconded by—V. N. Purao, Esqr., Sar Panch,
Village Panchayat, Chembur, and S. V.
Iyer, Esqr., Member, N.A.C. Malad.

With a vote of thanks to the Chair the Conference terminated.

Resolutions passed at the Conference of the District Local Boards and School Boards (in the Marathi-speaking Districts) held at Ahmednagar on the 27th and 28th October 1945 with Mr. S. S. More, ex-President, District Local Board, Poona, in the Chair.

Resolution 1. Government of India and the Government of Bombay seem to have framed various reconstruction schemes embracing Education, Water Supply and Health problems. Government schemes concerning these and other matters falling within the purview of Local Bodies' duties and functions should be implemented through the agency of the Local Bodies. In view of the fact that this country will have increasing measure of democratic rule, such a step is essential and urgent in order to educate the public in the basic principles of democracy by placing larger measure of responsibilities on Local Bodies.

Resolution 2. Responsible Government will be introduced in the country. With a view to ensure success of that Government and with a view to final transfer of power to the agriculturists and workers it is imperative that the peasants and workers should be given immediately minimum education. Therefore this Conference requests that the popular Government which will come into existence in near future should introduce forthwith free, universal and compulsory education in this Province.

Resolution 3(A). This Conference strongly opposes the draft bills published by Government designed to amend the Local Boards Act, and Primary Education Act so as to raise the minimum and maximum rates of Local Fund Cess to 2 annas and 3 annas respectively with the object of securing additional funds for Local Boards for being compulsorily utilised towards the payment of Dearness Allowance to the members of the Local Board and School Board staff. The reasons given by Government in the statement issued by the Director of Public Information justifying the proposed amendment are fallacious and misleading. War has not profited the agriculturists as much as Government thinks. The cost of production and the cost of living have gone up immensely with the result that the ostensibly high prices of agricultural produce do not in reality leave any margin with the agriculturists. In view of the fact that non-agriculturists and particularly commercial classes have been much benefited by the war conditions, it is gross injustice to impose the burden of growing taxation only on the agriculturists for paying dearness allowance necessitated by the war. The rise in prices is due to war conditions. Therefore, instead of treating the expenditure on account of dearness allowance as war expenditure the Government policy which seeks to impose the burden for the same on the poor

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agriculturists is wrong and inequitous. Hence this Conference requests that the present bureaucratic Government should not convert the draft-bills into law and particularly when popular Government is in the offing.

Resolution 3(B). Owing to war conditions Local Bodies have been constrained to pay dearness allowance to their employees. In fairness, Government should treat this expenditure as indispensable part of their war expenditure. Therefore, this Conference insistently demands that Government should pay to Local Bodies the amounts spent by them for paying the dearness allowance and should further undertake the responsibility for such allowances to be paid in future.

Resolution 4. This Conference requests Government to bear the entire cost on account of epidemics as it is a matter of provincial importance and it is beyond the financial means of a District Local Board to bear any expenditure thereon.

Resolution 5. The District Local Boards, in the course of their administration, meet with many difficulties from time to time. With a view to solve these difficulties by mutual co-operation and by consultation with Government, if necessary, this Conference appoints a Committee constituted of the Presidents of the District Local Boards participating in this Conference. The President, Poona District Local Board, will be the convenor.

Resolution 6. Government have constructed for military purposes many buildings at different places. As war has terminated this Conference requests Government that these buildings be handed over gratis to Local Boards of the respective Districts for allowing these buildings or their material to be used for public purpose.

Resolution 7. This Conference is of opinion that the amendment of the Primary Education Act, XII of 1938, by which the Government has taken away the effective powers of management and control of the School Boards and vested them in the Administrative Officers appointed by Government has not improved administration of Primary Education and is certainly undemocratic and retrograde and requests the Government to restore the said power to the School Boards.

Resolution 8. The Local Boards have not been allotted resources sufficient to meet the necessary and growing wants of the public. Due to the stoppage of excise and establishment grants by Government and due to the loss of income from cattle-pound, etc. the original meagre income of the Local Boards has further diminished. Under these circumstances the Boards are unable to provide for even the minimum amenities demanded by the public. This inability is further resulting

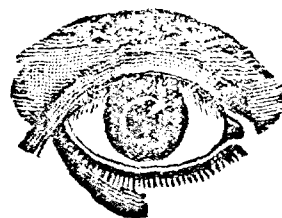
in the loss of confidence by the public in these Local Bodies. This result is undesirable from the point of fostering the growth of democracy. It has become, therefore, necessary that the income of Local Bodies should be increased as per demands made by Local Bodies in their various Conferences and particularly, as recommended by Kale Committee in its report. Therefore, this Conference requests Government to take necessary and prompt steps in this direction.

Resolution 9. This Conference accords its support to all the resolutions pertaining to District Local Board, District School Board and Village Panchayat Administration passed by the Bombay Provincial Local Bodies Conference in its session held on the 17th and 18th February 1945. This Conference requests Government to take steps as demanded in those resolutions in order to help Local Bodies to make their administration satisfactory and efficient.

Resolution 10(A). Government have prescribed different syllabuses for one teacher village schools and for full primary schools. The syllabus prescribed for the former is of inferior quality with the result that pupils instructed under the same will be a misfit in a full-primary or an Anglo-Vernacular school. It is therefore necessary to improve the curriculum of the one teacher village-school by increasing the standard of subjects such as arithmetic, languages and science in order to bring it on par with that prescribed for other schools.

Resolution 10(B). At present Middle school scholarships are awarded after holding separate examinations in every District. Out of the scholarships, so awarded, 60 to 75 per cent scholarships go to students from urban areas. Hence every District should be grouped into distinct Urban and Rural areas. Every District place and Taluka towns should be treated as Urban areas. The scholarships should be divided between those two areas in proportion to their population and separate results should be declared for each of the two areas and the scholarships ear-marked as above be given accordingly.

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By CHUNILAL D. BARFIVALA, M.A., LL.B.,
Director, Local Self-Government Institute, Bombay.

Hifzurraheman Ansarsaheb

vs.

Hasansaheb Abansaheb Fulmandi

A Judge holding an election enquiry under s. 15 of the Bombay Municipal, Boroughs Act, 1925, has no power to unseat a candidate on the ground that the candidate was disqualified by reason of s. 12 of the Act. Under s. 15 (3) (a) the Judge is bound to unseat a candidate who has been guilty of corrupt practices. If there is corrupt practice, the candidate is unseated. If there is no corrupt practice, the Judge simply scrutinises the votes, decides which votes are valid, counts up, and declares the result accordingly. The High Court can exercise its power of revision in a case in which the Judge though acting as a *persona designata* goes beyond the powers given to him by the Legislature, e.g. by unseating a candidate on the ground of disqualification under sec. 12(2) (b).

Election enquiry.

Hifzurraheman was the successful candidate from the Mahomedan ward at the triennial election of the Sholapur Bombay Municipal Boroughs Act, Municipality held on March 19, 1942.

1925. Sections 12 and 15.*

Hasansaheb, the opponent, applied under Section 15 of the Bombay Municipal Boroughs Act, 1925, to the District Court at Sholapur challenging the election on the ground that Hifzurraheman's wife was a school mistress in the employ of the Municipality and therefore he was disqualified to be a candidate under Section 12 of the Act.

* The material portions of the sections are as follows:—

S. 12 (1) . . .

(2) No person—

(a) who is a subordinate officer or servant of a municipality,
may be a councillor of such municipality.

(5) In every case, the authority competent to decide whether a vacancy has occurred under this section shall be the Collector. The Collector may give his decision either on an application made to him or on his own motion. Until the Collector decides that the vacancy has arisen, the seat of the person elected or nominated shall not, under sub-section (4), be deemed to have become vacant. An appeal shall lie against every such decision of the Collector

The Assistant Judge held (i) that the nomination paper of Hifzurraheman was wrongly accepted, (ii) that he was not guilty of corrupt practices, and (iii) that the Court had jurisdiction to interfere in the matter. He held that Hifzurraheman was disqualified to offer himself as a candidate under Section 12(2) (b) and set aside the election, observing as follows :—

"The provisions of sub-sections (1) and (5) with its explanation of Section 15 clearly show that the Court has power to interfere with the matter if there is any breach of or non-compliance with the provisions of the Act. See 1933, A. I. R. Sind 416 It is urged that if there is any disqualification the Collector has power to take the necessary action under Section 12(5). It is true that he has power in the matter. But this does not mean that the power of this Court to interfere with the matter is taken away by Section 12(5), which was enacted in 1939. Even before that the provisions of Section 15 were in existence. There is nothing to suggest that the enactment of 1939 has taken away the powers of the Court which already existed."

Hifzurraheman applied to the High Court in revision.

Macklin, J.—(Extract.) "These applications must be allowed. The point at issue in all of them is the same, namely, the power of the Judge holding an election enquiry under Section 15 of the Bombay Municipal Boroughs Act, 1925, to unseat a candidate on the ground that the candidate was disqualified

to the Provincial Government and the orders passed by the Provincial Government in such appeal shall be final:

Provided that no order shall be passed under this sub-section by the Collector against any councillor without giving him a reasonable opportunity of being heard.

S. 15 (1) If the validity of any election of a councillor is brought in question by any person qualified to vote at the election to which such question refers, such person may, at any time within ten days after the date of the declaration of the result of the election, apply to the District Court of the district within which the election has been or should have been held for the determination of such question.

(3) (a) The Judge, if satisfied that a candidate has, within the meaning of sub-section (4), committed any corrupt practice for the purpose of the election, shall declare the candidate disqualified both for the purpose of that election and of such fresh election as may be held under sub-section (2), and shall set aside the election of such candidate if he has been elected.

(b) If in any case to which clause (a) does not apply, the validity of an election is in dispute between two or more candidates, the Judge shall, after a scrutiny and computation of the votes recorded in favour of each candidate, declare the candidate who is found to have the greatest number of valid votes in his favour, to have been duly elected:

Provided that for the purpose of such computation no vote shall be reckoned as valid if the Judge finds that any corrupt practice was committed by any person, known or unknown, in giving or obtaining it. . . .

(5) If the validity of the election is brought in question only on the ground of any error by the officer or officers charged with carrying out the rules made under clause (c) of sub-section (1) of section 10, or of an irregularity or informality not corruptly caused, the Judge shall not set aside the election.

Explanation.—The expression "error" in this clause does not include any breach of or any omission to carry out or any non-compliance with the provisions of this Act or the rules made thereunder whereby the result of the election has been materially affected.

for election by reason of Section 12 of the Act. Whether the candidates in question were or were not qualified is a matter with which we are not concerned. The Judge has held, rightly or wrongly, that Section 12 disqualified them, and he accordingly set aside the election of these persons. In doing so he purports to act under Section 15 of the Act. The unseated candidates have come in revision to this Court on the ground that the Judge has gone beyond the powers given to him by the Legislature; and if it is a fact that he has done so, then his action, though the action of a *persona designata*, is subject to revision by this Court. The Assistant Judge who heard the cases was of the opinion that Section 15 empowered the Judge to interfere with an election in cases not in terms covered by the wording of Section 15; and in support of that view he refers to the decision of the Judicial Commissioner of Sind sitting alone in *Dayaram vs. Kesharji* [(1933) A.I.R. Sind 416], where a person disqualified by reason of Section 22 of the Bombay District Municipal Act, a section corresponding in many ways with Section 15 of the Bombay Municipal Boroughs Act, was unseated on the ground that he was not qualified for election. With respect, I am not altogether convinced by the reasoning in this case; in particular I do not think that the argument derived from the wording of Sections 15 and 22 of the Municipal Act can apply to a case like the present under the Municipal Boroughs Act, since sub-section (4) of Section 12 of the Boroughs Act finds no place in the corresponding section of the Municipal Act; but apart from the reasoning given in that case, the matter has been fully argued before me on the wording of the relevant sections, which are Section 15 and Section 12 of the Municipal Boroughs Act. The scheme of Section 15 is this. By sub-section (1) anyone qualified to vote can question the validity of an election by going before the District Judge within ten days and asking that the validity of the election shall be decided. Thereupon the Judge holds an enquiry and "subject to the provisions of sub-section (3)" passes an order confirming or amending the declared result of the election or setting the election aside. The words "subject to the provisions of sub-section (3)" are important. Though the exact meaning of the words "subject to" is not perhaps obvious, it is clear that in passing orders confirming or amending the result or setting the election aside the Judge must not lose sight of the provisions of sub-section (3). Sub-section (3) is in two parts; it provides that a candidate guilty of corrupt practices as defined later on shall be unseated, and that in every other case where the validity of an election is in dispute between two or more candidates, the Judge shall scrutinize and count the votes and declare elected that candidate who has the greatest number of valid votes. No other specific power is given in terms to the Judge making an order under Section 15. There is, however, a provision in sub-section (5) that a Judge shall not set aside an election of which the validity is questioned only on the ground of an error in carrying out the election rules or any irregularity or informality not corruptly caused; and the sub-section has an explanation to the effect that "error" does not include any breach of the Act or rules which has materially affected the result of the election. The Assistant Judge has spelt out of sub-section (5) read with the explanation a positive permission to a Judge to set aside an election on grounds other than the grounds for which he is by sub-section (5) expressly prohibited from setting aside an election. In other words from a provision which in terms is purely negative from beginning to end the learned Judge has inferred a positive permission to do something which in terms the entire section nowhere

authorises him to do. I do not think that this method of interpretation is legitimate. It is true that the beginning of the section is in general terms and does not restrict the power of a voter to question an election on any grounds, but I am not prepared to hold that this implies that the enquiring authority has a right to pass orders except in accordance with the express terms of sub-section (3).

Moreover, I find it impossible to reconcile the so-called implied permission given in sub-section (5) to deal with matters falling outside sub-section (3) with the provisions of sub-section (3) (b). By sub-section (3) (a) the Judge is bound to unseat a candidate who has been guilty of corrupt practices. But "in any case to which clause (a) does not apply" the Judge simply scrutinises the votes and awards the election to the candidate who has the greatest number of valid votes. If there is corrupt practice the candidate is unseated. If there is no corrupt practice, the Judge simply scrutinises the votes, decides which votes are valid, counts up, and declares the result accordingly. I do not see any room for setting aside an election on the ground that the candidate was never qualified to be elected. Even if he was not qualified to be elected, it cannot be said that votes otherwise valid are invalidly recorded merely for that reason.

I think therefore that on the wording of the section itself a Judge ought not to be deemed to have powers other than those expressly specified in the section; and the section has gone out of its way in sub-section (3) to specify what his powers are, and *prima facie* the powers so specified are exhaustive. But quite apart from the wording of Section 15, there is another aspect of the case which does not seem to have been put before the learned Assistant Judge. Sub-section (4) of Section 12 says that if any person is elected or nominated as a councillor in contravention of the provisions of Section 12 (the section dealing with disqualifications), his seat subject to the provisions of sub-section (5) will be deemed to be vacant; and sub-section (5) says that in every case the authority competent to decide whether a vacancy has occurred under this section shall be the Collector. There is obviously a reference back to sub-section (4), so that in every case the authority competent to decide whether a person was disqualified before his election and that the election was therefore invalid so far as he is concerned is the Collector and no one else. Sub-section (5) goes on to say that until the Collector decides that a vacancy has arisen, the seat of the person elected or nominated shall not under sub-section (4) be deemed to have become vacant. In other words the orders of the learned Assistant Judge in this case are nugatory until the Collector himself decides that the seat is vacant.

It is argued that although it is possible for an elector to approach both the Collector and the District Judge within ten days of the election and get contradictory orders on his two petitions on the interpretation put upon Section 15 by the opponents to the present applications, still that is no reason for not interpreting Section 15 in the way I am asked to interpret it, and that it is my duty to reconcile, if I possibly can, these two inconsistent sections. In my view there is only one way to reconcile them, and that is to give to each the meaning which it *prima facie* carries. It is true that sub-section (5) of Section 12, as the learned Judge seems to point out (although his language is not quite clear), does not in terms affect the provisions of Section 15; but

that, in my view, is because Section 15 does not provide anything which can be affected by the provisions of Section 12.

I have omitted to mention one argument derived from sub-section (5) of Section 15. It is that sub-section (5) does not in any way govern the provisions of sub-section (3) and must be regarded as quite independent of sub-section (3). So far I am inclined to agree. It is then pointed out with a good deal of truth that sub-section (5) is otiose unless it implies that the Judge has powers outside those specified in sub-section (3) and for this reason should be deemed to imply that the Judge has in fact powers outside those specified in sub-section (3). I prefer to take it that sub-section (5) is in fact otiose, which it appears to be. The rules are made absolute in all cases . . ."

(1944) 46 Bom. L. R. 371

July 7, 1943.

Dayaram v. Keshavji [(1933) A.I.R. Sind 416]—Distinguished.

The Municipal Borough of Ahmedabad

vs.

Vadilal Dalsukhram Shah

Where a Municipality which has wrongfully recovered a sum of money, by way of rates, from a ratepayer, refunds such sum under an order of the Court, the ratepayer is not entitled, under the Interest Act, 1839, to claim interest upon the amount for the period during which he was deprived of the use of his money. The reason is that in a case which does not fall within the Interest Act, 1839, interest cannot be allowed by way of damages. Interest may be allowed where there is an agreement for the payment of interest, or it is payable by the usage of trade having the force of law.

Vadilal owned a building within the Municipal limits of the Ahmedabad Borough Municipality for which the Municipality levied, under the provisions of the Bombay Municipal Boroughs Act, 1925, a special water rate and drainage tax. For the year 1936-37 the Municipality levied in respect of the building Rs. 606 for drainage tax, which Vadilal paid on January 23, 1937, under protest. Vadilal then appealed, under Section 110 of the Act to the Stipendiary Magistrate, First Class, Ahmedabad, against the levy of the tax, but was unsuccessful. He next applied to the Court of Session under Section 111, but met with the same fate. Finally he applied to the High Court under Section 115 of the Civil Procedure Code, 1908, when the High Court held that the levy of the tax was illegal and ordered refund of the amount. The Municipality refunded the amount to Vadilal on April 30, 1940. Vadilal next claimed interest on the amount for the period during which he was deprived of its use. He filed a suit in the Court of Small Causes at Ahmedabad to recover Rs. 118-3, being interest on Rs. 606 from January 23, 1937 to April 30, 1940.

The Trial Judge awarded the claim, observing as follows:—

"Plaintiff's claim for interest in this suit is after all a claim of the nature of damages for the wrongful recovery by the defendant of the tax from him and retention of the amount until it was refunded to him. Plaintiff's remedy by way of separate suit is not affected."

The Municipality applied to the High Court in revision.

Beaumont, C. J.—(Extract.) "This is a revision application against an order of the Small Cause Court Judge of Ahmedabad made under Section 25 of the Provincial Small Cause Courts Act. The ground of the application is that such a claim as this does not lie and, therefore, the learned Judge had no right to pass the order which he did, and such order was not "according to law" within Section 25 . . . The contention of the Municipality is that interest cannot be allowed in law. If I were dealing with the matter free from authority, I should be inclined to say that whenever it is shown that a person has got money in his hands which belongs to somebody else, or when he is bound to pay money to somebody else, and does not do so, he ought to be liable to pay interest by way of damages for non-payment of the money on the due date. However the matter is not free from authority. Under the Interest Act (Act XXXII of 1839), . . . the Court can allow interest if the amount claimed is a sum certain which is payable at a certain time by virtue of a written instrument. But it is clear that the terms of that Act do not apply to the present case. This Court having made no order for payment of interest, there is no written instrument under which interest is payable. It is, however, contended that interest can be claimed on the principle of justice, equity and good conscience, as was suggested by the High Court of Madras in *Abdul Saffur Rowther vs. Hamida Bivi Ammal* [(1919) *I.L.R.* 42 *Mad.* 661]. But it seems to me that the recent decision of the Privy Council in *Bengal Nagpur Rly. Co. vs. Ruttanji Ramji* [(1937) *L.R.* 65 *I.A.* 66, *s.c.* 40 *Bom. L.R.* 746] is opposed to that view. The Court there held that in a case which does not fall within the Interest Act, interest cannot be allowed by way of damages; it may be allowed where there is an agreement for the payment of interest, or it is payable by the usage of trade having the force of law. But there is nothing of that sort in this case. The law has been altered in England by Section 3 of the Law Reform (Miscellaneous Provisions) Act, 1934, but that alteration of the law has not been introduced into British India, and in the circumstances it seems to me that the Court has no power to allow interest in a case of this sort. Mr. Patel for the opponent (*Vadilal*) suggests that he is really suing in tort. His position would not be improved by suing in tort, and in any case there was no tortious act on the part of the Municipality. They claimed a sum to which they thought they were entitled. Moreover, if the liability was in tort, it is plain that the cause of action arose when the wrongful demand was made, and the delay in filing the suit is much more than the six months allowed under Section 206 of the Bombay Municipal Boroughs Act for the filing of a suit. Indeed I think that, even if interest could be allowed under the law, Section 206 would be an answer, on whatever basis the plaintiff puts his case. However, in my opinion, on the authorities, in a case of this sort the plaintiff is not entitled to recover interest, and therefore, I think the learned Judge's order was not according to law within the meaning of Section 25 of the Provincial Small Cause Courts Act, and I must set the order aside, with costs . . ."

(1944) 46 *Bom. L.R.* 408.

July 30, 1943.

Bengal Nagpur Rly. Co. v. Ruttanji Ramji [(1937) *L.R.* 65 *I.A.* 66, *s.c.* 40 *Bom. L.R.* 746.]—Followed.

Abdul Saffur Rowther v. Hamida Bivi Ammal [(1919) *I.L.R.* 42 *Mad.* 661.]—Referred to.

(Not followed.)

The Municipal Borough of Ahmedabad

vs.

Government of the Province of Bombay

(1) *An unauthorised use of a portion of the public street which is vested in the Municipality under Section 63 of the Municipal Boroughs Act 1925—e.g. leasing without Commissioner's sanction a portion of the street for erecting a petrol pump—does not amount to a legal surrender by the Municipality of the portion of the street which was illegally used. The portion did not revert to the Government but remained the property of the Municipality. (Ahmedabad Municipality vs. Government of Bombay—1941, 44 *Bom. L. R.* 354 affirmed).*

(2) *Such unauthorised use would not by itself entitle Government to recover from the Municipality any portion of the rent realised by it by such unauthorised lease. Government may be, however, entitled to recover such portion of the rent if there was any prior agreement between the Government and the Municipality to share the rent of the lease.*

The Municipality with the previous sanction of the Commissioner granted a lease of a portion of a public street to the Indo-Burma Petroleum Company, (Bom. XVIII of 1925), Section 63. Limited, for three years from June 1, 1933, for erecting a petrol pump on that street and a petrol tank below it on condition that the lessee should pay Rs. 25 per month as well as the assessment of the land to the Government, and Rs. 25 to the Municipality as rent. About two years later it came to the notice of the Municipality that a wooden cabin had been unauthorisedly constructed by the lessee company on the adjoining part of the street which was not included in the lease. Later on there was an agreement between the Municipality and the lessee that Rs. 10 per month should be paid by the lessee to the Municipality for the use of this piece of land on which the cabin was put. This user continued till 19th December 1935, when the cabin was removed. Thereafter, the Company wanted to have the original lease cancelled, and the Municipality wrote a letter to the Commissioner on June 19, 1936, asking for permission to cancel the original lease and also asking for retrospective sanction of the lease of the additional site over which the cabin had been constructed and was used by the lessee from November 1, 1933, till December 19, 1935. No reply to this request for retrospective sanction was given to the Municipality. Instead of that in March 1937, the Deputy Collector of Ahmedabad wrote a letter to the Municipality asking it to pay half of the amount which the Municipality had recovered as rent from the lessee company for the period during which the cabin remained on the land. The Municipality paid the amount under protest and then on June 20, 1938, brought the present suit for a declaration that the land over which the cabin was constructed was public street land and that the action of the Government in recovering half of the rent from the Municipality was illegal, and for a refund of the same. The defendant contended *inter alia* that the erection of the cabin by the company involved the use of the subsoil which was the exclusive property of the Government.

The trial judge held that the erection of the cabin on the land in suit did not involve the use of subsoil, that there was no valid lease of the land

for want of sanction of the Commissioner, that what was collected by the Municipality was the amount of damages for use and occupation and that the Government has no right to claim any share in the amount collected by the Municipality. He, therefore, ordered refund of the amount to the Municipality.

On appeal by the Government, the Assistant Judge agreed with the finding of the trial court that the erection of the wooden cabin did not involve the use of any part of the subsoil. But the learned judge was of opinion that the use by the lessee company of this extra piece of land for erecting the cabin required the sanction of the Commissioner under Section 48 read with Section 114 of the Bombay Municipal Boroughs Act, and that such use without the sanction of the Commissioner was not legal and valid. In the opinion of the learned judge the effect of this illegal use amounted to a legal surrender by the Municipality of this additional piece of land to the Government, and on that ground the Government was entitled to ask for the whole of the amount of rent realised by the Municipality from the lessee. The learned Judge, therefore, held that the Government was not bound to refund the amount to the Municipality.

The Plaintiff Municipality appealed to the High Court.

HELD, (1) that the unauthorised use of the land by the lessee company did not either during its user or thereafter operate to revert the land to the Government, but the land remained vested in the Municipality;

(2) that as there was no agreement between the Government and the Municipality as regards sharing the rent of the lease of the land and as there was no statutory provision under which the Government could claim a share in it, the Government had no claim on any amount recovered by the Municipality for the occupation of the street land.

Divatia, J.—(Extract). "... It appears that in the course of arguments (before the trial Judge) the Government relied upon a Government Resolution to the effect that the Commissioners were ordered to make the sharing of fifty per cent of Government in the rental of the public street land let as a condition of grant of the sanction, and the case of the Government was that as the Municipality had realised this rent for use of a part of the public street, it ought to pay to the Government half the rent realised in the same way as it did for the plot covered by the original lease. The learned trial Judge, however, rejected that argument on the ground that although in the case of the lease of the main plot of land there was an express condition in the lease itself, in the case of this land used for the cabin not only was there no lease with any condition, but there was also no agreement between the Municipality and the Government under which the latter was to realise half of the rent already recovered. ... The main contention urged on behalf of the appellant (before this Court) is that even conceding that the sanction of the Commissioner was required for the use of a portion of the public street for the cabin, the Government was not entitled to recover half of the amount of rent realised by the Municipality, because for that land there was no lease granted with any condition to pay half of the rent to the Government, nor was there any separate agreement between the Municipality and the Government to that effect. It is also contended that the view taken by the learned

Judge below that the unauthorised use of this piece of land without the sanction of the Commissioner amounted to a legal surrender was wrong in law, and that in spite of such unauthorised user the land would still remain vested in the Municipality. It seems to us that this argument is correct and that the view taken by the learned Judge below is erroneous in law. It is no doubt true that the Municipality asked for retrospective sanction for the use of this additional piece of land on the ground that under Section 48 such use amounted to a lease and required the sanction of the Commissioner, and we will proceed on the basis that it did require such sanction. But it cannot be said that because no such sanction was given, the Government was entitled to recover half the amount recovered by the Municipality for such unauthorised use. It was certainly open to the Commissioner to give retrospective sanction with the condition that half the amount of the rent realised should be handed over to the Government. In fact such condition had been attached in the case of the first lease. But no such sanction was given for the cabin. The case of the Government in this suit as put in the written statement is that the Municipality is entitled to recover half of the amount because the unauthorised erection of the wooden cabin involved the use of subsoil. That case has been definitely rejected by both the courts below. That being so, the defence of the Government is bound to fail. It has not been their case in the lower courts that even though no part of the subsoil was used for the purpose of the cabin, the Government was entitled to half the rent recovered either under any agreement or under the terms of any lease. The alleged Resolution, which seems to have been relied upon by the Government in the trial Court, is not in evidence, but even if there is such a Resolution, it cannot amount to an agreement between the Municipality and the Government, and the Government would not be entitled to half the rent unless it was proved that it was either a condition of the lease or that there was an agreement between the parties to that effect. In absence of both, it is difficult to see how the Government can claim half the amount from the Municipality. Even if it be assumed for the sake of argument that the Municipality had no power to levy the rent from the lessee without the sanction of the Commissioner, the Government cannot realise half the rent recovered merely on that ground. It may be that the lessee would be entitled to recover the rent paid by it to the Municipality on the ground that it was unauthorisedly recovered by the Municipality from it. We are, however, not concerned with that position and we do not express any opinion on it. But so far as the Government is concerned, it has no right to recover any part of the rent realised by the Municipality for the unauthorised occupation of the public street. The error of the learned Judge was that he regarded this part of the public street as having reverted to the Government because of its unauthorised use. But that is clearly not the legal position. It has been recently held by our Court in *Ahmedabad Municipality vs. Government of Bombay* [(1941) 44 Bom. L.R. 354] that when property of the nature described in Section 63 of the Bombay Municipal Boroughs Act ceased to be used for the purpose which led to its vesting, the land did not on the cesser of such user revert to the Government but remained the property of the Borough Municipality. Applying that principle to the present case, even if the land was unauthorisedly used by the lessee, it did not cease to be vested in the Municipality. At no time did it revert to the Government either during its user by the lessee or thereafter. That being so, the Government has no claim on any amount recovered by the Municipality

for the occupation of this land. The view taken by the trial Court that there was no agreement between the Government and the plaintiff as regards sharing the rent of the lease and that there was no statutory provision under which the Government can claim a share in this amount seems to us to be correct. . . . The decree of the lower appellate Court is reversed and the decree of the trial Court restored with costs throughout."

(1944) 46 Bom. L.R. 643.

*September 21, 1943.

Ahmedabad Municipality vs. Government of Bombay [(1941) 44 Bom. L.R. 354]—Followed.

Raghunath Keshav Khadilkar (Petitioner and Appellant)

vs.

Poona Municipality (Opponents)

The High Court of Bombay has no jurisdiction to issue writs of certiorari with regard to the decisions of tribunals outside the area of its Original Jurisdiction, namely the town and island of Bombay.

An order passed by a single Judge of the High Court issuing a writ of certiorari to an Assistant Judge in the matter of an application heard by him as a *persona designata* under Section 15 of the Bombay Municipal Boroughs Act, 1925, amounts to a judgment within the meaning of Clause 15 of the Letters Patent.

An appeal lies under Clause 15 against such an order which is passed not under revisional jurisdiction but under original jurisdiction exercisable not merely over subordinate Courts but over other tribunals also.

The appellant had made a petition to the Court of the District Judge of Poona under Section 15 of the Bombay Municipal Boroughs Act, 1925, in connection with the triennial elections of the Poona City Municipality which were held on February 23, 1942. The appellant was one of the candidates. The application was made against the Poona City Municipality and the three other candidates who had stood for election from Ward No. 15 and who were declared elected. The petitioner alleged that the electoral roll prepared by the first opponent, the Municipality, contained names of persons who were dead and who were not available in Poona on the date of the election and that there were also other defects in the electoral roll which facilitated personation and other malpractices. He also made certain allegations against some of the opponents. The application was transferred to the Extra Assistant Judge for disposal. The learned Assistant Judge heard the application and after some evidence had been led he made an order that the marked copies of the electoral roll should be inspected to verify if votes had been recorded in the names of voters mentioned in the application. Against this order two applications were filed, one by the Municipality, and the other by Mr. G. M. Nalavade,

opponent No. 4 in the original application. It was contended in both the applications that the learned Assistant Judge had acted without jurisdiction in ordering the inspection of the marked copies of the electoral roll and that Rule 45 of the Election Rules of the Municipality had been wrongly construed. The applicants prayed that a writ of certiorari should be issued and the record and proceedings called for or the order made by the Assistant Judge set aside under the revisional powers of the High Court under Section 115 of the Code of Civil Procedure, or under the general powers of superintendence and revision vested in the High Court. Both applications were heard together by Mr. Justice Macklin who held that under Rule 45 of the Poona City Municipal Election Rules the marked copies of the voters' lists could only be produced, opened and inspected under the orders of "a competent Court," that a District Judge or Assistant Judge hearing an application made under Section 15 of the Act was a *persona designata* and not a Court, and therefore the Assistant Judge who heard the petitioner's application acted without jurisdiction in ordering the inspection of the marked copies of the electoral roll. He therefore set aside the order. Against this decision, the petitioner filed appeals under the Letters Patent.

Held: that the High Court of Bombay has no jurisdiction to issue writs of certiorari with regard to the decisions of tribunals outside the area of its Original Jurisdiction, namely the town and island of Bombay;

that an Order passed by a single Judge of the High Court issuing a writ of certiorari to an Assistant Judge in the matter of an application heard by him as a *persona designata* under Section 15 of the Bombay Municipal Boroughs Act, 1925, amounts to a judgment within the meaning of Clause 15 of the Letters Patent;

that an appeal lies under Clause 15 against such an order which is passed not under revisional jurisdiction but under original jurisdiction exercisable not merely over subordinate Courts but over other tribunals also.

N. J. Wadia, J. (Extract). "These are two Letters Patent appeals against a judgment of Mr. Justice Macklin . . . A preliminary objection has been taken by Mr. A. G. Desai on behalf of the first opponent, the Municipality, that no appeal lies under clause 15 of the Letters Patent against the decision of Mr. Justice Macklin . . . Mr. Desai's contention . . . is that it—i.e. Mr. Justice Macklin's judgment was given in the exercise of revisional jurisdiction and therefore no appeal can lie under the Letters Patent. The question therefore is whether the judgment of Mr. Justice Macklin was one given in the exercise of revisional jurisdiction. . . . The power to issue writs of certiorari was conferred on the Supreme Court of Judicature when it was created in 1823 by clause 5 of the Letters Patent. This power was reserved by Section 106 of the Government of India Act, 1915 and by Section 223 of the Government of India Act, 1935. The powers of revision and superintendence are provided for by another section of the Government of India Act, Section 224, corresponding to Section 107 of the Act of 1915. As had been pointed out in *Muljee Sicksa & Co. vs. Municipal Commissioner* [(1939) 41 Bom. L.R. 984], sub-clause (2) of Section 224, which provides that nothing in that section shall be construed as giving to a High Court any jurisdiction to question any judgment of any inferior Court which is not otherwise subject to appeal or revision, cannot

curtail any of the wider powers possessed by the High Court before the passing of the Government of India Act of 1935. The fact that the revisional powers of the High Court over subordinate Courts and the power to issue writs of certiorari are covered by different sections of the Act, suggests that the two powers are different in origin and extent and supports the contention that the issuing of writs of certiorari is not done in the exercise of the revisional jurisdiction of the High Court. In Halsbury's Laws of England, Vol. IX, p. 874, the powers to issue writs of certiorari is stated to be part of the original jurisdiction of the High Court of Justice. In *Dinshaw Shroff vs. Commissioner of Income-tax, Central* [(1942) 45 Bom. L.R. 31], in dealing with the question whether in view of Section 226 of the Government of India Act, the High Court was competent to issue a writ of certiorari to challenge the validity of an income-tax assessment purporting to be made under the Indian Income-tax Act, 1922, the learned Chief Justice observed (p. 37) :

"There is no doubt that the issue of a writ of certiorari is within the competence of this Court in a proper case and that such issue is in the exercise of the original jurisdiction of this Court."

Both because of its origin and because of its extent the power to issue a writ of certiorari cannot therefore be regarded as part of the revisional jurisdiction of the High Court. . . .

Clause 15 of the Letters Patent provides that no appeal shall lie to the High Court from an order of a single Judge made in the exercise of revisional jurisdiction or in the exercise of the power of superintendence conferred by Section 107 of the Government of India Act. The fact that orders made under Section 107 are mentioned separately from revisional orders shows that the words "Revisional Jurisdiction" in that clause were intended to apply only to the revisional powers conferred on the High Court by Section 115 of the Code of Civil Procedure. They cannot therefore include the power of issuing writs of certiorari which is not derived from Section 115 and which is not a revisional power at all, but original jurisdiction exercisable not merely over subordinate Courts, but over other tribunals also.

Although no case has arisen in this Court of an appeal having been heard under the Letters Patent from an order of a single Judge issuing or refusing to issue a writ of certiorari, our attention has been drawn to a case in the Madras High Court in which an appeal was heard by a division bench from a judgment of a single Judge refusing to issue a writ of certiorari. *Emberumanar Jeer Swamikal vs. H. R. E. Board*. [(1939) Mad. 904.]

In our opinion Mr. Justice Macklin's order was not made in exercise of revisional jurisdiction, and an appeal against his order can therefore lie under clause 15 of the Letters Patent.

It was next contended by Mr. Desai for the respondent Municipality that Mr. Justice Macklin's order is not a judgment for the purposes of clause 15. The meaning to be attached to that word was considered by the Calcutta High Court in the well-known case of *The Justices of the Peace for Calcutta vs. The Oriental Gas Company* [(1872) 8 Beng. L.R. 433]. Couch C. J. held that the word "judgment" in clause 15 means a decision which affects the merits of the question between the parties by determining some right or liability, and that the decision may be either final, or preliminary or interlocutory. The same view was taken in a latter decision of the Calcutta High Court in *Hadjee Ismail Hadjee Hubbeeb vs. Hadjee Mahomed Hadjee Joosub*. [(1874) 13 Beng.

L.R. 91]. This view was accepted by our High Court in *Miya Mahomed vs. Zorabi*, [(1909) 11 Bom. L.R. 241], in which Scott C. J. observed that for a considerable number of years the decision of the Calcutta High Court in two cases referred to above had been regarded as a leading decision to be followed on the question whether an order in any particular case was or was not a judgment within the meaning of clause 15 of the Letters Patent. The same view has been taken in several subsequent decisions of this Court. To contend, as Mr. Desai does, that Mr. Justice Macklin's order is merely an order refusing inspection of documents and is not therefore a judgment is to look merely at the form of the order and not at its substance and effect. The only way in which the plaintiff can prove his allegations that votes had been cast in the names of persons who were dead is by asking the Court to inspect the marked voters' list in which, under r. 26, the Polling Officer after satisfying himself as regards the identity of voters had to score out the voters' names from the voters' list. If the plaintiff is prevented from asking the Court to inspect the marked voters' list he would be prevented from proving the case in the only way in which it could be proved. The order of Mr. Justice Macklin is one which affects the merits of the case between the parties, since it necessarily involves the failure of the plaintiff's suit. It is therefore a judgment for the purposes of cl. 15.

After the arguments in this appeal had been heard on September 7, 1943, a judgment recently delivered by the Privy Council on May 10, 1943, in *Ryots of Garabandho vs. Zamindar of Parlakimedi* [(1943) A.I.R. P.C. 164] was published. The question of the power of the Madras High Court to issue writs of certiorari in matters arising outside the Presidency town was considered and it was held that that High Court had no jurisdiction to issue a writ of certiorari in connection with a decision of the Board of Revenue at Madras affecting lands situate in the mofussil.

As the question arising in the two appeals before us appeared to us to be fully covered by this judgment of their Lordships, which was not before us when the appeals had been first argued, we had the appeals set down again for arguments and have heard the advocates on both sides. . . .

Their Lordships after a very exhaustive examination of the origin of the power of the Madras High Court to issue writs of certiorari, and after considering clause 8 of the Charter of December 26, 1800, establishing the Supreme Court at Madras, came to the conclusion that the power of that High Court to issue writs of certiorari was confined to the Town of Madras. Clause 5 of the Letters Patent by which the Supreme Court of Judicature at Bombay was established is in exactly the same terms as clause 8 of the Charter of 1800 by which the Supreme Court at Madras was established, and the decision of their Lordships that the power of the Madras High Court to issue writs of certiorari was limited to the Town of Madras applies with equal force to this High Court. On this view this Court would have no jurisdiction to issue writs of certiorari with regard to the decisions of tribunals outside the area of its original jurisdiction, namely, the Town and Island of Bombay. We must, therefore, hold that Mr. Justice Macklin could not act in exercise of the powers of certiorari with regard to the decision of the Assistant Judge in these two cases, and on this ground the appeals must succeed.

The appeals are allowed and the orders made by Mr. Justice Macklin in the two revision applications set aside. The case is sent down to the Assistant

Judge for disposal according to law. The appellant will get his costs from the opponents in this Court and before Mr. Justice Macklin."

(1944) 46 Bom. L.R. 675.
December 16, 1943.

Ryots of Garabandho vs. Zamindar of Parlakimedi [(1943) A.I.R., P.C. 164] and **Emberumanar Jeer Swamigal vs. H. R. E. Board, Madras** [(1939) Mad. 904]—Followed.

Mulji Sicka & Co. vs. Municipal Commissioner [(1939) 41 Bom. L.R. 984], **Dinshaw Shroff vs. Commissioner of Income Tax** [(1942) 45 Bom. L.R. 31], **The Justices of the Peace for Calcutta vs. The Oriental Gas Company** [(1872) 8 Beng. L.R. 433], **Hadjee Ismail Hadjee Hubbeeb vs. Hadjee Mahomed Hadjee Joosub** [(1874) 13 Beng. L.R. 91], and **Mirza Mahomed vs. Zorabi** [(1909) 11 Bom. L.R. 241]—Referred to.

Emperor

vs.

Budhabhai Sakarbhai

The definition of the word 'building' given in sub-section (2) of Section 3 of the Bombay Municipal Boroughs Act (Bombay XVIII of 1925)—an Act analogous to the Bombay Town Planning Act, 1915, (Bombay I of 1915)—may be applied for the interpretation of Section 15 of the Bombay Town Planning Act. According to that definition a 'wall' would be a building for the purposes of Section 15(1) of the Bombay Town Planning Act; and as a screen of corrugated iron sheets is a wall, it is building within the meaning of the term as used in the said Section 15.

The accused Budhabhai owned a plot which fell within the Ellis Bridge Town Planning Scheme, and upon which he had built a bungalow for his own use. The plot was situated at one of the extreme edges of the scheme and was enclosed on that side by a masonry compound wall six feet high. Next to the compound wall was a village site, on which one Dahyabhai built a house having four storeys, which were let out to different tenants. About fifty-four windows of this building overlooked the accused's property. To secure privacy for his property the accused put up a wooden scaffolding attached to his side of the compound wall along the length of sixty-six feet and to a height of twenty-eight feet. He started affixing corrugated iron sheets to the wooden frame. No permission was obtained from the local authority for the structure. The accused was, therefore, prosecuted under s. 15(1)(a) of the Bombay Town Planning Act, 1915, for erecting a screen of the corrugated iron sheets without obtaining the previous permission of the local authority. The trying Magistrate acquitted the accused for reasons, which were stated as follows:—

"The work done by the accused is only a screen and that too put up out of sheer necessity to protect the rights of the accused and of his family members regarding their privacy. The work of the kind cannot be called either the compound wall in original or an extension of the existing compound wall

and it can with no stretch of imagination be said to be identified with 'walls' which are included in 'building' in s. 3 of the Bombay Municipal Boroughs Act."

The Government of Bombay appealed against the order of acquittal.

HELD: A screen of corrugated iron sheets is a 'wall', and therefore a 'building' within the meaning of the term as used in s. 15 of the Bombay Town Planning Act, 1915.

N. J. Wadia, J.—(Extract.) "... The accused had been prosecuted ... under s. 15(1)(c)(ii) of the Bombay Town Planning Act (Bom. I of 1915) ... Section 15, sub-s. (1), cl. (a), of the Bombay Town Planning Act, provides that when a local authority has published a declaration of intention to make a scheme, no person shall within the area included in the scheme erect or proceed with any building or work unless he has applied for and obtained the necessary permission from the local authority. It is not disputed that the accused put up the corrugated iron screen without obtaining the permission of the Municipality. It is also not disputed that there has been a declaration of intention to make a town planning scheme, and that the accused's plot is within the area included in the scheme. ... The accused contended that he was compelled to put up this screen to ensure the privacy of his property, because his plot was at the extreme end of the Town Planning Scheme area. Beyond his plot was ordinary village site land which was not subject to the restrictions of the Town Planning Scheme, and his neighbour on that side, Mr. Dahyabhai, had constructed a building of four storeys in close proximity to his compound wall, with the result that the privacy of his property was seriously affected. The main contention urged on behalf of the accused, and which prevailed with the learned Magistrate, was that the screen of corrugated iron, which the accused had put up, was not a building within the meaning of s. 15(1)(a) of the Town Planning Act. The Town Planning Act does not define what a building is. In the absence of any definition of the word in the Act itself, the Court would be entitled to look at the definition of that word in analogous Acts. Section 3, sub-s. (2), of the Bombay Municipal Boroughs Act (Bom. XVIII of 1925), says that a building for the purposes of that Act shall include any hut, shed or other enclosure, whether used as a human dwelling or for any other purpose, and shall also include walls, verandahs, fixed platforms, plinths, door-steps and the like. This is the definition of the word 'building' for the purposes of s. 123 of the Act, which prohibits the construction of or alteration or addition to a building or part of a building without the previous permission of the Municipal authorities. I see no reason why that definition should not be applied for the interpretation of s. 15 of the Bombay Town Planning Act. Even according to the ordinary dictionary meaning of the word, a wall would be a building. In the Shorter Oxford English Dictionary a building is defined as 'That which is built; a structure, edifice.'

The next question is whether the screen of corrugated iron sheets, which has been put up by the accused, could be called a wall. In the Roads Improvements Act, 1925 (15 and 16 Geo. V, c. 68), wall is defined as including 'any partition of whatsoever material constructed, and any bank.' In the Shorter Oxford English Dictionary one of the meanings of a wall is 'an enclosing structure round a garden, yard, or other property.' Webster's New International

Dictionary defines wall as 'a work or structure of stone, brick, or other material, raised to some height and intended for defence or security, or for an inclosure' or as 'a solid and permanent inclosing fence'. In my opinion, therefore, the corrugated iron structure or screen put up by the accused is a wall, and therefore a building, for the purposes of s. 15(1) of the Bombay Town Planning Act.

A similar question *whether a screen of corrugated iron sheets was a building* for the purposes of s. 123 of the Bombay Municipal Boroughs Act was considered in an unreported judgment of this Court in *Emperor vs. Nurullamia Aminsahab Kadri*, [(1938) Criminal Appeal No. 526 of 1937, decided by N. J. Wadia and Divatia JJ., on February 18, 1938, (Unrep.)], to which I was a party. Divatia J. and I held in that case that such a structure was a wall and therefore a building for the purposes of that section. This decision was referred to and followed in another unreported judgment in *Emperor vs. Sheth Ratanji Palanji*, [(1939) Criminal Appeal No. 85 of 1939, decided by Broomfield Ag. C. J. and Sen J., on June 26, 1939, (Unrep.)]. . . .

One of the reasons for prohibiting the erection of buildings or walls without permission in a town planning area is that the erection of structures without any restrictions as to height or as to the distance between adjoining structures would be objectionable on grounds of sanitation and public health, and would also affect prejudicially the amenities of adjacent buildings. This ground would apply with equal force whether the wall was one of brick and mortar or of corrugated iron sheets.

In my opinion, therefore, the screen of corrugated iron sheets put up by the accused is a building for the purpose of s. 15 of the Bombay Town Planning Act, and the conduct of the accused in putting up this screen without obtaining the previous permission of the local authority amounts to an offence under s. 15 (1)(c)(ii) of the Act.

. . . A consideration which appears to have weighed much with the learned Magistrate, is that the accused found it necessary in order to preserve the privacy of his building to put up this screen . . . These considerations cannot, however, affect the question whether the accused's act amounts to an offence under the Town Planning Act or not. The language of s. 15 of the Act is quite general and forbids the erection of any building on any part of a plot included in a town planning scheme without the permission of the local authority. . . .

The appeal is allowed, and the order of acquittal made by the trial Magistrate set aside. The accused is convicted under s. 15(1)(c)(ii) of the Bombay Town Planning Act, and sentenced to pay a fine of Rs. 50. . . .

Weston, J.—(Extract.) " . . . I agree with my learned brother that the meaning of building for the purposes of s. (1)(a) seems sufficiently wide to include a corrugated iron screen such as that erected by the opponent. But if the matter is open to doubt, I have no hesitation in holding that erection of such a screen falls within the more general 'proceed with any work.'

The learned Magistrate has acquitted the opponent, because, in the circumstances under which the construction was put up by the opponent, it appeared that his intention was not to do anything which would affect injuriously the town planning scheme, but that his intention was only to secure his property against encroachments by the large building erected near

it on the very ordinary rights of any house-holder. But the scheme of s. 15 of the Bombay Town Planning Act is not that the propriety of any construction within the town planning area shall be judged by individual owners of property, nor is it the scheme of the section that the propriety of any construction shall be judged by the Magistrate before whom a complaint of contravention of the provisions of the section may be brought. The scheme is that the local authority shall consider what constructions or alterations may be made by individual owners, and that the local authority shall grant or withhold its permission to those constructions or alterations as it thinks fit. The opponent has attempted to take his stand on his supposed rights, when his proper course was to apply for permission. That he has committed contravention of the provisions of cl. (a) of sub-s. (1) of s. 15 is clear, and this appeal therefore must be allowed. . . .

I agree, therefore, with the order proposed by my learned brother."

(1944) 46 Bom. L.R. 477.

January 19, 1944.

Emperor vs. Nurullamia Aminsahab Kadri [(1938) Criminal Appeal No. 526 of 1937, decided by N. J. Wadia and Divatia JJ., on February 18, 1938, (Unrep.)], and *Emperor vs. Sheth Ratanji Palanji* [(1939) Criminal Appeal No. 85 of 1939, decided by Broomfield Ag. C. J. and Sen J., on June 26, 1939, (Unrep.)].—Referred to.

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Bombay, 14th November, 1945.

L. S. G. D. EXAMINATION RESULTS

(May—September 1945)

The following students have passed the L. S. G. D. Examination held in the month of September 1945.

(In order of Merits)

- | | |
|--|---------------------------------------|
| 1. S. Hari Shanker (with distinction) | 14. P. N. Zutshi |
| 2. Manohar Gajanan Gupte
(with distinction) | 15. Dinanath Keshavlal Trivedi |
| 3. Natthilal Upadhyay
(with distinction) | 16. Madhavrao Ramchandra
Nemlekar |
| 4. Mangoolal Chunilal Mehta | 17. M. J. Zinjarde |
| 5. Yeshwant Krishna Pradhan | 18. Jayram Manilal Bhatt |
| 6. G. B. Somani | 19. Shivrul Maganlal Shah |
| 7. Shamrao Parsharam Vaidya | 20. Jeetmal Jaishankar Vyas |
| 8. Ram Swarup Bhargav | 21. Dwarkanath Ramkrishna
Kulkarni |
| 9. Jayantilal Hiralal Dave | 22. Esoof Kadarbhai Rampurawala |
| 10. J. P. Misra | 23. Bhagubhai Nichhabhai Joshi |
| 11. Dhansukhrai Mohanlal Mehta | 24. Chinubhai Maneklal Shah |
| 12. Dhirajlal Maganlal Mehta | 25. Manubhai Kilabhai Parikh |
| 13. Damodar Ramjibhai Anandjiwala | 26. Dinkerrai Narmadashanker Bhatt |

EXEMPTION LIST

The following students got exemption in the paper marked against their names:—

Name of the Student.	Paper I	Paper II	Paper III	Paper IV	Paper V	Paper VI
Govind Bhargav Nimkar	—	2	—	—	—	—
Jivanlal P. Thakker	1	2	—	—	—	—
Natvarlal U. Joshi	—	—	—	—	—	6
Natvarlal C. Sheth	—	2	—	—	—	—
Shankerlal M. Joshi	—	—	3	—	—	6
Vaikuntra V. Oza	1	2	—	—	—	—

S. S. NAIK,

Vice-Chairman,

Board of Examiners,

L. S. G. D. Examination.

Bombay, 14th November, 1945.

ORGANISATIONAL ADMINISTRATION IN THE MADRAS DISTRICT MUNICIPALITIES¹

By V. VENKATA RAO, M.A.,

Research Student, Madras University.

HISTORICAL BACKGROUND

Municipal Councils are the creatures of the Provincial Government. Their powers, their area, their size, their term, their structure, their electorate and their functions are all determined by the Provincial Government. In short, they function within the four corners of the Act.

Municipal Councils were first established by Act XXVI of 1850². The distinguishing feature of this Act was that its provisions could be extended to any locality, provided the inhabitants of that locality desired its introduction. The Councils constituted under this Act consisted of the District Magistrate and a few nominated councillors. The Act of 1850 did not work satisfactorily, because the inhabitants of many localities did not desire its introduction. It was therefore repealed and the Town Improvements Act of 1865 was enacted. The discretion to extend the provisions of the Act was vested in the Provincial Government. The Councils, constituted under this Act, consisted of three *ex-officio* members, the District Magistrate, the local Magistrate, and the range officer of the Public Works Department. The District Magistrate was the President of the Council. He appointed the Vice-President. Besides these *ex-officio* members, five more persons were nominated by the Provincial Government. The nominated councillors held office for a period of one year. Immediately after this Act was brought into operation, the need for its revision arose. The Act was, therefore, repealed by Act X of 1871. Under this Act the Councils consisted of two *ex-officio* members, the District Magistrate and the Revenue Divisional Officer. In addition to these *ex-officio* members, three more persons were nominated by the Provincial Government. The Vice-President was either elected by the Council, where that right was conceded to the

¹ Municipal councils are essentially administrative organisations. They are created for the purpose of managing functions enumerated by the Provincial Government. They have only delegated authority. Therefore a Municipal Council is merely a company of men entrusted with the management of Municipal functions. As a matter of fact, they were first established to satisfy administrative needs. "The task of administration" says the famous resolution of Lord Ripon "is yearly becoming more onerous as the country progresses in civilization and material prosperity". The only plan open to Lord Ripon to overcome the administrative difficulties was the establishment of local authorities and induce the people to undertake the management of their own affairs. (Ruthnaswamy: *Some Influences that made the British Administrative System in India*, p. 561.)

² *Manual of the Administration of the Madras Presidency*, 1885, p. 225-20.

Councils,³ or appointed by the District Magistrate. The fourth Act was the Act of 1884 which conceded the principle of election of Municipal Councillors. It abolished the *ex-officio* element and the Councils were given the right of electing their own chairman with the previous sanction of the Governor-in-Council. This Act was repealed in 1920.

TYPES OF COUNCILS

Since 1920 two types of Councils came into existence, viz. the 'Chairman and the Council' type and the 'Commissioner' type. The primary basis for this classification is the way in which the executive and the deliberative functions are divided and combined. Under the former, all the executive and deliberative functions are concentrated in the chairman and the Council. The chairman is both the initiator and the executor of policy. Under the latter, all the executive functions are concentrated in the Executive Officer and the deliberative functions in the Council. The former type existed in the district Municipalities during the period of 1920-34. Since 1934 we are having the latter type.

THE SIZE OF COUNCILS

The size of Councils depends upon population. The Provincial Government fixes the strength of each Council from time to time. At present the strength of each Council is as follows :

Councils with population	Number of councils with population given in col. 1	Number of seats fixed for each council mentioned in col. 2
1	2	3
Not exceeding 20,000	24	16
Exceeding 20,000 but not 30,000	21	20
„ 30,000 „ 40,000	11	24
„ 40,000 „ 50,000	6	28
„ 50,000 „ 100,000	16	32
„ 100,000	4	36

The minimum strength of a Council is 16 and the maximum is 36. The size of the Councils is moderate. The present-day tendency is to have smaller Councils. The New York Charter, for instance, which came into existence on the 1st January 1938 provided a much smaller Council than heretofore. Every 75,000 voters are given the right

³ G. O. No. 603 F. 9th May 1871.

to elect one Councillor and the size of the New York Council is not more than 40. Similarly, in the Irish Free State the size of the Councils has been reduced to 21⁴.

COMPOSITION OF THE COUNCILS

The District Municipalities, till 1930, were composed partly of elected and partly of nominated councillors. The nominated element was retained on the ground that it would be impossible to create an electorate for the minority communities like the Muslims and the depressed classes, and that it would, therefore be, unjust to force them to enter the Councils through the elective door⁵. With a view to secure proper representation of the minority communities, the nominated element was retained, subject to the condition that it should not exceed one-fourth of the total strength of the Council.

The procedure adopted before nominating a person was to consult the Collector of the district, who in turn was required to consult the Chairman of the Council concerned. The Government, however, had the discretion to accept or reject the recommendations of the Collector. At times the Government made nominations without any consultation⁶.

How did this provision work? Even though the intention of the framers of Act V of 1920 was to utilise this provision with a view of securing representation to the minority communities, in practice the Provincial Government, actuated by political and other considerations, nominated the following classes of persons.

Firstly, members of the Madras Legislative Council like Dewan Bahadur B. Muniswamy Naidu⁷ and Mr. (later Sir) S. Kumaraswamy Reddy⁸, who subsequently became ministers, belonging to the ministerial party and not belonging to any minority community, were nominated to the Chittoor and Palamcottah Municipal Councils respectively. Mr. Abbas Ali Khan who subsequently became the Chief Presidency Magistrate, was nominated to the Madura Municipal Council, even though Muslims were already sufficiently represented on the Council⁹. The Panagal Ministry nominated eight members of the first Legislative Council under dyarchy as Municipal Councillors.¹⁰ The Subbaroyan

⁴ Harris. *Municipal Self-Government in Britain*, p. 36.

⁵ Speech of Mr. (now Sir) Habibullah, *M.L.C.P.*, 1920, p. 509.

⁶ *M.L.C.P.* Vol. 27, Q. 1234.

⁷ *Ibid.* Vol. 2, p. 43.

⁸ *Ibid.* Vol. 45, p. 116-17.

⁹ *Ibid.* Vol. 35, Q. 484.

¹⁰ *Ibid.* Vol. 2, p. 43.

Ministry nominated 14 legislators to the various Councils¹¹. These 14 nominations were justified on the ground that these nominated persons were "worthy of being members of the local bodies concerned."¹² An analysis of the voting results of the no-confidence motions, tabled against the Panagal, and the Subbaroyan ministries, shows that these nominated members supported the Ministry through thick and thin¹³.

Secondly, persons who had already held, previous to their nomination, responsible elective positions like the chairmanship of a Council or the presidentship of a District Board, were nominated¹⁴. For instance, Mr. P. C. Ethirajulu Naidu, the President of the Guntur District Board, was nominated to the Guntur Council. Mr. B. Venkataramanayya Naidu who, previous to his nomination, was the elected chairman of the Ellore Municipal Council for five and a half years, was nominated to the Ellore Municipal Council. Both these persons did not belong to any recognised minority community but they belonged to the party in power¹⁵.

Thirdly, Brahmins who do not belong to any recognised minority community were nominated to seventeen councils in 1922¹⁶. The Government nominated a person belonging to this community to the Salem Council, even though there were already five Brahmins in it.¹⁷

Fourthly, persons who were defeated in the Municipal elections were nominated. For instance, one Mr. Venugopala Pillai who was defeated successively in three Wards was nominated to the Chidambaram Municipal Council.¹⁸

Lastly, officials were appointed as Municipal Councillors. For instance, Mr. W. R. S. Sathianathan, I.C.S., was nominated to the Tinnevely Municipal Council on the ground that his appointment would materially enhance the capacity of the Council to cope with its arduous duties¹⁹.

The nominated element constituted a disturbing factor in the smooth working of Municipal administration. It converted the elected majorities into political minorities. There was a scramble for the nominated seats. Each party tried to get as many seats as possible to achieve their political ends. The ministries in their turn, treated the municipal

¹¹ *Ibid.* Vol. 46, p. 213.

¹² *Ibid.*

¹³ *Ibid.* Vol. 36, p. 214.

¹⁴ *Ibid.* Vol. 2, p. 43.

¹⁵ *Ibid.* Vol. 35, Q. 484.

¹⁶ *Ibid.* Vol. 5, Q. 1349.

¹⁷ *Ibid.* Vol. 24, Q. 103.

¹⁸ *Ibid.* Vol. 46, Q. 1130.

¹⁹ *Ibid.* Vol. 34, p. 53.

councils as their useful adjuncts, rather as institutions intended for the welfare of the people of the locality. Nominations were made, and made almost always with an eye to secure support for the ministerialists²⁰. The Ministries, therefore, did not make nominations in the spirit in which they ought to have been made with a view to help the poor and the helpless.²¹

Public opinion demanded its abolition. Act X of 1930 did away with the nominated element. In its place, seats are reserved for the following minority communities: Muslims, Indian Christians, Scheduled castes, Europeans, Anglo-Indians and women²².

In reserving seats for the minority communities certain principles must be observed. Firstly, the total number of reserved seats should not exceed one-fourth of the sanctioned strength of the council. Secondly, seats should not be reserved to a community which constitutes more than one-half of the total population in the municipal area. Thirdly, reservation for the communities mentioned above should not be as a matter of course but should be used to protect these communities when they have a special interest to be considered or are sufficiently large in population to justify representation. Fourthly, Muslims, Christians, and Adi-Dravidas should have at least one member on every council unless their population is altogether negligible. Fifthly, the reservation of seats for women should not be pressed on the councils if they do not desire it. Lastly, the reserved seats should be allocated to the ward in which the voting strength of the community is greatest.²³ In other words, reservation should give an opportunity to the greatest number of members of the community concerned to take part in the elections.

Accordingly, seats are reserved for the members of the European community in 14 councils;²⁴ seats are reserved for the Muslims in all the councils, excepting in Vaniyambadi where they form more than 55 per cent of the total population, in Srirangam where their population is only 0.2 per cent and in Coonoor; seats are reserved for the Adi-Dravidas in all the councils excepting in Cochin and Chittor; for women in all councils excepting in Anantapur, Narasaraopet, Bimilipatam, Ootacamund, Vaniyambadi and Coonoor; for the Indian Christians in all the councils excepting in Cochin, Chidambaram, Chicacole, Chittor,

²⁰ *The Hindu*, Editorial, dated 28-11-1923.

²¹ Speech of Mr. (now Sir) C. R. Reddi on the no-confidence motions against the Panagal Ministry. *M.L.C.P.* Vol. 15, p. 134. Speech of Mr. M. K. Nayar on the no-confidence motion against the Subbaroyan ministry. *Ibid.*, Vol. 36.

²² At present Government have power to nominate all the councillors of a council. See Sec. 8, Act XXIV, Madras, 1942.

²³ G.O.No. 187, L.M. 21-1-1931.

²⁴ *M.L.C.P.*, Vol. 59, Q. 659. At present seats are reserved for the Europeans, and Anglo-Indians in 18 councils. G.O. No. 3453. L.A. 16-11-1942.

Srirangam, Trivellore, Walajapeta, Kodaikanal, Vaniyambadi, Gudiyattam, Anakapalli and Karaikudi ; seats are reserved for the Anglo-Indians in Calicut, Cannanore, Trichinopoly, Ooty, Vizagapatam, Coonoor, Saidapeta and Villupuram.²⁵ Reservation of seats does not prohibit the members of a community for whom a seat is reserved from contesting for a non-reserved seat. On the other hand, any person belonging to any community, provided he has the necessary qualification, may contest for a general seat.²⁶

Let us now see whether the Provincial Government did observe the above principles in the matter of reservation of seats for the minority communities. The Provincial Government does not appear to have observed the principles noted above. For instance, seats are reserved for the Muslims in Palacole, Srivilliputtur, Mayavaram and Chica-cole where they form not more than 2 per cent of the total population. Again, no principle seems to have been observed in the number of seats reserved for the Muslims in some of the councils. For instance, two seats are reserved in Cuddapah where their population is only 4.9 per cent, but only one seat in Hindupur and Tadipatri where they form 27.22 and 33.97 per cent respectively ; three seats in Ellore and Bezwada where they constitute only 10.4 and 12.2 per cent respectively. Similarly, seats are reserved for the European community without any regard of their strength or importance. Before 1932 one seat was reserved for the Europeans in Masulipatam even though their voting strength was only 14. On representation by the council, the seat was abolished. Again, one seat is reserved for the Europeans in Bimilipatam even though their voting is only 4.²⁷ These facts give us the impression that in reserving seats for the minority communities, their number and importance was not always taken into consideration.

Again, reserved seats are allotted to different wards. In other words, the three reserved seats in Bezwada for the Muslim community are allotted to three different wards. This sort of reservation places the minority community concerned in an undue advantageous position. The Muslims in Bezwada will not only get their quota of reserved seats but something more from the wards in which they constitute a majority, in view of the provision that any qualified person may contest for a general seat. Therefore, in order to do justice to all the com-

munities, all the reserved seats for each of the minority communities should either be reserved in the ward in which they are strong in voting strength or the members of the minority communities should be prohibited from contesting for a general seat in the ward in which a seat or seats are already reserved for their communities. It is, therefore, suggested that while any one may contest for a general seat, such contest should not be permitted by persons in the ward in which a seat is already reserved for their communities.

Lastly, seats are not reserved in some cases, in the ward in which majority of the voters of the community concerned are residing. Political considerations seem to have influenced the Government in ruling out the general principle that reservation should give an opportunity to the greatest number of members of the community concerned to partake in elections. The instance which attracted the attention of the members of the Legislative Council was the transfer of the Indian Christian seat from the 26th ward to a neighbouring ward, in the Madura municipality. The Special Officer of the Madura municipality, the Collector of the district and the Inspector of Municipal Councils had all enquired into this question and allocated the Indian Christian seat to the 26th ward for the simple reason that the majority of voters of that community were residing in that ward. The Government accepted the recommendations of these officers ; and it remained undisturbed for a period of two years. But just before the general elections, for some mysterious reason, the reserved seat was transferred to a neighbouring ward where the voting strength of the community was only 31. An adjournment motion was moved in the Madras Legislative Council on this subject. A careful reading of the proceedings of the council reveals the fact that one of the Ministers, Mr. (now Sir) P. T. Rajan, was interested in the transfer of the reserved seat. It is not realised that such transfer of seats places the community concerned in an advantageous position and enables it to secure more seats than it deserves.

POWERS AND FUNCTIONS

The powers of a municipal council are, it elects its own chairman and vice-chairman. It can remove them whenever they fail to command its confidence ; it has power to co-opt a qualified person as councillor when no person is elected even at a second election ; to remove a councillor who suffers from any one of the following disqualifications : sentenced by a court of law for a criminal offence for a period of six months, becomes a lunatic, a bankrupt, an insolvent, or acquires interest in municipal contracts, or employed as a legal practitioner on behalf of or against the council, or has failed to attend three 'effective meet-

²⁵ See notification in the Fort St. George. P.I.A., 1930.

²⁶ Sec. 7 (3) Act V 1920. Madras.

²⁷ The Bimilipatam Municipal electoral roll (1942) contained 4 names even though all the four left Bimilipatam long before. A vacancy occurred for the seat reserved for the European community. Nominations were invited twice. No one came forward to file nomination. The Council co-opted one of the four found in the voter's list. He declined to accept the nomination and the seat remained vacant for a long time for want of a candidate.

ings' of the council.²⁸ It can also restore a councillor who did not attend three 'effective meetings' to the membership of the council.²⁹ It can frame bye-laws with the approval of the Provincial Government for the good government of the town.

The functions which a council performs are of two kinds : optional and obligatory. Optional functions are those which a council may undertake ; but obligatory functions are those which it must undertake. The obligatory functions are the maintenance of municipal office, municipal property, payment of salaries to the establishment, lighting of public streets, maintenance of burial grounds, provision of medical relief, diffusion of education, registration of births and deaths, vaccination, provision of slaughter houses and such other functions as may be declared obligatory by the Provincial Government. In practice, however, the functions performed by a council are far more numerous than those mentioned above. In addition, it generally undertakes the inspection of weights and measures, prevention of adulteration of foods and drugs, inspection and licensing of dangerous and offensive trades, opening of maternity and child welfare centres, control of places of public resort. The councils are, however, prohibited from encroaching upon the domain specially reserved to the chairman or the Executive Authority ; nor should they assist an organisation which has been declared unlawful.³⁰

THE CHAIRMAN³¹

The chairman is at present elected by the councillors. Before 1930 the Provincial Government had power to appoint a qualified person to act as chairman. Till 1933 he was not merely the first citizen of the town but also the administrative head of the council. Since 1933 he is divested of the executive functions. The chairman need not be a man of executive ability. All that he should possess are pleasant manners and capacity to utter few well chosen words at any function. He is the leader of the house. The smooth working of municipal administration depends upon his good sense and tactfulness in handling the human material with which he comes in contact. If he is incorruptible and straightforward he is sure to become a powerful factor to reckon with.

The chairman must be elected at a meeting specially called for the purpose and presided over by the vice-chairman, if there is one, or by

the Revenue Divisional Officer. If more than two candidates contest for the chairmanship the one that obtains the smallest number of votes should be eliminated and votes must be taken again. The process of elimination should go on until two candidates only are left. In the case of equality of votes, the president of the meeting shall decide the question by drawing lots.

Previous to 1922 the term of the office of chairman was one year. At present it is three years.³²

The chairman may delegate any of his functions to the vice-chairman. The chairman's functions devolve on the vice-chairman during his temporary absence or incapacity. A vice-chairman, who is thus in-charge, cannot in his turn delegate his powers to a councillor. Nor can a chairman delegate his powers and functions to a councillor when the council has elected a vice-chairman. Such delegations can only be made when there is no vice-chairman,³³ or if the vice-chairman is continuously absent for more than 15 days from the jurisdiction.³⁴ Such delegation should not exceed more than 90 days in the aggregate in a year and the Collector of the district must be informed whenever such delegations are made. While delegating any of his functions the chairman may place such restrictions as he thinks fit.³⁵ When a vice-chairman or a councillor, functioning as chairman, addresses a letter to Government or to any authority, he should quote at the top of the letter the section under which he is discharging the functions of a chairman.³⁶

A chairman may be removed from office by impeachment. At first no specific provision was made in the Act for the removal of the chairman. On this ground many a chairman ruled out motions, given notice of, by councillors expressing want of confidence in them. The Act was subsequently amended and the councils have at present power to remove their chairman by an extraordinary vote of three-fifths of the sanctioned strength of the council, at a meeting specially called for the purpose and presided over by the Revenue Divisional Officer.

Previous to 1930 some of the councils had 'paid-chairman'. At present the post is an honorary one and the chairman is paid conveyance allowance under certain conditions.

Most of the chairmen do not spend more than an hour or two on the average, per day, to the affairs of the town. The remainder of their time is spent on their own business.

²⁸ G.O. No. 2280. L.M. 27-6-1931.

²⁹ G.O. No. 3291. L.M. 30-7-1926.

³⁰ G. O. No. 1380. L. M. 16-4-1932.

³¹ G.O. No. 2718. L.M. 29-7-1936. G.O. No. 1407 L.M. 10-4-1933. G.O. No. 4170. L.M. 20-9-1934. C.O. No. 2021. L.M. 27-5-1935. G.O. No. 1477. L.M. 23-4-1938. G.O. No. 3456. L.M. 2-9-1938.

³² G.O. No. 2260. L.M. 22-11-1922.

³³ G.O. No. 2049. L.M. 28-7-1924.

³⁴ G.O. No. 2312. L.M. 27-11-1932.

³⁵ G.O. No. 2289. L.M. 23-11-1922.

³⁶ G.O. No. 560. L.M. 13-2-1935.

As regards the type of persons that are elected as chairmen, some are briefless lawyers, some are landlords and some are merchants. Some of them are practically illiterate. They do not understand the A B C of municipal administration. They are satisfied if they are garlanded and given a seat in the front row at all public meetings and functions. Some of them are corrupt³⁷ and make use of their position to give a silver lining to their pockets. Some exploit their position.³⁸ Some of them may not accept bribes but do not allow their righteous indignation to put a stop to it. However, we find here and there in this motely crowd, some chairmen with ambitious programmes. They move heaven and earth to achieve their ambitions. They work with great courage and faithfulness. The chairmen of the Vizagapatam and Guntur councils—1938-44—belong to this category of chairmen. These are two examples of what a chairman should be. Both of them work with vision; they refuse to admit defeat. But they are exceptions.

THE COUNCILLOR

A municipal councillor is elected for a period of three years. All the councillors are elected at one time and go out at one time. A councillor comes into office only after taking the oath of allegiance to H. M. the King Emperor. If the prescribed oath is not taken in time the office of councillor becomes vacant. An interesting incident happened at Anantapur in 1922. All the councillors did not take the prescribed oath in time and all ceased to be councillors. The Government was faced with an intriguing situation, for there was no council to give notice of dissolution which is obligatory under the Act. The council was therefore abolished and a new council was constituted. A councillor may resign his office at any time.

Every councillor enjoys certain rights and privileges. He is entitled to attend the meetings of the council. He may join with others in requisitioning a meeting of the council³⁹ for valid purposes.⁴⁰ He may interpellate the chairman, move resolutions, second propositions and amendments, speak on all subjects placed before the council, vote on all subjects, ask for any record of the council, call the attention

³⁷ Evidence of Mr. Brown, I.C.S., Simon Commission Report, Vol. 15.

³⁸ The chairman of the Madura Municipality became famous for audacious acts of nepotism. He appointed his own son-in-law as head-clerk superseding the claims of senior men. He reverted the Head Clerk of the Revenue section and appointed a man of his own community. He retired the Revenue Officer created the post of Revenue Officer in addition to the existing one and appointed two men of his own community. Again he gave contracts to men of his own community. [See the *Report on the Madura Municipal Affairs* by Rao Bahadur (now Sir) N. Gopalaswamy Ayyangar].

³⁹ G.O. No. 3435. L.M. 22-8-1928.

⁴⁰ G.O. No. 1466. L.M. 29-3-1928 & G.O. No. 1451. L.M. 26-6-1924.

of the Executive Authority to any wastage or neglect in the execution of a work or want of any locality and suggest improvements which may appear to be desirable. Beyond this he cannot do anything.

Under an elective system there is a chance of getting imbeciles into the municipal councils. Let us, therefore, know the type of persons that are elected as municipal councillors, their educational qualifications and their economic background.⁴¹

The sanctioned strength of the 17 councils is 376. Of them 10.63 per cent are graduates; 9.50 per cent passed the S.S.L.C. examination; 28.72 per cent passed the middle school examination and the rest 50.20 per cent are 'others'—who know how to put their signature or to read few simple lines. The interesting feature is that in Trichinopoly municipal council—a first grade municipality with an annual revenue of Rs. 5,88,969—there are 11 persons who do not know English. Curiously enough their administration report, their budget and the entire correspondence are in English. Again there are only four graduates in this council. In Salem—another first grade municipality with an annual revenue of Rs. 3,94,481—31 out of 36 councillors passed the middle school examination only. And yet these two places are centres of learning and culture with a number of well-equipped educational institutions. In some councils like Virudunagar, Pollachi and Tadipatri, there is not a single councillor who has had a taste of college education. In some councils like Cuddalore and Proddatur, there are illiterates.

Regarding the occupation of the councillors we have still more interesting figures. To know the economic background of the councillors we have selected 10 councils, viz.: Trichinopoly, Kumbakonam, Manargudi, Devakottai, Periyakulam, Udipi, Cuddalore, Anantapur, Narsaraopeta, and Gudivada. The sanctioned strength of these councils

⁴¹ A questionnaire was issued to all the 82 councils in the presidency. Question J reads as follows: "What are the educational qualifications of the councillors? How many of them have passed the middle school examination, S.S.L.C. examination and how many are graduates? Do you think that councils are filled up by right type of men? What is your experience?" To this 60 municipal commissioners have replied. But the answers furnished are not statistically accurate. Only 16 of the 60 commissioners have noted the particulars asked for, somewhat correctly. Very many of them refused to answer the last part of the question and one commissioner writes to us: 'Your question is a delicate and embarrassing one'. True it is. But we would have treated any opinion expressed as purely personal and therefore confidential. Writing to us on the educational qualifications of the municipal councillors, one commissioner suggests that "it is very desirable that some educational qualifications are prescribed for members. A 'pass in III' form at least is necessary, so that the members can at least understand the agenda and the subjects that are placed before the council for disposal". From this we may conclude that some of the councillors are those who cannot read and understand the agenda of the council meetings. The qualification which the commissioner suggests is the one prescribed for bill-collectors.

EDUCATIONAL QUALIFICATIONS OF THE COUNCILLORS ON 1st APRIL 1944

Name of the council	Sanctioned strength	Illite-rates	Gradu-ates	Interme-diate	S.S.L.C.	Middle School	Others
1. Salem	36	Nil	3	Nil	2	31	Nil
2. Trichinopoly	36	"	4	"	Nil	—	32
3. Kumbakonam	32	"	5	"	4	—	23
4. Negapatam	28	"	3	1	4	5	14
5. Mayavaram	24	"	2	1	Nil	10	11
6. Virudunagar	24	"	Nil	Nil	5	—	19
7. Proddatur	20	2	4	"	Nil	5	9
8. Devakottai	20	Nil	1	"	1	12	6
9. Pollachi	20	"	Nil	"	Nil	*14	6
10. Karaikudi	20	"	1	"	"	Nil	19
11. Periyakulam	20	"	2	"	"	3	14
12. Sivakasi	16	"	1	"	6	6	3
13. Tadipatri	16	"	Nil	"	4	—	12
14. Narasaraopeta	16	"	2	"	Nil	Nil	14
15. Ongole	16	"	2	"	2	5	7
16. Gudivada	16	"	3	"	1	4	8
17. Chicacole	17	"	7	"	2	2	5
Total	376	2	40	2	31	34	188

¹ Commissioner's L. Dis. No. 6347-44.

² Ibid. L. D. No. 8068-44.

³ Ibid. " 4450-44.

⁴ Ibid. " 3270-44.

⁵ Ibid. " 1913-44.

⁶ Ibid. " 2799-44.

⁷ Ibid. " 1728-44.

⁸ Ibid. " 2145-44.

⁹ Ibid. " 2085-44.

¹⁰ Ibid. " 2389-44.

¹¹ Ibid. " 1164-44.

¹² Ibid. " 1830-44.

¹³ Ibid. " 1517-44.

¹⁴ Ibid. " 1251-44.

¹⁵ Ibid. " 1846-44.

¹⁶ Ibid. " 1415-44.

¹⁷ Ibid. " 1617-44.

is 242. Of these, 5 seats were vacant on 1-4-1944. The remaining 237 were engaged in the following occupations :—

1. Banking	5	21. Housewives	6
2. Zamindar	1	22. Cinema Proprietor	1
3. Mirasidar	13	23. Coffee Hotel-keeper	1
4. Landlords	26	24. Cycle Repairer	1
5. Cultivation	18	25. Press Correspondent	1
6. Agent Tajmahal Beedi	1	26. Newspaper Agent	1
7. Merchants	75	27. Printer and Publisher	1
8. Contractors	13	28. Goldsmiths	2
9. Proprietor cigar factory	2	29. Tailor	1
10. Plantain mundi commission agent	2	30. Vakil Clerks	8
11. Tanners	2	31. Brick Dealer	1
12. Insurance Company Agents	2	32. Village Magistrate	1
13. Teachers	4	33. Manageress, Elementary School	1
14. Pensioners	3	34. S. P. C. A. Agent	1
15. Brokers	3	35. Camp Furniture-maker	1
16. Stevedore	1	36. Engine Maistry	1
17. Lawyers	24	37. Income-tax practitioner	1
18. Dentist and Optician	1	38. Vicar General	1
19. Quacks	6	39. Commission Agent	1
20. Allopathi Medical Practitioners	2		

Merchants include all classes of merchants, hardware merchants, ruby merchants, diamond merchants, cloth merchants, skin merchants, and general merchants. Similarly, the contractors include firewood contractors, milk contractors and petty contractors. But the features that distress us most are these : Respectable women are not coming forward to contest for seats reserved for their community.⁴² Very often they are of questionable character. Some of them are either trafficking in their charms or interested in trafficking in women. As regards male councillors, some of them are of notorious bad character for whom the Criminal Investigation Department maintained 'history sheets'. Some of them make a living out of their councillorship by getting contracts on behalf of fictitious persons.⁴³

⁴² Interview with Mr. B. Gopala Reddi, formerly Minister for Local Administration.

⁴³ The real contractor for the removal of rubbish in the Madura municipality for 1930-31 was a councillor. It was with this gentleman that the chairman negotiated for the enforcement of the contract conditions. Writing about the Madura municipal chairman and councillors, Sir Gopalaswamy Ayyangar says : "What distresses one more than anything else, is the atmosphere of corruption that surrounds the chairman and councillors and the openness and freedom with which the man-in-the-street and responsible citizens take this corruption for granted, and talk of it. A considerable number of municipal councillors are directly or indirectly interested in contracts.... An equally substantial number of councillors have relations or persons.... in the employ of the council. The contractor

These facts lead us to the conclusion that municipal administration is at present entrusted to men of notoriously bad character, to men sodden with alcohol, to men without ability or even education, to men who cannot understand the work of a municipal council. The problem is how to get rid of these people. How to improve the quality of membership of the councils. This can be done "by applying to politicians a few of those tests for intellectual, physical and moral fitness which we apply to the candidates for almost every other kind of job.... In practically every other sphere of activity we have accepted the principle that nobody may be admitted to hold responsible positions unless he can pass an examination, show a clean bill of health, and produce satisfactory testimonials as to his moral character, and even then the office is given, in most cases, only on the condition that its holder shall relinquish it as soon as he reaches the threshold of old age. By applying these rudimentary precautions to politicians, we should be able to filter out of our public life a great deal of that self-satisfied stupidity, that authoritative senile incompetence, that downright dishonesty, which at present contaminates it".⁴⁴

THE COMMITTEE SYSTEM

The functions of municipal councils have in recent times increased so enormously that it is no longer possible for a council of considerable size to concern itself with the details of administration. To overcome this difficulty the committee system has been devised. It should, however, be understood that democracy is not ousted by the committee system. On the other hand democracy is made more effective by its introduction.⁴⁵

The merits of the committee system are, it provides a link between local needs and local sentiment. It prevents the autocracy of the local official. It brings various interests and administration into organised relationship.⁴⁶ It provides a common ground "to discuss questions, even burning questions, without bitterness". We generally find in the

who purchased the rubbish and night soil for the year 1930-31 has a brother in the council.... We have still another councillor who was formerly manager of the municipal office. His services were dispensed in connection with kerosene oil fraud.... The chairman nominated this councillor....for supervising lighting (kerosene). The leading Muhammadan councillor has quite a number of relations in municipal service. The leading Konar councillor is the publisher of a number of school books. Most of the books prescribed by the chairman are publications of this councillor. The Vice-chairman's son was appointed as municipal vakil". Report, Op. cit.

⁴⁴ Huxley. *Ends and Means*. Chap. XI. p. 174.

⁴⁵ Preface by Sir A. Salter, *Advisory Bodies*, Edited by Vernon.

⁴⁶ Laski. *Grammar of Politics*, pp. 380-87; *A Century of Municipal Progress*. 'Committee System'.

committees a willingness on the part of the members to decide questions in the light of commonsense and a tendency to forget, at least temporarily, party feelings and political beliefs when faced by the uncomfortable facts of life.⁴⁷

Committees have been classified severally. They are classified as autonomous and non-autonomous. This division is based on the powers delegated to the committees. Autonomous committees are allowed to do all that is necessary for the successful performance of the functions entrusted to them. They may plan, make necessary arrangements for the execution of the plan, without submitting their decisions for the approval of the council. As long as a committee possesses autonomous powers the councils are powerless to do anything. The delegation of powers to the committees may be either statutory or devolved by the council. The non-autonomous committees are those which do not have any power to carry out their decisions. Their conclusions are recommendatory in character.

This classification is defective. It does not give us a complete picture of the various kinds of committees. Committees have been classified traditionally into two—statutory and optional.⁴⁸

The statutory committees are those which a council must constitute. Under Sections 68 and 73 of the Madras District Municipalities Act of 1920, each municipal council is bound to constitute a Contracts Committee and an Appointments Committee. The Contracts Committee has power to nominate contractors for all the works whose estimated cost does not exceed Rs. 500 and to dispose of all the tenders whose estimated cost is not more than Rs. 1,000. Similarly, the Appointments Committee has power to appoint any one who has the requisite qualifications and whose maximum monthly salary exceeds Rs. 50. Before 1930 there was an Appeals Committee to hear appeals against all orders of punishment inflicted by the Executive Authority. The distinguishing features of the statutory committees are: firstly, the council must compulsorily refer the business to the committees concerned and act only after the receipt of a report from them. Secondly, their constitution, strength, membership and other details are laid down in some detail either by the Act or by the Government.

The optional committees are those which a council may constitute. The distinguishing features of the optional committees are their powers and functions, their constitution and structure—which are all determined by the council. The council has complete freedom to constitute

⁴⁷ Simsey. *Principles of Social Administration*.

⁴⁸ Laski. Op. cit.

what committees it likes, to delegate any powers it likes and to withdraw them whenever it pleases. The optional committees are of several kinds, viz., standing committees, *ad hoc* committees, joint committees and the whole council as a committee.

There are a number of standing committees in some of the councils. But in some there are no standing committees at all. The standing committee which we commonly find in most of the councils is the 'Taxation Appeals Committee'. Powers are delegated to this committee to decide all appeals, preferred by all taxpayers against the assessments fixed by the Executive Authority. In addition to this committee, there are also other committees known as the Education Committee, Finance Committee and Town Planning Committee.

Apart from these standing committees we have *ad hoc* committees. Unforeseen circumstances may arise and the council may appoint individual councillors to investigate and report on any matter. The *ad hoc* committees are not of permanent nature. They come into existence when an emergency arises and cease to exist when the emergency is over.

In addition to the *ad hoc* committees we have the joint committees. Joint committees may be constituted consisting of members of more than one local body for a purpose in which they are jointly interested and for any matter for which they are jointly responsible. It is obligatory for a local body to join a joint committee when directed by the Provincial Government to do so. Joint committees are generally formed for purposes of Town Planning and for the settlement of disputes between two or more local bodies.⁴⁹ For instance, a joint committee was constituted consisting of representatives of the Chingulpet District Board and the Conjeevaram municipality to settle a dispute regarding the payment of contribution by the Conjeevaram municipality from the collections of the toll-gate fees.⁵⁰ Joint committees may be either of permanent or of temporary nature. They are generally called into existence to settle disputes between two or more local bodies.

Lastly, the council may resolve itself into a committee to consider any subject which is before it. When it does, the rules of debate need not be observed. A motion need not be seconded. Anyone may speak more than once. Very rarely do the councils resolve themselves into committees.

[To be continued]

⁴⁹ M.L.C.P. Vol. 22, p. 573.

⁵⁰ Ibid. Vol. 40, p. 1770.

LOCAL SELF-GOVERNMENT INSTITUTE

(Bombay Presidency)

EIGHTEENTH ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS FOR THE YEAR 1944-45

I have the pleasure to submit to the Provincial Council of the Institute the Eighteenth Annual Report for the year ending 31st December 1945 and the Statement of Accounts for the year 1944-45 audited by the Hon. Auditor, Mr. R. N. Rajadnya appointed at the last Triennial General Meeting of the Institute.

PROVINCIAL COUNCIL

The last Triennial General Meeting was held on 17th February 1945 in the Office of the Local Self-Government Institute at Bombay and the following persons were elected to the Provincial Council of the Institute. The names of the persons elected together with the constituencies which they represented are given below :—

- | | | |
|---|--|--|
| 1. The President : | L. M. Patil, Esqr., B.A., LL.B., M.L.A. | |
| 2. Vice-President : | G. D. Vartak, Esqr., B.A., M.L.A. | |
| 3. Secretary and Treasurer : | S. S. Naik, Esqr., B.A. B.Sc. (Edin.), L.C.E. (Bom.) | |
| 4. Ahmedmiya Sherumiya Shaikh, Esqr., B.A., LL.B. (Ahmedabad Municipality.) | | |
| 5. G. S. Adkar, Esqr., B.A., LL.B. (Poona Municipality.) | | |
| 6. Rao Bahadur N. A. Afzulpurkar. (Sholapur Municipality.) | | |
| 7. Abdul Kadar Shaikh, Esqr., B.A. (Surat Municipality.) | | |
| 8. Mahmadkhan Valikhan Munshi, Esqr. | } Representatives of Local Bodies in Gujarat. | |
| 9. Padamji K. Illava, B.A. | | |
| 10. Haribhai Sarabhai Patel, Esqr. | | |
| 11. J. R. Tawde, Esqr., B.A., LL.B. | } Representatives of Local Bodies in Konkan. | |
| 12. R.S. S. B. Sawant, B.A., LL.B. | | |
| 13. S. V. Iyer, Esqr., | | |
| 14. A. G. Awate, Esqr. | } Representatives of Local Bodies in Maharashtra. | |
| 15. Sardar Shivrao Bhawanrao Thorat. | | |
| 16. N. S. Patil, Esqr. | | |
| 17. S. T. Patil, Esqr., B.A., LL.B., M.L.A. | } Representatives of Local Bodies in Karnatak. | |
| 18. M. N. Wantmurimath, Esqr. | | |
| 19. S. S. Matti, Esqr., B.A., LL.B. | | |

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|---|---|---|
| 20. R. V. Parulekar, Esqr., M.A., M.Ed.,
T.D. (Lon.) | } | Representatives of
Individual Members. |
| 21. S. S. Pradhan, Esqr., B.A., LL.B. | | |
| 22. Narayan Tukaram Sarnaik, Esqr. | } | Representative of
Indian States. |
| 23. W. G. Shetye, Esqr., B.A., LL.B. | | |
| | } | Representative of
School Boards. |
| | | |

THE EXECUTIVE COMMITTEE

The Provincial Council in its Meeting dated 18th February 1945 elected the following Members to form the Executive Committee :—

1. L. M. Patil, Esqr., B.A., LL.B., M.L.A. (President.)
2. G. D. Vartak, Esqr., B.A., M.L.A. (Vice-President.)
3. Sardar Shivrao Bhawanrao Thorat.
4. J. R. Tawde, Esqr., B.A. LL.B.
5. Rao Bahadur Nagappa A. Afzulpurkar.
6. S. T. Patil, Esqr., B.A., LL.B., M.L.A.
7. S. S. Matti, Esqr., B.A., LL.B.
8. Padam K. Illava, Esqr., B.A.
9. Abdul Kadar Shaikh, Esqr., B.A.
10. S. S. Pradhan, Esqr., B.A., LL.B. (Jt. Hon. Secretary.)
11. S. S. Naik, Esqr., B.A. (Bom.), B.Sc. (Edin.), L.C.E. (Bom.)
(Hon. Secretary.)

HON : OFFICE-BEARERS

The following persons were the Office-Bearers during the year under report :—

1. President : L. M. Patil, Esqr., B.A., LL.B., M.L.A.
2. Vice-President : G. D. Vartak, Esqr., B.A., M.L.A.
3. Hon. Secretary & Treasurer : S. S. Naik, Esqr., B.A., B.Sc. (Edin.),
L.C.E. (Bom.)
4. Jt. Hon. Secretary : S. S. Pradhan, Esqr., B.A., LL.B.
5. Hon. Auditor : R. N. Rajadnya, Esqr.

Membership of the Institute is distributed as under :—Special
Municipalities 4 ; Borough Municipalities (exclud-
ing Special Municipalities) 27 ; District Municipa-
lities including four State Municipalities 84 ;

District Local Boards including one State Local Board 20 ; School

Boards 7 ; Village Panchayats 259 ; Notified Area Committees 52 ; and
Individuals 14.

The following figures of the income of the Institute from member-
ship subscription for the last five years will bear testimony to the increa-
sed appreciation of the usefulness of the Institute on the part of Local
Bodies. These figures are as under :—

1940-41	1941-42	1942-43	1943-44	1944-45
7,999-4-0	8,102-3-6	9,040-14-0	8,267-12-0	9,401-14-0

It should be mentioned that this year a good number of Village
Panchayats have joined the Institute. One of the reasons of this increase
is the greater interest taken by the Panchayats in the Provincial Con-
ference of Local Bodies which was held during the year under Report.
Owing to paper scarcity and printing difficulties, our vernacular Journals
ceased publication. This fact is likely to have adverse effect on the
memberships of Panchayats. Publication of these Journals is expected
to be revived shortly.

Activities of the Institute

The following Conferences were held during the year under
Report :—

1. Provincial Conference of local bodies was
held at Bombay in the Lecture Hall of the Insti-
tute on the 17th and 18th February 1945 under the
Presidentship of L. M. Patil, Esqr., B.A., LL.B., M.L.A., former Minister
of Local Self-Government, Government of Bombay, and President of
the Institute. The Conference was very largely attended and the delegates
showed great interest in its deliberations. A very large number of
Gram Panchayat Delegates attended this session.

2. Conference of Members of Local Bodies in the Bombay Sub-
urban District was held in the Institute's premises at Bombay on 1st
December 1945 to consider the question of Greater Bombay. It was
presided over by Mr. Chunilal D. Barfivala, M.A., LL.B., Director of
the Institute.

3. Conference of the Presidents of Local Boards and Chairman of
School Boards of the Marathi-speaking Districts was organised by the
District Local Board, Ahmednagar and was presided over by S. S. More,
Esqr., B.A., LL.B. Sardar S. B. Thorat took keen interest in organising
this Conference.

During the year under report, 52 students passed and were awarded the L.S.G.D. Diploma as against 50 students in the previous year.

The English Quarterly Journals continued to be published though in a smaller size owing to paper control regulations. The vernacular Journals excepting a few issues of the Gujarati and the Kanarese could not

be issued on account of printing difficulties. The deficit will be made good as soon as printing difficulties could be mitigated.

Besides the Journals mentioned above, the 'Village Panchayat Manual' (English), by C. D. Barfivala, Esqr., M.A., LL.B., has been published. Arrangements to publish the same in the vernaculars are being proceeded with. Mr. S. S. More's 'Borrowing by Local Bodies' and Mr. B. N. Vaidya's 'History of Primary Education in the Province of Bombay, 1815-1941' have been printed and will be shortly published.

Members are aware that Sheth Motiram N. Topiwalla has placed at the disposal of the Institute a sum of Rs. 5,000 for conducting a survey of facilities—existing and required—for Primary Education in those Villages of the four districts of Ratnagiri, Kolaba, Thana and Bombay Suburban whose population is scattered in hamlets on the basis of providing a school within a distance of one mile from the residence of a child. A good beginning has been made in the matter. The first model report of the type required has been prepared after considerable labour under the guidance of the educational expert, R. V. Parulekar, Esqr., M.A., M.Ed., T.D. by D. J. Sardeshpande, Esqr., B.A., P.T., assisted by Rao Saheb D. J. Kulkarni, B.A., S.T.C.D. A copy of the said report has been presented to Sir Ivon H. Taunton, C.I.E., I.C.S., Advisor to His Excellency the Governor of Bombay. It will be shortly published in our Quarterly Journal. It is a valuable piece of scholarly work, the first of its kind to be undertaken on the subject. These three gentlemen deserve the Institute's thanks for this honorary work of great merit.

The Office of the Institute continues to assist and train research students coming from all parts of India. I have been recognised by the University of Bombay as a teacher for Ph.D. in Municipal Engineering. and Mr. Barfivala, your Director, for M.A. in History and Administration. The Institute's Library has been recognised by the University of Bombay as a suitable place for imparting guidance to research students.

You are aware that I have been sitting on the Senate of the Bombay University for a number of years and therefore been able to present Local Bodies' point of view in Senate discussions whenever occasion arises. This view-point will be further supported hereafter because municipalities in the Konkan Division have been pleased to elect Mr. Barfivala on the Senate this year to represent them. He is also elected a member of the Provincial Board of Primary Education.

Activities of our Book Depot which were practically brought to a standstill during the war period are showing signs of revival. It is expected with restoration of normal transport facilities and removal of paper and printing restrictions this department will once again be able to show good results.

It was pointed out in my previous reports that during war time local bodies have found the Institute's agency greatly beneficial in the matter of purchasing a great variety of stores required by them. The Institute was able to secure for Local Bodies articles at controlled rates which otherwise it would not have been possible for them to secure. In several cases highest Government Authorities were approached by the Institute and stores for Local Bodies were purchased with their assistance. It is submitted that Local Bodies have benefitted considerably by resorting to the Institute in the matter.

I have been pointing out for the last three years that Local Bodies were benefitted to the tune of thousands and thousands of rupees by obtaining their paper requirements from the office of the Institute which has been entrusted by the Government of India and of Bombay with the most onerous responsibility of distributing papers to Local Bodies. The Institute has been able to give this paper to the Local Bodies at much below even the controlled rates. The last Provincial Conference passed a special resolution in appreciation of this service. An off-shoot of this activity is the supply of envelopes to local bodies, which the Institute has undertaken to manufacture, print and distribute. Here again, the Local Bodies who availed themselves of this service, have benefitted themselves considerably, because the sale price has been fixed much below the controlled rates fixed by Government. Another off-shoot of this activity is the printing and supply of vernacular Muster Rolls to School Boards at rates which have been certified by the Superintendent, Government Printing and Stationery, Bombay, as reasonable. They are sold at prices below the rates quoted outside.

Scrutiny of Forms required by Local Bodies The Government of Bombay have continued to entrust to the Institute the work of scrutinising the requirements of Local Bodies pertaining to numerous printed forms required by them to be purchased from Yervada Prison Press.

The following other activities are continued this year also.

1. Maintaining an Employment Bureau for L.S.G.D Diploma-holders of the Institute. 2. Giving of information and advice to Local Bodies on a variety of Educational, Administrative, Legal and Technical subjects.

Establishment of the Institute's Printing Press The Provincial Council have already authorised me to purchase and establish a Printing Press for the Institute. Inquiries were made during the year regarding the suitability of several running printing presses in Bombay with a view to purchase one of them. Some of them were found to contain machinery that was too old, and others too heavy for our requirements. Those that were more or less suitable for our purpose had to be rejected because the vendors asked for fabulous prices. Serious difficulty confronting us is with respect to premises for running the press. It is proposed to put up the Press in the suburbs, if a suitable place cannot be had in the town on a reasonable rental basis. It is expected that suitable arrangements in the suburbs can be had on a reasonable rent. I have been advised that if sound second-hand machinery cannot be had, new up-to-date machinery should be indented from abroad. I hope to place such an indent for the machinery shortly.

Publication of volumes on Local Self-Government systems in different Provinces As authorised by the Provincial Council, this work is proposed to be started, if possible, during 1946-47, by initiating the publication of a volume or two.

Audit of Accounts The Statement of Accounts of the Institute for the year 1944-45 audited by the Hon. Auditor, Mr. R. N. Rajadnya, is appended hereto. The Auditor has offered the following remarks :—

“I have greater pleasure to certify that I audited the accounts of the Local Self-Government Institute for the year 1944-45 from the 27th to the 31st of October 1945 and found them correct and well maintained. The volume of work has increased vastly and also intricacies of accounts. The task of systematic maintenance of registers

and accounts is correspondingly heavy and of greater responsibility. The fact that this responsibility is satisfactorily discharged speaks volumes for those who are in charge of the Institute.

From what I have seen from the accounts, I estimate that Local Bodies have benefitted by the war-time activities of the Institute regarding paper supply, etc., at controlled rates, to the tune of thousands of rupees. This is a matter of legitimate pride and more than justified payment of small annual membership contribution by Local Bodies.

I add my word of tribute to the organising abilities of Mr. Chunilal D. Barfivala, the Director, and Mr. S. S. Naik, the Honorary Secretary of the Institute.”

The fact that I have been offering every year my appreciation of the valuable work done by the staff of the Institute's Office should not be taken as a mere formal matter.

I have been feeling very keenly on the subject and would like the Provincial Council to make adequate provision for its expansion and to show sympathetic and concrete appreciation. Every member, from your Director, Mr. Barfivala, downwards is responsible for putting the Institute on such a sound footing.

S. S. NAIK,
Hon. Secretary,
Local Self-Government Institute.

LOCAL SELF-GOVERNMENT INSTITUTE (Bombay Province)

Statement of Accounts for the year 1944-45

Particulars	Receipts	Particulars	Expenditure
	Rs. as. ps.		Rs. as. ps.
*Opening Balance	18,735 8 6	Primary Education Scheme	550 0 0
Membership Subscription	9,401 14 0	Journals & other publications	3,853 12 6
Bank Interest	956 14 6	Training Class Deposit	10 0 0
Government Grant-in-Aid	3,000 0 0	Rent	1,018 0 0
Training Class Fees	4,754 14 6	Training Class Travelling	455 12 0
Income from sales of Journals and other publications including advertisement, revenue	4,746 4 9	Provident Fund Loan	173 0 0
Recoupment of Paper Supply expenses included under expenditure side under various heads and		General Administration Contingencies	1,539 1 4
Paper Supply Receipts	5,840 5 9	Stationery & Printing	1,549 2 0
Provident Fund Loan	20 0 0	Training Class Advertisement	613 6 0
Provident Fund Account :-		Establishment	11,052 10 6
Employees Contribution	414 0 0	Postage	987 7 0
Institute's Contribution	634 11 6	Audit Fees	93 7 0
Unpaid Bills	13,102 14 0	Travelling and Meetings	748 15 0
Suspense Account	15,652 15 9	Library and Equipment	190 9 0
Dead Stock	750 0 0	Telephone	373 5 0
Directory Publication Fund	6,000 0 0	General Administration Conference	347 10 0
		Institute's General Provident Fund	611 11 6
		Provident Fund Account	46 3 4
		† Balance	59,806 7 1
	Rs. 84,010 7 3		Rs. 84,010 7 3

*The Opening Balance of Rs. 18,735-8-6 is exclusive of Government Securities of Rs. 24,000 and inclusive of Rs. 4,145-4-1 being Provident Fund Account. This also includes Rs. 7,480-3-9 being deposit under suspense account and Rs. 5,000 as Primary Education Survey advance.

†The closing Balance of Rs. 59,806-7-1 is exclusive of Government Securities of Rs. 24,000 and inclusive of Rs. 4,994-12-3 being Provident Fund Account. This also includes Rs. 23,133-3-6 being deposits under suspense account and Rs. 4,450 as Primary Education Survey Advance.

Examined and found correct.

R. N. RAJADNYA,

Hon. Auditor.

S. S. NAIK,

Hon. Secretary,

Local Self-Government Institute.

RECENT CASES ON LOCAL SELF-GOVERNMENT ACTS

(Bombay Series)

By CHUNILAL D. BARFIVALA, M.A., LL.B.,
Director, Local Self-Government Institute, Bombay.

[Continued from page 75 of Vol. XVI, No. 2]

Ahmedabad Municipality

vs.

Kalyanbhai

Under Rule 352 of the Ahmedabad Municipality Rules it is competent to the Municipality to levy separate drainage tax on each of the tenements in a building which is connected with the Municipal drainage system and which also contains a water-closet or urinal in its compound. The reason is that under rule 352, as amended, every tenement in each building is separately liable to the drainage tax, even though it is not connected with the Municipal drainage system, because under the provisions of clauses 2 and 3 of rule 352, which are not subject to exceptions, each tenement must be deemed to have been connected with the Municipal drainage system if there is a general provision made in one part of the premises for the disposal of waste water of the inmates of all the tenements in the premises, or if there is a water-closet or urinal in the compound of the building which is connected with the Municipal drainage system.

These were three revision applications filed against the decisions of the Small Cause Court Judge, Ahmedabad, in three suits, Nos. 4006, 4005 and 4034 of 1941. The plaintiff in suits Nos. 4006 and 4005 was the same person, Kalyanbhai Haribhai, and the plaintiff in suit No. 4036 was his brother Nanubhai Haribhai. All the three suits were filed against the Ahmedabad Municipality for refund of certain amounts recovered by it from the plaintiff as drainage Rules of the Ahmedabad Municipality, Rules 351 and 352.

tax for the years 1939-40 and 1940-41. The plaintiffs in the three suits were the owners of buildings within the municipal limits of Ahmedabad which consisted of several tenements. Each tenement was given a separate census number. Within the compounds of each of the three buildings, there was a general provision made for the disposal of the waste water of each of the tenements, and there was also a water closet or urinal in each of the compounds. But each separate tenement was not actually connected with the municipal drainage system; nor was there a separate water closet or urinal attached to each tenement. The separate tenements were used for shops, godowns and offices, but not for residential purposes. The municipality made a claim on the owners of each of the three buildings for drainage tax, calculating it on the separate letting value of each of the tenements. The contention of the plaintiffs in each case was that the Municipality was entitled to levy the tax on the total rental value of the buildings as a whole, but not separately on the letting value of each tenement in the building. The learned Judge passed decrees in favour of the plaintiffs in all the three suits, and against those decrees the Ahmedabad Municipality and the Administrator of the Municipality applied in revision.

HELD : that under r. 352 of the Ahmedabad Municipality Rules it is competent to the Municipality to levy separate drainage tax on each of the tenements in a building which is connected with the municipal drainage system and which also contains a water closet or urinal in its compound.

N. J. Wadia, J.—(Extract).

"... The points involved in all the three suits were the same and the judgment given in suit No. 4006 which is the subject of Revision Application No. 370 governs all the three suits. . . .

Rule 351 of the rulers of the Ahmedabad Municipality runs as follows:—

"The drainage tax is leviable as a rate on all buildings and lands and parts thereof within the Municipal Borough which are either actually connected or deemed to be connected with the municipal drainage system; and shall be assessed on the net annual letting value in the case of all buildings and lands referred to in clause (1) of rule 322 and on the valuation based on capital in the case of all buildings and lands referred to in clause (2) of that rule."

Rule 352 which has been recently amended provides that:—

"a building or land and every tenement therein, and in the case of mills and factories all buildings and lands within the premises of a mill or factory, shall be deemed to have been connected with the municipal drainage system, when a gully trap chamber has been constructed near its outermost limits so as to make it possible for the owner thereof to connect such building, tenement or land with the gully trap chamber."

There are two exceptions which run as follows:—

- (1) When a tenement is assessed on the annual letting value and is used as a shop, office, store-room or godown, it shall not be deemed to be connected with the drainage system so long as it is used as such shop, office, store-room or godown unless arrangements are made for the waste water to pass from it to the gully trap chamber.
- (2) When one premises or compound having a gully trap chamber at its entrance or at any other end of its limits contains several

tenements owned by different persons, only those tenements which have an arrangement for the discharge of the waste water into that chamber shall be deemed to be connected with the drainage system."

Then follow two other clauses which provide that:—

- (2) When there is a general provision made in one part of the premises for the disposal of waste water of the inmates of all the tenements in the premises; or (3) when a water closet or urinal on such buildings or land or any part thereof is connected with the municipal drainage system, the building or land and every tenement therein shall be deemed to have been connected with the municipal drainage system.

The view taken by the learned Judge was that the Municipality was not entitled to levy the tax separately on the individual tenements within each building, but could only levy it on the building as a whole. This view appears to us to be wrong. The learned Judge in putting this interpretation upon rr. 351 and 352 has failed to take notice of the words "and parts thereof" in r. 351, and of the words "and every tenement therein" in r. 352. Rule 351 provides that the tax is leviable not merely on all buildings and lands but also on *parts thereof*; and r. 352 provides that not only the building or land as a whole, but *every tenement therein* shall be deemed to have been connected with the municipal drainage system, when there is a general provision made in any part of the premises for the disposal of the waste water of the inmates of all tenements in the premises, or when a water closet or urinal on such buildings or lands or any part thereof is connected with the municipal drainage system. It is true that under these rules the Municipality could, if it chose, levy the drainage tax on the building as a whole, treating the building as a unit. But the rules expressly enable the Municipality to treat each part of a building which is a separate tenement as a separate unit for levying the tax.

The question involved in these applications has come before this Court on several previous occasions. In *Shah Vadilal Dalsukhram vs. The Municipal Borough of Ahmedabad*, [(1940) C.R.A. No. 173 of 1939, decided by *N. J. Wadia J.*, on January 17, 1940, (*Unrep.*)], the dispute between the parties related to the right of the Ahmedabad Municipality to levy drainage tax on a building the ground floor of which was used for shops and the first floor for offices and godowns. The Municipality claimed that it was entitled to do so under rr. 351 and 352 of its rules. The case of *Municipal Borough of Ahmedabad vs. Vadilal Dalsukhbhai* [(1940) C.R.A. No. 420 of 1939, decided by *Broomfield J.*, on January 26, 1940, (*Unrep.*)] arose out of a suit filed by the same person . . . and the dispute turned on the same point. . . . In both these cases, we took the view that the Municipality was not entitled to levy drainage tax on the buildings because the tenements in each case were not separately connected with the gully trap chamber; nor was there a separate water closet or urinal attached to each tenement. These decisions were followed by *Beamont, C. J.* in four other Revision Applications, *Shah Vadilal Dalsukhram vs. The Municipal Borough, Ahmedabad*, [(1940) C.R.A. Nos. 462, 463, 507 and 508 of 1939, decided by *Beamont C. J.*, on April 12, 1940, (*Unrep.*)], . . .

Subsequent to our judgments r. 352 has been amended with the result that exceptions (1) and (2) now follow immediately after clause 1 of the section. Clauses 2, 3 and 4 come after the exceptions and are clearly not governed by them. The view which was taken by *Mr. Justice Broomfield*, by *Beamont*

C.J., and myself would therefore no longer be correct in view of the amendment made in r. 352. After the amendment, which came into force on April 1, 1939, the identical point arose again in the **Municipal Borough of Ahmedabad vs. Vadilal Dalsukhram** [(1943) C.R.A. Nos. 326 and 327 of 1942, decided by Lokur J., on July 28, 1943, (Unrep.)] and **The Municipal Borough of Ahmedabad vs. Vadilal Dalsukhram** [(1943) C.R.A. Nos. 596 of 1942 and 10 of 1943, decided 1943, decided by Lokur, J., on November 17, 1943, (Unrep.)] all decided by Mr. Justice Lokur. . . . The Municipality had levied the drainage tax in respect of the ground floor and the first floor tenements in a building known as German-Silverwala Market. The building in all cases contained bath-rooms, privies and water closet connected with the municipal drainage system. . . . The trial Judge in all the cases. . . held that the levy of the tax by the Municipality was wrong, *ultra vires* and illegal. In doing so he relied upon the decisions of this Court in the earlier revision applications to which reference has been made above. . . . Mr. Justice Lokur in both the sets of revision applications differed from this view and held that since the shops and godowns taxed were parts of a building, and there were water closets or urinals in parts of the building, which were connected with the municipal drainage system, every tenement in that building, that is to say, all the shops and godowns in such building, could be deemed to be connected with the municipal drainage system, and were, therefore, liable to drainage tax under r. 351.

We are, with respect, of opinion that the view taken by Mr. Justice Lokur in these revision applications is correct. Under r. 352, as amended, every tenement in each building is separately liable to the drainage tax, even though it is not connected with the municipal draining system, because under the provisions of clauses 2 and 3 of r. 352, which are not subject to the exceptions, each tenement must be deemed to have been connected with the municipal drainage system as there is a general provision made in one part of the premises for the disposal of waste water of the inmates of all the tenements in the premises and as there is a water closet or urinal in the compound of the buildings which is connected with the municipal drainage system.

It was contended by Mr. Thakor for the opponents in the three applications that r. 351 does not expressly refer to tenements. The word "tenement" is not defined in the Act. It is defined in r. 321, sub-r. (2), as "including every building or part of a building which is occupied or is capable of being occupied by a family separately for itself, and of which other families have no common use." This rule occurs under Ch. I of the Taxation Rules of the Municipality dealing with water rates and charges. Rules 351 and 352 occur in Ch. II dealing with the drainage tax. Mr. Thakor's contention is that r. 351, which is the rule by which the tax is imposed, must be strictly construed and since tenements are not referred to in that rule they cannot be held liable to the tax. The rule does, however, expressly refer to buildings and parts thereof. Tenements are referred to in r. 352. The reason why r. 351 refers only to "buildings and parts of buildings" while r. 352 to "buildings and tenements therein" seems to be that it was not the intention of the Municipality that parts of buildings should, in all cases, be liable to the tax. The necessity for providing that a part of a building should be deemed to be connected with the municipal drainage system if there was a gully trap chamber or a general provision for the disposal of waste water or a water closet or urinal in any part of the building would arise only in the case of tenements

within a building, i.e. parts of the building occupied by separate families. Where the different parts of a building are occupied by the same family, all the occupants would use the facilities provided anywhere in that building and every part of the building could, therefore, be treated as connected with the municipal drainage system.

It is difficult to understand why the definition of the word "tenement" has been included in Ch. I dealing with water rates and charges, with the result that it may be contended, as it has been contended before us, that the definition does not apply to the word "tenement" when used in other chapters. We think that the definition is intended to apply to the word "tenement" wherever it is used, not merely in Ch. I but also elsewhere. But even if that definition is not applied to the word "tenement" used in r. 352, we would be entitled to apply the ordinary dictionary meaning of the word "tenement," and even in that sense a tenement is a building or part of a building or even a single room tenanted as a separate dwelling or separately leased.

The view taken by the learned trial Judge in all the three suits was, in our opinion, wrong. We, therefore, make the rules absolute in all the three applications, set aside the orders for refund made in each case, and dismiss the suits with costs throughout."

(1944) 46 Bom. L.R. 733.
March 17, 1944.

Shah Vadilal Dalsukhram vs. The Municipal Borough of Ahmedabad [(1940) C.R.A. No. 173 of 1939, decided by N. J. Wadia J., on January 17, 1940, (Unrep.)] **Municipal Borough of Ahmedabad vs. Vadilal Dalsukhbhai** [(1940) C.R.A. No. 420 of 1939, decided by Broomfield J., on January 26, 1940, [(Unrep.)] **Shah Vadilal Dalsukhram vs. The Municipal Borough of Ahmedabad** [(1940) C.R.A. Nos. 462, 463, 507 and 508 of 1939, decided by Beaumont C.J., on April 12, 1940, (Unrep.)], **The Municipal Borough of Ahmedabad vs. Vadilal Dalsukhram** [(1943) C.R.A. Nos. 326 and 327 of 1942, decided by Lokur J., on July 28, 1943, (Unrep.)], and **The Municipal Borough of Ahmedabad vs. Vadilal Dalsukhram** [(1943) C.R.A. Nos. 596 of 1942, and 10 of 1943, decided by Lokur J., on November 17, 1943, (Unrep.)]—Referred to.

Amratlal.....(Claimants—Appellants)

vs.

Land Acquisition Officer, Ahmedabad.....(Opponent)

(1) In view of the construction which has been put upon s.114(2) of the Bombay Municipal Boroughs Act, 1925 in **Parshottam v. Secretary of State** [(1937) 39 Bom. L. R. 1257], enabling acquisitions to be made which have no continuity of plan or scheme for the construction of houses and buildings to form a new street, the compulsory powers should be very carefully exercised.

(2) Where local inspection becomes necessary, the Judge should carry out the inspection at any stage before the arguments are heard, and if he conducts the

inspection at the request of the parties, it should be made clear whether the parties have left the matter to be decided as he thinks proper from his inspection or that he is merely inspecting under O.XVIII, r.18, of the Civil Procedure Code. If the Judge records his impressions or opinions in his notes of inspection, the parties must have an opportunity to urge their arguments on those notes at the time when the case is generally argued before the Court. In most cases it would be desirable for the Judge to confine his notes to the facts which he observes without recording his impressions or opinions. He is entitled to form his impressions, but if he records them in the notes, the parties should have the opportunity to meet them in their arguments and he should not decide the case merely from his impressions without giving due weight to the evidence. No doubt the Court of appeal would attach due weight to what the Judge observes in his inspection, but the purpose of local inspection is not to make it a substitute for the evidence but to assist in its appreciation.

Certain properties (situate in the City of Ahmedabad) of the claimants were acquired for the purpose of a scheme known as the Kalupur Relief Road Scheme. The said properties comprised several survey numbers, and their total area was 3,254 square yards. The Land Acquisition Officer in his award gave Rs. 1,99,715 to the claimants as against their claim for Rs. 12,79,578. Being dissatisfied with the award the claimants applied for a reference to the District Court, and there they made a demand for Rs. 7,53,420. Both sides led evidence before the learned Joint Judge who heard the reference. The claimants as well as the opponent relied upon several transactions of sales and other transfers in the neighbouring locality and the learned Joint Judge divided the acquired properties into ten blocks, eight of which he valued at their market value and two at their rental value. After the parties had closed their evidence and apparently after the final speeches of the pleaders had been delivered, the learned Judge proceeded to view the property and the locality in question. Some of the pleaders accompanied the learned Judge on this expedition. The appellants were represented by their manager who also accompanied the Judge. The Judge made extensive notes of what he saw, and then delivered his judgment, and awarded Rs. 2,24,629 to the claimants.

The claimants appealed to the High Court.

Stone, C. J. :—(Extract). "I agree with the judgment about to be delivered by my learned brother Divatia. But . . . I desire to refer to two features of this appeal about which there has been much discussion . . .

It is O.XVIII, r. 18, of the Civil Procedure Code, 1908, which provides for inspection by a Judge, and the object and effect of such inspection by a Judge has been considered in a number of cases, and in the case of

Abdul Baqi vs. Fakhrul Islam [(1937) A.I.R. Pat. 333] appears this passage in the judgment of Mr. Justice Wort (p. 334) :—

"Now, the function of the learned Judge in exercising his rights of local inspection granted by the statute, i.e., under the Civil Procedure Code, is for the purpose of understanding the evidence and for no other purpose. By 'understanding the evidence' is not meant 'contradicting a witness'. A witness may make a statement which from the local inspection may appear to be untrue, but the learned Judge is not entitled to say that it is untrue from what he himself observes. The reason for granting this power of local inspection is perfectly obvious. In certain cases facts are complicated and without having the opportunity to see the subject matter of the witness's evidence it is almost impossible to understand what the witness means and it is for that purpose that the Judge is entitled to inspect the locality".

But, in my judgment, an inspection such as took place in this case can only proceed on the basis that it was made with the consent of the parties, in order that the Judge might determine and decide finally points of conflict on questions of fact appearing in the evidence already given before him. It is most significant that the evidence was closed and that there was no further argument upon it by the pleaders. There is no material before us to show that the learned Judge was wrong in any of his findings of fact, and in view of the course which these proceedings have taken and the consent of the parties to it, which even if it was not expressed must certainly be implied; it is not competent, in my judgment, for either party in this appeal to controvert or to appeal against any of the learned Judge's findings of fact.

The other feature of this case to which I desire to refer concerns the nature of the scheme itself. . . . The alignment plan produced by Government is a plan signed by the Consulting Surveyor to Government and bearing date March 17, 1923. When it is examined, it will be seen that in some cases lands and buildings abutting on the site of the proposed new street are to be compulsorily acquired and in some cases they are left, to the great advantage of the owners who will have frontage on the new street. But in the case of some of the properties abutting on the new street which are taken, the former owners are almost bound to purchase them back, if they retain their back lands and desire to make any use of them, severed as they will be from any egress or access to the new street. There is no more striking example of this than the one which is to be found in the case of the appellants, who retained a large area of land cut off from its former frontage, so that access and egress to the public highway is barred on its principal side. Although some private arrangement appears to have been made for a passage way, the appellants did in fact also buy back at the rate of Rs. 340 per square yard land which had been compulsorily taken from them at the rates of Rs. 40, 50 and 60 per square yard and which was not used by the Municipality for the purposes of the new street, footways and drains.

The scheme came before this Court in the case of *Parshottam vs. Secretary of State*, [(1937) 39 Bom. L. R. 1257], in which this Court having taken all facts into consideration held that the scheme was not *ultra vires*. That action was a representative action and the present appellants were represented, so that it is binding in this appeal; but with great respect to the learned Judges who decided it, I desire to state that I doubt if I should have come to the same conclusion had it been open to us to consider the question in this appeal.

But as a result of the construction which has thus been put upon s. 114, there has been placed in the hands of those who have the control of the inception and alteration of these schemes wide powers of a confiscatory nature. While they are apparently at the same time endowed with powers of dispensation which will greatly enhance the value of any land or building abutting upon the new street which they do not choose to take.

Looking at the lay-out of the scheme it is difficult to follow, and the learned Advocate-General has been unable to give any explanation, why some of the properties abutting upon the new street have been taken and some have been left. Especially is this so when the key to the plan is consulted and it is found that there appears to be no uniform system, so that excluding altogether lands used for religious purposes it will be found that cheap properties are acquired and expensive ones are left and that sometimes the opposite occurs.

No explanation of this has been given, and the matter is left in a somewhat unsatisfactory state. At the same time it is only fair to add that there is no evidence at all of any impropriety in this case; but in view of the construction which has up to the present been put upon sub-s. (2) of s. 114 enabling acquisitions to be made which have no continuity of plan or scheme for the construction of houses and buildings to form the new street; it is my opinion that these compulsory powers should be very carefully exercised".

Divatia, J. :—(Extract). "... It is necessary to make a few observations about the arguments urged before us as to the evidentiary value of the notes of inspection made by the Learned Judge. . . . Under O.XVIII, r. 18, of the Civil Procedure Code, the learned Judge had the power to conduct such local inspection and his notes are not only a relevant but an important piece of evidence in the case. It is true that the conclusion to which the Judge may come on such inspection cannot take the place of sworn evidence, but it is open to him to believe or disbelieve the evidence of witnesses on what he sees on inspection: *Lakmidas Khushal vs. Bhaiji Khushal*, [(1911) I.L.R. 35 Bom. 317, s.c. 13 Bom. L. R. 313]. As a general rule, his findings based on such inspection are entitled to great weight by the Court of Appeal in the same manner in which findings based on appre-

ciation of oral evidence would be. This would be particularly so when, as in the present case, the party accompanied the Judge for inspection and had an opportunity to explain his case to him. Most of the conclusions arrived at by the learned Judge on his local inspection are, in my opinion, supported by evidence. This Court will, therefore, interfere only if the learned Judge has adopted a wrong principle in arriving at the valuation of lands or has flagrantly disregarded evidence having a material bearing on the points of dispute. In my opinion, he has done neither of the two and his findings about the valuation of the different blocks must therefore be confirmed. . . .

There is one point about the local inspection made by the Judge on which I desire to make a few observations. This inspection seems to have been carried out not only after the whole of the evidence was led but after the arguments of both sides were over. It appears that the notes were shown to the pleaders of the parties and they have simply initialled them. This has an equivocal effect. It may give rise to an inference that they impliedly accepted their truth or it may mean that they initialled them merely to show that they had read them, even though they may not accept their accuracy or truth. As the arguments were over, the pleaders would have no opportunity to challenge them before the judgment was pronounced. This procedure is quite improper. It is always desirable in all cases where local inspection is necessary that the Judge should carry out the inspection at any stage before the arguments are heard, and if he conducts the inspection at the request of the parties, it should be made clear whether the parties have left the matter to be decided as he thinks proper from his inspection or that he is merely inspecting under O.XVIII, r. 18, of the Civil Procedure Code. If the Judge records his impressions or opinions in his notes of inspection the parties must have an opportunity to urge their arguments on those notes at the time when the case is generally argued before the Court. In most cases it would be desirable for the Judge to confine his notes to the facts which he observes without recording his impressions or opinions. He is entitled to form his impressions, but if he records them in the notes, the parties should have the opportunity to meet them in their arguments and he should not decide the case merely from his impressions without giving due weight to the evidence. No doubt the Court of Appeal would attach due weight to what the Judge observes in his inspection, but the purpose of local inspection is not to make it a substitute for the evidence but to assist in its appreciation. . . .

We, therefore, send an issue to the lower Court on this point. The issue will be :—

"Whether the claimants prove damage, if any, under the third and fourth clauses of S. 23 of the Land Acquisition Act; and if so, how much?"

The finding of the lower court should be returned to this Court. . . ."

(1944) 47 Bom. L.R. 96.

February 16, 1944.

Abdul Baqi v. Fakhrul Islam [(1937) A.I.R. Pat. 333], **Parshottam v. Secretary of State** [(1937) 39 Bom. L.R. 1257], and **Lakmidas Khushal v. Bhaiji Khushal** [(1911) I.L.R. 35 Bom. 317 s.c. 13 Bom. L.R. 313]—Referred to.

Maganlal Bhagwandas.....(Plaintiff—Appellant)

vs.

Ahmedabad Municipality.....(Defendant—Respondent)

The word "import" in r. 380 of the Ahmedabad Municipal Code means "to bring something within the Municipal limits from a place without its boundaries," irrespective of the consideration as to

The Ahmedabad Municipal Code, r. 380. *whether the goods were manufactured within the Municipal limits, how long they were outside those limits and for what purpose.*

Hence, if goods (manufactured within the Municipal limits) are merely carried from one place within the Municipal limits to another place within the Municipal limits, and if in doing so it is necessary to go for some distance outside the Municipal limits, the same would be said to have been imported,—within the meaning of r. 380 of the Ahmedabad Municipal Code—on their being brought again within the Municipal limits.

The plaintiff had a brick-kiln within the Municipal limits of Ahmedabad in a survey number which abutted on the limits of the Municipal area. As there was no direct access from this survey number to the Naroda Road, the plaintiff had to carry the bricks manufactured by him in his survey number to some distance outside the Municipal limits in order to join the Naroda Road in the process of taking the bricks from the factory to his place of business. When the bricks were being brought into the Municipal limits after having been taken out of those limits, the Municipal servants at the Municipal toll *naqa* levied a tax of Rs. 347 on those bricks. The plaintiff, thereupon, filed the suit to obtain a refund of the amount and for a perpetual injunction restraining the Municipality from collecting the terminal tax from him in future. The contention of the defendant Municipality was that the plaintiff's goods were liable for the payment of the terminal tax inasmuch as they were brought within the Municipal limits from outside those limits and that it made no

difference whether the goods in question were, in fact, manufactured within those limits. The learned Trial Judge was of opinion that,

"if goods were prepared and stored within Municipal limits and if they were to be conveyed from that place within Municipal limits to any other place within Municipal limits, there could not be any importing of goods, if in the act of conveying the goods it was found necessary to go for some distance outside the Municipal limits for want of a direct passage from the place where the goods were stored, within Municipal limits to the Municipal road".

He accordingly decreed the plaintiff's suit with costs except as regards the prayer for injunction.

Against that order the defendant Municipality filed an appeal. The learned Assistant Judge who heard the appeal was of opinion that the word "import" must be given its natural meaning, and the moment the goods were brought inside the Municipal limits from abroad, the goods became imported within the meaning of r. 380 of the Ahmedabad Municipal Code. He thought that the circumstance that the starting point as well as the point of finish fell within Municipal limits was no excuse for avoiding payment of the tax. In coming to this conclusion, the learned Judge referred to the case of *In re Rahimu Bhanji* [(1897) I.L.R. 22 Bom. 843] and the unreported decision of Mr. Justice Broomfield in *C. Prabhudas & Co. vs. Ahmedabad Municipality*, [(1934) C.R.A. No. 239 of 1934, decided on December 18, 1934, by Broomfield J. ((Unrep.))]. He, therefore, allowed the appeal, set aside the decree of the trial Court and dismissed the plaintiff's suit with costs throughout.

Against that order the plaintiff appealed to the High Court.

Rajadhyaksha, J.:—(Extract). ". . . The only point that has been argued before us is as to the correct meaning of the word "import" as used in r. 380 of the Ahmedabad Municipal Code. Mr. J. C. Shah argued that as the goods were manufactured within the Municipal limits and were taken out of those limits in the course of transit, they could not be said to be "imported" when they were brought in again within Municipal limits. The word has not been defined either in the Municipal Boroughs Act or in the Municipal Taxation Rules. It must, therefore, be given its ordinary meaning. According to the Oxford Dictionary, the primary meaning of the word "import" is to "bring in". According to the Chambers' Twentieth Century Dictionary, the word "import" means "to bring from abroad". The Concise Oxford Dictionary gives the meaning of the word "import" as "to bring, introduce (a thing, especially goods from foreign country)". The primary meaning, therefore, of the words "importing into an area" is "bringing in something from outside that area". It is immaterial for this purpose as to whether the goods were, in fact, manufactured within that area and whether, after being imported, they were going to be consumed

in that area. For certain purposes, such as Import Duties Acts, the word "import" may connote that the manufacture must be also outside the area, the import into which is subject to the imposition of duties. But the ordinary meaning of the word "import" has no reference to and is not qualified by any consideration of the place of manufacture or the place of consumption. It is true that in the present case the goods were merely being carried from one place within the Municipal limits to another place within the Municipal limits, and that it was necessary for doing so to go for some distance outside the Municipalities; and it may appear somewhat harsh to call upon the plaintiff to pay terminal tax when he actually took the goods within the Municipal limits. But the remedy for this is not to place a strained construction on the meaning of the word "import" but for the Municipality to frame a suitable rule permitting a refund of import duties in such cases or exempting such goods from this levy of the terminal tax. We see even greater difficulties in the way of the practical application of the rule, in giving to the word "import" the meaning which the learned counsel for the appellant has asked us to give. . . It is undoubtedly true that the administrative difficulties would be irrelevant in the matter of the construction of the word "import", and the Municipality would have to devise ways and means of getting over those difficulties if we are satisfied that the word "import" really means that no terminal tax was to be levied on goods at the time of their import within the Municipal limits if they are merely in the process of transit from the place of manufacture within the Municipal limits. As we have said there is no such limitation on the meaning of the word "import", which must be given its ordinary meaning, and if the existence of difficulties in the matter of construction of the word "import" is at all any relevant consideration, we see even greater difficulties in interpreting the rule in the way which the learned counsel for the appellant has asked us to interpret. The case such as that of the appellant must be very rare and can easily be met by the framing of a suitable rule permitting a refund after payment of the terminal tax on the plaintiff's satisfying the Municipal authorities that he was *bona fide* carrying the goods from the place of manufacture to his place of business.

Our view gains support from the case of *In re Rahimu Bhanji*, [(1897) *I.L.R.* 22 *Bom.* 843]. In that case, a rule of the Thana Municipality provided for the levy of octroi duty on certain articles when imported within the Thana Municipal limits. Certain articles apparently manufactured outside the Thana Municipal limits were merely passing through those limits in the course of transit to Bombay, and it was held that "the word 'imported' should be given its ordinary meaning, and that as soon therefore, as the goods passed within the limits of the Municipality, they were

imported, i.e., brought within those limits from a place without its boundary". In a sense that case is converse of the case we are dealing with. In that case, it was thought that the fact that the goods were not intended for consumption within the Municipal limits made no difference and that they were liable for the payment of octroi duties as soon as they were brought within the Municipal limits from a place without its boundary. In the present case, in the view we take, it is immaterial whether the goods were, in fact, manufactured within the Municipal limits so long as they went out of those limits and were again brought within those limits. We adopt in this case the same test which the Court laid down in *In re Rahimu Bhanji* [(1897) *I.L.R.* 22 *Bom.* 843], viz. whether they were brought within the Municipal limits from a place outside its boundaries. In . . . *C. Prabhudas & Co. vs. Ahmedabad Municipality* [(1934) *C.R.A.* No. 239 of 1934, decided on December 18, 1934, by Broomfield] (*Unrep.*) the goods had already paid the terminal tax when they were once brought within the Municipal limits. Thereafter they were sent to a factory outside the Municipal limits; but as the goods were not approved they were brought again within the Municipal limits. It was then contended that the goods were not liable to the payment of the terminal tax a second time. Mr. Justice Broomfield held that they were liable to the payment of the terminal tax even though they were, as in the present case, taken out of the Municipal limits and then brought back again within those limits. The test which Mr. Justice Broomfield appears to have applied was whether they were, in fact, brought from a place outside the Municipal limits into the Municipal limits irrespective of the fact that they had, in the first instance, been taken from a place within the Municipal limits to a place without its boundaries. In principle, it appears to us to make very little difference whether they were outside the Municipal limits for a few hours or for a few days.

The learned counsel for the appellant invited our attention to a decision of the Allahabad High Court in the case of *Emperor vs. Shaikh Ajmeri* [(1933) *I.L.R.* 56 *All.* 241]. In that case, the Municipal area consisted of two detached territories, and according to the Municipalities Act, octroi was payable in respect of goods and animals introduced within the octroi limits or brought within the Municipal limits. A question arose whether the animals brought from one detached area of the Municipal limits into the other Municipal area were subject to the payment of the octroi. The learned Judges held that in their opinion the significance of the words "introducing" and "brought in" was that they must be imported from outside the Municipal limits altogether, and that they were not meant to cover a case of transit where the goods were transferred from one part of the Municipality to another part within its limits. The learned Judges

were not there interpreting the word "import" as we have to in the present case and were, no doubt, influenced very largely by the fact that the Municipal limits in that case also included a detached area of Jharnanala separated by a distance of three miles from the old Municipal limits of Agra. In that case it was physically impossible for a person within one part of the Municipal area to go into the other part of the Municipal area without going outside that area for a distance of three miles. The practical difficulties in the way of adopting any other construction were so great that the learned Judges thought that the words "introducing" and "brought in" were not intended to cover a case of transit from one part of the Municipality to another part within its limits. Even so, the learned Judges realized that the interpretation they were putting on those words was bound to create practical difficulties. At page 246 they observe :—

"The Municipal Board would not know wherefrom the animals were being imported and they are entitled to demand octroi duty as soon as they enter the Municipal limits of Jharnanala. But if the accused were to establish that these animals were within the Municipal limits of Agra and the identical animals have been brought from there into the limits of Jharnanala, then no octroi duty would be leviable, because in our opinion this would not be a case of importing goods or animals from outside the Municipal limits".

It is not clear how such an inquiry was to be made at the time when the goods crossed into the limits of Jharnanala. The word "import" has been construed by the same Court in *Hardwarimal Harnathdas vs. Municipal Board, Dehra Dun* [(1940) All. 4], as meaning "bringing into" and not necessarily containing any element of pause or repose. In the case before us the practical difficulties in the way of adopting the view we take are not so great as in the case before the Allahabad Court. It is not physically impossible for the plaintiff to take the goods from the place of manufacture to the place of business without going out of the Municipal area. As we have said, the case such as that of the plaintiff must be a rare exception and the hardship can easily be met by a rule granting exemption or a refund. As we have pointed out, there are far greater difficulties in the way of adopting the construction which the learned counsel for the appellant has asked us to adopt; but even these difficulties in the way of the practical working of the rule on that interpretation would not have deterred us in accepting that interpretation if we were satisfied that that interpretation is the only reasonable one to be put on the word "import". We are of opinion that the word "import" in r. 380 of the Ahmedabad Municipal Code must be given its ordinary meaning, and that is "to bring something within the Municipal limits from a place without its boundaries", irrespective of the consideration as to whether the goods were manufactured

within the Municipal limits, how long they were outside those limits and for what purpose. . . . The appeal must, therefore, be dismissed".

(1944) 47 Bom. L.R. 100.

March 20, 1944.

In re Rahimu Bhanji [(1897) I.L.R. 22 Bom. 843], and *C. Prabhudas & Co. v. Ahmedabad Municipality* [(1934) C.R.A. No. 239 of 1934, decided on December 18, 1934, by Broomfield J. (Unrep.)]—Followed.

Emperor v. Sheikh Ajmeri [(1933) I.L.R. 56 All. 241]—Distinguished.

Hardwarimal Harnathdas v. Municipal Board, Dehra Dun [(1940) All. 4.]—Referred to.

Gurunathappa Deekappa

vs.

The Dharwar Municipality

Where a plaintiff files a suit for refund of money paid under an illegal distress and claims interest thereon, his claim for interest is for "detention of the money recovered by the Municipality". Such a suit should therefore be filed before a Judge with powers of a Small Cause Court. Under section 25 of the Provincial Small Cause Courts Act there would be a right of second appeal to the High Court, after the first appeal is decided by the lower appellate Court.

In 1913, one Mahomed Ghory executed a simple mortgage of his house in favour of Deekappa (Plaintiff) for Rs. 1,500. The mortgage was not satisfied. The plaintiff sued on the mortgage and obtained a decree. In execution he purchased the house at a Court-sale on November 24, 1933. Mahomed Ghory having died, his legal representatives offered obstruction to the plaintiff in taking possession of the house, and litigation between them was pending in Court.

The Municipal taxes in respect of the house amounting to Rs. 380-7-0 from 1927-28 to 1939-40 remained unpaid. On July 29, 1939, the Municipal Borough of Dharwar (Defendant) recovered the amount from the plaintiff by a distress warrant. In January 1940, the plaintiff sued to recover from the defendant Rs. 380-7-0 with interest. The prayer clause in the plaint was worded as follows :—

The plaintiff prays as under : That the defendant Municipality be ordered to refund the amount of Rs. 380-7-0 alleged to be due for the years 1927-28 to 1939-40 as having been illegally recovered from the plaintiff and to make good the loss of interest at the rate of one per cent per mensem from the date of the recovery, i.e., July 29, 1929, and also to pay Court costs.

The plaintiff was not bound to pay the amount demanded by the defendant Municipality, but the Municipality recovered it illegally and therefore this suit was filed for the refund of the said amount. The plaintiff will file a separate suit for damages for loss of reputation caused by the issue of the distress warrant.

The suit was heard, as a civil suit, by the Extra Joint Subordinate Judge who was not invested with powers to hear suits of small cause nature. A decree was passed in favour of the plaintiff for Rs. 178-12-0 with future interest at six per cent per annum, on the ground that the plaintiff was not liable to pay the taxes for the period anterior to November 14, 1933, the date of his purchase of the house. This decree was confirmed by the lower appellate Court. The plaintiff appealed to the High Court. This appeal was finally heard by a Full Bench.

At the hearing before the Full Bench, the respondents raised a preliminary objection that the suit being of a small cause nature and the claim being under Rs. 500 no second appeal lay under S. 102 of the Civil Procedure Code, 1908.

HELD, that where a plaintiff files a suit for refund of money paid under an illegal distress and claims interest thereon, his claim is not for compensation under cl. 35(j) of the Second Schedule of the Provincial Small Cause Courts Act (IX of 1887) but it is by way of damages for detention of the money levied, and therefore, such suit is not excepted from the cognizance of a Provincial Court of Small Causes.

Chagla, J.—(Extract) “. . .

A preliminary point has been raised on behalf of the respondent that no second appeal lies inasmuch as the subject-matter of this suit does not exceed Rs. 500 and it is a suit of a nature cognisable by the Court of Small Causes. Now looking at the frame of the suit, it is clear to my mind that what the plaintiff asks in this suit is for a refund of the amount recovered by the Municipality illegally from him, and his suit clearly falls under S. 72 of the Indian Contract Act, 1872, for return of the money paid under coercion. If the plaintiff's suit had been confined merely to the refund of this amount, no difficulty would have arisen because the suits that are excluded from the jurisdiction of the Small Causes Court are enumerated in the Second Schedule to the Provincial Small Cause Courts Act, and the only relevant article is art. 35 (j) which provides that a suit for compensation for illegal, improper or excessive distress, attachment or search, or for trespass committed in, or damage caused by, the illegal or improper execution of any distress, search or legal process is a suit which is excepted from the cognizance of a Court of Small Causes. Now to the extent that the plaintiff's suit is for refund of the amount paid by him under illegal distress, it is clearly not a suit for compensation for illegal distress or for damages caused by illegal distress, and as I said, if the plaintiff's suit had

been confined to that claim, there would have been no difficulty in deciding that that was not a suit which was excluded from the cognizance of the Small Causes Court. But the difficulty arises from the fact that in addition to the claim for refund of the distress amount the plaintiff has also asked for interest on the amount.

Now the short question that arises in this appeal is whether the plaintiff's claim for interest is a claim in the nature of compensation for illegal distress or for damage caused by illegal distress. To my mind what the plaintiff is claiming is interest on the amount which he paid to the Municipality under coercion and because he was deprived of the use of that money. It is interest claimed for wrongful detention of the money by the Municipality. If that be so, then the plaintiff's claim for interest would not fall under cl. 35 (j) of the Second Schedule to the Provincial Small Cause Courts Act, and the suit being in the nature cognizable by the Court of Small Causes and the subject-matter of the suit being under Rs. 500, no second appeal would lie. The difficulty is caused by two conflicting decisions of our Court, both decisions of a Division Bench. The first decision is reported in *Kalyan Municipality vs. Govind* [(1924) 27 Bom. L.R. 447, s. c. *Cases on Local Self-Government Acts, Bombay Series, Vol. I, Page 167*].

The other decision is also a decision of a Division Bench reported in *Jodha vs. Maganlal* [(1929) 31 Bom. L. R. 1307] . . . The question there also was whether the suit filed was or was not cognizable by the Small Causes Court; and Sir Norman Kemp, Acting Chief Justice, at p. 1309 of his judgment states :—

“We think the cause of action was not one under the Second Schedule, clause 33(j), [this is apparently a mistake for 35(j)] merely because there was a claim for interest. The interest was claimed by way of damages for detention of the money and not as compensation under cl. (j) ”.

With great respect to the learned Chief Justice Sir Norman MacLeod, (who delivered the judgment of the Court in the *Kalyan Municipality's* case), I feel that the view taken by Sir Norman Kemp is the more acceptable one. In my opinion where a plaintiff files a suit for refund of money paid under an illegal distress and claims interest thereon, his claim is not for compensation under cl. 35 (j) but it is by way of damages for detention of money recovered by the Municipality. As far as I can see, the facts in *Kalyan Municipality vs. Govind* [(1924) 27 Bom. L. R. 447] and *Jodha vs. Maganlal* [(1929) 31 Bom. L. R. 1307] were common and so are the facts in the case before us. Under those circumstances I think that the decision in *Kalyan Municipality vs. Govind* was wrongly decided, and I prefer the decision of Sir Norman Kemp in *Jodha vs. Maganlal*. That being the position it is clear that no second appeal lies under S. 102 of the Civil Procedure Code . . .

(As in *Jodha vs. Maganlal*.) I am . . . of opinion that . . . the suit should be remanded to the First Class Subordinate Judge at Dharwar who . . . is invested with Small Causes Court powers . . . ”

(1944) 47 Bom. L.R. 38.

August 8, 1944.

Jodha v. Maganlal [(1929) 31 Bom. L.R. 1307]—Approved.

Kalyan Municipality v. Govind [(1924) 27 Bom. L.R. 447]—Overruled.

Govind Ramchandra Chitale.....(Plaintiff—Appellant)

vs.

Gangadhar Mahadeo Wadekar.....(Defendants—Respondents)

A resolution passed by a Municipality to take legal advice regarding the steps to be taken for the professional misconduct of a pleader under the Bar Councils Act is the first essential step so far as the Municipality is concerned for invoking the judicial machinery of the Bar Councils Act, and is, therefore, absolutely privileged. No action therefore lies against the municipal councillors for defamation.

The plaintiff was an advocate practising at Lonavla. He had filed several cases on behalf of his clients against the Lonavla Municipality. The members of the Municipality thought that in those suits he had made certain false and vexatious statements against the Municipality to his knowledge and on March 7, 1936, they passed a resolution that in view of the fact that the Municipality had been burdened with a large number of suits, the Board considered that the defensive policy hitherto followed by the Municipality was misunderstood and was taken advantage of against the Municipality to the extent of making false and vexatious statements in Courts clearly with an intent of prejudicing the Courts against the Municipality. It was therefore resolved that action under disciplinary jurisdiction or otherwise for false and vexatious statements made by the pleader of Sakharan Piraji (i.e. the plaintiff) before the Sub-Divisional Magistrate, Western Division, Poona, in Appeal No. 1 of 1925, be taken as advised by the Municipal lawyer. The advice was that the action of the plaintiff amounted to professional misconduct. Thereupon the Municipality authorised its Chief Officer to present a petition to the High Court for taking action under disciplinary jurisdiction as provided in the Bar Councils Act, and accordingly on April 6, 1936, the Chief Officer sent a petition to the High Court. That petition was supported by the affidavit of the Chief Officer.

On October 16, 1936, the High Court informed the Chief Officer that :—

“Their Lordships are not prepared to take action against Mr. Chitale under the disciplinary jurisdiction, but they have taken suitable action.”

On April 10, 1937, the plaintiff filed a suit against the President and members of the Lonavla Borough Municipality to recover from them Rs. 11,999 as damages for defamation. The plaintiff also filed a separate suit for damages against the Chief Officer. Both these suits were dismissed on the ground that the statements made in the resolution as well as those made in the application and the affidavit were absolutely privileged.

The plaintiff appealed to the High Court.

Divatia, J.—(Extract) “... The complaint or application to the High Court must, . . . in our opinion, be regarded as an essential step for taking judicial proceedings. The law is summarized in Halsbury's Laws of England, Hailsham Edition, Vol. XX, p. 465, para 564, as follows :—

“The privilege attaches not merely to proceedings at the trial, but to proceedings which are essential steps in judicial proceedings, including statements in pleadings and communication passing between a solicitor and his client on the subject on which the client has retained the solicitor and which are relevant to the matter.”

In this connection we might usefully refer to the decision in *Lilley vs. Roney*, [(1892) 61 L.J.Q.B. 727]. . . .

A resolution passed by the Municipality to take legal advice and to take steps under the Bar Council Act against any person, if so advised, must also, in our opinion, be regarded as the first essential step so far as the Municipality is concerned for invoking the judicial machinery of the Bar Councils Act and we think therefore that if the petition is absolutely privileged, the resolution passed to take legal advice and if necessary to apply to the High Court must also be regarded as absolutely privileged. No action for defamation would therefore lie against the defendants in both the cases even if there was no justification for the statements contained therein . . . The appeals are dismissed with costs.”

(1913) 46 Bom. L.R. 417.

August 9, 1943.

Lilley v. Roney [(1892) 61 L.J.Q.B. 727]—Referred to.

Keshav Ramchandra

vs.

Municipal Borough, Jalgaon

A Judge acting at an election inquiry under s.15 of the Bombay Municipal Boroughs Act, 1925, is a persona designata, and the High Court has no jurisdiction, under s.115 of the Code of Civil Procedure (relating to revision), to correct any mistake committed by him, whether he exercises jurisdiction vested in him or

fails to exercise jurisdiction vested in him or acts with material irregularity in the exercise of his jurisdiction.

Keshav Ramchandra, a defeated candidate at an election to the Municipal Borough, Jalgaon, applied to the District Judge of East Khandesh for testing the validity of the election under S. 15 of the Bombay Municipal Boroughs Act, 1925. The Assistant Judge, Jalgaon, heard the application and dismissed the same holding that the result of the election had not been materially affected. Keshav Ramchandra then applied to the High Court under its revisional jurisdiction.

Chagla, J. :—(Extract) “ . . . This Court has no jurisdiction to correct any mistake committed by a *persona designata* whether he exercises jurisdiction not vested in him or fails to exercise jurisdiction vested in him or acts with material irregularity in the exercise of his jurisdiction. The applicant may have other remedies to get his wrongs redressed. But as far as the High Court’s revisional powers are concerned under S. 115 of the Code . . . they can only be exercised against a Court subordinate to the High Court.

My attention has been drawn to a judgment of Mr. Justice Macklin in *Hifzurraheman Ansarsaheb vs. Hasansaheb Abansaheb* [(1943) 46 Bom. L. R. 376, s. c. *Cases on Local Self-Government Acts, Bombay Series, Vol. II, p. 119*]. The learned Judge held in that case that the High Court can exercise its powers of revision in a case in which the Judge though acting as a *persona designata* goes beyond the powers given to him by the Legislature. With great respect to the learned Judge, I do not find it possible to agree with that view of law . . . There is a judgment of the Divisional Bench of this Court in *Jagmohan vs. Venkatesh* [(1932) 35 Bom. L. R. 89, s. c. *Cases on Local Self-Government Acts, Bombay Series, Vol. I, p. 267*] following *Balaji Sakharan vs. Merwanji Nowroji* [(1895) I.L.R. 21 Bom. 279] and *Gangadhar vs. Hubli Municipality* [(1925) 28 Bom. L. R. 519 s.c. *Cases on Local Self-Government Acts, Bombay Series, Vol. I, p. 171*], where Mr. Justice Murphy and Mr. Justice Nanavati held that a Judge acting under S. 15 of the Bombay Municipal Boroughs Act, 1925, is not a Court but a *persona designata*, and the High Court has therefore no jurisdiction to revise his order under S. 115 of the Civil Procedure Code. Once that principle is accepted, it makes no difference what the nature of the order made by the *persona designata* is. It is impossible to distinguish one order from another. Whether the order is without jurisdiction or in excess of jurisdiction, it is not for the High Court to correct that order.

I, therefore, discharge the rule . . .”

(1945) 47 Bom. L.R. 851.

February 22, 1945.

Hifzurraheman Ansarsaheb v. Hasansaheb Abansaheb [(1943) 46 Bom. L.R. 376, s.c. *Cases on Local Self-Government Acts, Bombay Series, vol. II p. 119.*]—Not followed.

Jagmohan v. Venkatesh [(1932) 35 Bom. L. R. 89, s. c. *Cases on Local Self-Government Acts, Bombay Series, vol. I p. 267*], *Balaji Sakharan v. Merwanji Nowroji* [(1895) I. L. R. 21 Bom. 279], and *Gangadhar v. Hubli Municipality* [(1925) 28 Bom. L. R. 519, s. c. *Cases on Local Self-Government Acts, Bombay Series, vol. I, p. 171.*—Followed.

Ahmedabad Municipality

vs.

Government of Bombay

So long as a Borough Municipality (constituted under the Bombay Municipal Boroughs Act, 1925) does not, by its rules, make itself a trustee of the provident funds of its employees, or require itself to invest the provident funds of its employees in the securities mentioned in s. 20 of the Indian Trusts Act, 1882, it is at liberty to invest the provident funds of its employees in debentures issued by it under the Local Authorities Loans Act, 1914, (which debentures are public securities under s. 3 (15) (e) of the Bombay Municipal Boroughs Act, 1925).

The Ahmedabad Municipality established a Provident Fund for the benefit of its employees in 1914. In 1929, the Government of Bombay, in exercise of the powers under S. 8 of the Provident Funds Act, 1925, applied the provisions of that Act to that fund.

The Municipality used to invest the Provident Fund in public securities including its own debentures issued by it under the Local Authorities’ Loans Act, 1914. On June 20, 1933, the Collector of Ahmedabad wrote a letter to the Municipality

* Rule 308, Ahmedabad Municipal Code.

The subscriptions of employees and contributions of the Municipality to the fund shall, every half year or oftener if necessary, be invested in public securities and the interest accruing thereon shall be placed to the credit of the Municipal accounts and the Municipality shall in return place to the credit of the subscriber’s account compound interest at the fixed rate of 3½ per cent per annum calculated on the payments of each subscriber. Such interest shall be added to the employee’s account at the end of the year, unless the employees’ account is closed before the end of the year in which case the interest due to the date of closure shall be added.

that the moneys of the Provident Fund could not be invested by the Municipality in its own debentures as they were not securities within the meaning of S. 20 (d) of the Indian Trusts Act, 1882. The President of the Municipality was, therefore, requested to take steps to dispose of the debentures and to reinvest the proceeds in public securities. Later on, Government issued a Circular (No. 216/33 of the General Department) dated February 10, 1934, that the funds accumulated in the Provident Fund established by Municipalities, being moneys held by Municipalities in trust on behalf of their employees, could not be invested in loans or debentures issued by themselves under the Local Authorities' Loans Act, 1914, as such loans or debentures were not securities within the meaning of S. 20 (d) of the Indian Trusts Act, 1882, which applied only to securities issued by the Municipalities, Port Trusts, or Improvement Trusts of the Presidency Towns and of Rangoon and Karachi. Accordingly the Ahmedabad Municipality withdrew an amount of nearly six lacs of rupees from its own debentures and invested the amount in other public securities, although it protested against the view taken by the Government. The Municipality again took up the subject and made a representation in September 1935, that the amount should be allowed to be invested in its own debentures. In view of the Circular issued by Government, the Collector declined to reconsider the matter. The Municipality then invested Rs. 500 out of the Provident Fund amount in its own debentures to make a test case and requested the Collector to refer the matter to Government. Government then reconsidered the matter and gave a reply that there was no doubt as regards the legal position and asked the Commissioner to instruct the Collector of Ahmedabad to call the attention of the Municipality to the illegality of its action in investing a nominal sum of Rs. 500 out of the Provident Fund balances in its own debentures and to ask it to remedy the action. That order was issued on October 27, 1937, and being dissatisfied with the decision of the Government, the Municipality gave a notice to the Collector and filed this suit on September 23, 1938, for a declaration that it was entitled to invest the Provident Fund of its employees in loans or debentures issued by it under the Local Authorities' Loans Act, 1914, and for an injunction restraining Government from objecting to its doing so.

The trial Court decreed the plaintiff's claim.

In appeal the learned District Judge held that the suit was time-barred and that although the Municipal debentures were public securities, yet the Municipality could not invest the amount of the Provident Fund in its own debentures both because it was against the provisions of S. 20 (d) of the Indian Trusts Act, 1882, and also because it would be illegal for the Municipality to become both a creditor and a debtor in respect of the said fund.

The Municipality appealed to the High Court.

Lokur, J. :—(Extract) "... It is urged on behalf of Government that the cause of action really accrued in 1933 when the Collector directed the Municipality to withdraw the amount of the Provident Fund from its own debentures and invest it in other public securities. The Collector's instructions in 1933 were in the nature of an advice. In his opinion the amount of the Provident Fund held by a Municipality could not be invested in its own debentures. He, therefore, requested the President to invest that amount in other public securities. He did not expressly say that it was "unlawful" to do so. In his letter he expressed an opinion that the debentures of the Ahmedabad Municipality were not public securities. Rule 308 of the Rules in the Ahmedabad Municipal Code ... authorises the Municipality to invest the subscriptions of its employees and its contributions to the fund in public securities. Under r. 2(6) of the said rules all words and expressions used are to be deemed to be used in the same sense in which they are used in the Act and according to S. 3(15) (c) of the Bombay Municipal Boroughs Act, 1925, public securities "include debentures or other securities for money issued by or on behalf of any local authority in exercise of powers conferred by an Act of a Legislature established in British India". According to this definition the expression "public securities" used in r. 308 includes the debentures issued by the Ahmedabad Municipality. But the Collector took a different view, and when he expressed his opinion to the Municipality, the Municipality, though it disagreed with that view, did withdraw all the amount of the Provident Fund from its own debentures. Therefore, there was no occasion for the Collector to issue any order, which the Municipality was bound to get set aside within one year under art. 14 of the first schedule of the Indian Limitation Act. ... Such an order was passed under instructions from Government only in 1937, and as this suit was filed within one year thereafter, it is not time-barred.

In the opinion of Government the Municipality is a trustee in respect of the amount of the Provident Fund on behalf of the subscribers to the fund and as such it cannot invest the amount in any Municipal debentures not falling within S. 20 (d) (of the Indian Trusts Act, 1882). That clause is interpreted to include only debentures issued by or on behalf of any Municipal body in any Presidency-town, or in Rangoon Town, and therefore any debenture issued by any Municipal body in the mofussil does not fall within S. 20 (d) ... We ... agree with the interpretation placed upon that clause by Government and under that clause it is not open to a trustee to invest trust-funds in debentures of a Municipal body outside a Presidency-town or Rangoon Town.

But that section has no application to the present case. Section 20 itself allows an exception where there is any direction for investment in the ins-

trument of trust. There is no instrument of trust in the case of the Provident Fund in the hands of the Ahmedabad Municipality, nor is it clear that the Municipality is a trustee in respect of that fund. In the Provident Funds Act, 1925, there is no provision that the amount of the fund should be set apart and should not be utilised by the body which established that fund . . . The employees of the Municipality allow their contributions to the Provident Fund to be deducted from their salaries and the Municipality also contributes an equal amount and agrees that when the Provident Fund of any subscriber becomes due it would be paid to him or his nominee or his successor. A separate account is maintained and the amount of each subscriber is shown as standing at his credit. Thus the Municipality becomes a debtor of the subscriber and under the provisions of r. 308 it undertakes to pay compound interest at the fixed rate of three and three-fourths per cent per annum. If the amount was a mere trust fund, the Municipality would have been bound to pay to the subscriber whatever interest it realised on that fund. But the agreement to pay a fixed rate of interest and the absence of an agreement to set apart his fund show that the Municipality is not a mere trustee in respect of that fund. But for r. 308 it could utilise the amount as it chose and was only liable to pay the amount due to the subscriber when it became payable. Thus the Municipality is acting more as a debtor than as a trustee . . . The Municipality is given liberty to utilise in any way the amount of interest until it becomes payable to the subscriber, and that amount is not required to be invested in public securities. If the Municipality was a mere trustee, it would have been necessary to invest even that amount in the securities mentioned in S. 20 of the Indian Trusts Act, 1882. But r. 308 tacitly exempts it from the application of that section. As regards the principal amount of the fund, r. 308 requires it to be invested in "public securities" and hence S. 20 of the Indian Trusts Act is not applicable to it so as to restrict the discretion given by the rule . . .

We, therefore, hold that the plaintiff Municipality is entitled to the declaration sought for and that Government should be restrained from preventing the Municipality from investing moneys of the Provident Fund in its own loans or debentures.

We set aside the decree of the lower appellate Court and restore that of the trial Court. . . ."

(1945) 47 Bom. L.R. 867.
March 8, 1945.

Ahmedabad Municipality

vs.

Mulchand

Where a borough Municipality has filed a civil suit, and is thereafter superseded under r. 38 B of the Defence of India Rules, 1939, and an administrator is appointed by the Provincial Government, such administrator is entitled to continue such civil suit. The Government of the Province is not a necessary party thereto.

The Ahmedabad Municipality had filed a civil suit for damages against its contractor Mulchand, in the Court of the Registrar of the Small Causes Court, Ahmedabad. During the pendency of that suit the Government of Bombay in exercise of its powers under sub-r. (1) of r. 38B of the Defence of India Rules, 1939, issued a notification superseding the Ahmedabad Municipality, and appointing the Collector of Ahmedabad to exercise all the powers and duties of the Municipality under cl. (b) of sub-r. (2). A few days later, Mr. Whitworth was appointed as the Administrator of the Municipality under that clause. Mr. Whitworth applied to the Court to be joined as plaintiff No. 2, but on the defendant's objection the Court held that the Government of Bombay was a necessary party, and refused to proceed with the suit until the Government of Bombay was added as a defendant.

The plaintiffs then applied to the High Court in revision.

Lokur, J.—(Extract) ". . . Section 204, sub-s. (1) empowers a borough Municipality to file a suit and to compound or compromise a suit instituted by or against it. Sub-s. (4) of that section renders Municipal fund liable to pay the expenses of any civil proceeding prosecuted or defended on its behalf. The powers and duties conferred upon the Administrator of a superseded Borough Municipality under sub-r. (2) (b) of r. 38B of the Defence of India Rules, 1939, include the powers and duties of the Municipality to institute and defend suits under S. 204 of the Bombay Municipal Boroughs Act, 1925. It is, therefore, clear that the Administrator has the right to continue the suit instituted by the Municipality prior to its supersession. As pointed out in *Mahamahopadhyaya Rangachariar vs. The Municipal Council of Kumbakonam* [(1906) I.L.R. 29 Mad. 539] a supersession has not the effect of a dissolution, and when the Municipality is reconstituted in pursuance of an order under cl. (b) or (c) of sub-r. (3) of r. 38B, it is a revival of the old corporation and not the creation of a new one, and as pointed out by the Federal Court in *Lahore Municipality vs. Daulat Ram*, [(1942)

A.I.R.F.C. 14] during the period when the order of supersession is in force, the statute makes it clear that all the members of the Committee vacate their seats and that all the powers and duties of the Committee are to be exercised and performed by the Administrator. It was held in that case that the person competent to take the proceedings was the Administrator. He, therefore, sufficiently represents the superseded Municipality and any liability arising out of a proceeding to which he is a party will have to be met out of the Municipal fund. That fund is created under S. 65 of the Act and it is to be held and applied by the Municipality as a trustee, subject to the provision and for the purpose of the Act. Hence even after it has vested in the Government of Bombay, it shall be liable to pay the expenses of any civil proceeding prosecuted or defended by the Administrator although the Government may not be a party to the proceeding.

We, therefore, hold that the Government of Bombay is not a necessary party to a suit filed or continued by the Administrator of a superseded Municipality. We . . . order the Lower Court to proceed with the suit without requiring the plaintiffs to join the Government of Bombay as a defendant. . . .”

(1945) 47 Bom. L.R. 876.
April 3, 1945.

Mahamahopadhyaya Rangachariar v. The Municipal Council of Kumbakonam [(1906) I.L.R. 29 Mad. 539] and **Lahore Municipality v. Daulat Ram** [(1942) A.I.R.F.C. 14.]—Referred to.

THE BOMBAY VILLAGE PANCHAYATS ACT, 1933, AND RULES THEREUNDER

By CHUNILAL D. BARFIVALA, M.A., LL.B.

(Continued from Vol. XVI, No. 1 of July 1945)

immediate internal communication, is part of the house within the meaning of this section. [S. 445]

Illustrations of house-breaking.

In each of the following cases, A commits the offence of house-breaking :—

- (a) A commits house-trespass by making a hole through the wall of Z's house, and putting his hand through the aperture.
 - (b) A commits house-trespass by creeping into a ship at a port-hole between decks.
 - (c) A commits house-trespass by entering Z's house through a window.
 - (d) A commits house-trespass by entering Z's house through the door, having opened a door which was fastened.
 - (e) A commits house-trespass by entering Z's house through the door, having lifted a latch by putting a wire through a hole in the door.
 - (f) A finds the key of Z's house-door, which Z had lost, and commits house-trespass by entering Z's house, having opened the door with that key.
 - (g) Z is standing in his door-way. A forces a passage by knocking Z down, and commits house-trespass by entering the house.
 - (h) Z, the door-keeper of Y, is standing in Y's door-way. A commits house-trespass by entering the house, having deterred Z from opposing him by threatening to beat him.]
- (6) Lurking house-trespass or house-breaking in order to commit offence punishable with imprisonment. [S. 454]
 - (7) Lurking house-trespass or house-breaking after preparation for hurt, assault or wrongful restraint. [S. 455]
 - (8) *Lurking house-trespass or house-trespass by night.* [S. 456]
- [' *Lurking house-trespass by night* '.
Whoever commits lurking house-trespass after sunset and before sunrise, is said to commit 'lurking house-trespass by night'. [S. 444]
- ' *House-breaking by night* '.
Whoever commits house-breaking after sunset and before sunrise, is said to commit 'house-breaking by night'. [S. 446]
- (9) Lurking house-trespass or house-breaking by night in order to commit offence punishable with imprisonment. [S. 457]
 - (10) Lurking house-trespass or house-breaking by night after preparation for hurt, assault, or wrongful restraint. [S. 458]

- (e) Dishonestly breaking open or unfastening any closed receptacle containing or supposed to contain property.

Section.

"Whoever—

dishonestly, or
with intent to commit
mischief,

} breaks open, or
unfastens— }

any closed receptacle } contains, }
which, } or } property —
 } he believes }
 } to contain. }

"shall be punished....."

[S. 461, I.P.C.]

Technical words.

'dishonestly'. See A, (c), *supra*.

'mischief'. See E, (b), *supra*.

For a conviction under this section it must be proved that—

- (1) the receptacle was closed or fastened;
- (2) the receptacle contained property, or the accused believed that the receptacle contained property;
- (3) the accused broke or unfastened the receptacle;
- (4) the accused did so dishonestly, or with intent to commit mischief.

Note:—When this offence is committed by person entrusted with custody of the receptacle, the offence becomes punishable under S. 462 of the Indian Penal Code. A Village Bench has no jurisdiction to take cognizance of or try an offence under S. 462 of the Indian Penal Code.

(f) *Offence of criminal insult.*

- (a) Intentional insult, with intent to provoke a breach of the peace. [S. 504, I.P.C.]

Section.

"Whoever—intentionally—insults and thereby gives provocation to any person, intending or knowing it to be likely that such provocation will cause him to break the public peace, or commit any other offence, shall be punished...",
[S. 504, I.P.C.]

Technical words.

'Offence'. See A, (h), *supra*.

For a conviction under this section it must be proved that—

- (1) the accused insulted some person;
- (2) the accused did so intentionally;
- (3) the accused thereby gave provocation to that person;

- (4) the accused { intended,
or
knew that it
was likely, } that such provocation
would cause that person
to break the public peace,
or to commit any other
offence.

Illustration.

A Police constable asked the complainant not to create any disturbance on a public road. Upon the complainant's declining to do so, he demanded his name and address, which were not given. The constable thereupon called the complainant *soowar*, and arrested and dragged him to the *Police Chowkey* and detained him there till his name and address were ascertained. It was held that the constable was rightly convicted of an offence under this section. (*Goolab Rasul*, (1903) 5 Bom. L. R. 597).

IV (2). Offences arising under the Cattle-trespass Act.

- (a) Forcibly opposing the seizure of cattle or rescuing same. [S. 24, Cattle-trespass Act]

Section.

“Whoever forcibly opposes the seizure of *cattle liable to be seized under this (i.e. the Cattle Trespass Act, 1 of 1871)* Act, and whoever rescues the same after seizure, either from a pound or from any person taking or about to take them to a pound, such person being near at hand and acting under the powers conferred by this Act (i.e. the Cattle Trespass Act, 1 of 1871), shall, on conviction before a Magistrate, be punished...”. [S. 24, Cattle-trespass Act]

Notes.

'Cattle liable to be seized under the Cattle-trespass Act'.

See Sections 10 and 11 of the Cattle-trespass Act.

- (1) S. 10 of the Cattle-trespass Act.

"CATTLE DAMAGING LAND.—The cultivator or occupier of any land, or any person who has advanced cash for the cultivation of the crop or produce on any land, or the vendor or mortgagee of such crop or produce or any part thereof, may seize or cause to be seized any cattle trespassing on such land, and doing damage thereto or to any crop or produce thereon, and send them or cause them to be sent within twenty-four hours to the pound established for the village in which the land is situate.

All Officers of Police shall, when required, aid in preventing (a) resistance to such seizures, and (b) rescues from persons making such seizures."

- (2) *S. 11 of the Cattle-trespass Act.*

"CATTLE DAMAGING PUBLIC ROADS, CANALS AND EMBANKMENTS.—Persons in charge of public roads, pleasure-grounds, plantations, canals, drainage works, embankments and the like and officers of police, may seize or cause to be seized any cattle doing

damage to such roads, grounds, plantations, canals, drainage-works, embankments and the like or the sides or slopes of such roads, canals, drainage-works or embankments or found straying thereon, and shall send them or cause them to be sent within twenty-four hours to the nearest pound."

'Cattle'—includes also elephants, camels, buffaloes, horses, mares, geldings, ponies, colts, fillies, mules, asses, pigs, rams, ewes, sheep, lambs, goats and kids.

'Officer of Police'—includes also village-watchman.
[S. 3, Cattle-trespass Act]

IV (3). Offences being breaches of by-laws made punishable under the Act.

See 'By-laws', Part I of this work, Chapter VI, *supra*.

V. Return of complaints and bar of jurisdiction of Courts in such cases.

- (1) Any Magistrate receiving a complaint of facts constituting any such offence shall return the complaint for presentation to the proper Village Bench unless reason to the contrary is shown to the satisfaction of such Magistrate. [Sec. 56.]

- (2) (i) Notwithstanding anything contained in any law for the time being in force, and
(ii) subject to (i) above,
- no Court shall take cognizance of any such offence unless and until the District Magistrate has passed a written order—either
- (i) on a reference made by a Village Bench, (under S. 77);
- or
- (ii) (a) quashing the proceedings of,
- or
- (b) cancelling any order passed by,
- a Village Bench. [Sec. 57.]

VI. Institution of, and procedure in, a case before a Village Bench.

1. Application.

- A. Any person wishing to institute a case under the Act before a Village Bench shall—

(a) within 1 month from the date on which the offence was committed, [S. 53]

(b) make an application, (orally or in writing,) and
(c) pay the prescribed fees in cash,

TO

the Chairman of the Village Bench,

or

a member of the Village Bench appointed by the Chairman, if the Chairman is absent from the village, [S. 59]

— { of the village in which the offence was committed. [S. 55]

[Ss. 55, 59, 53(2)]

Notes:—

- (1) Period of limitation.—1 month from the date on which the offence was committed. [S. 53(2)]

The case must be instituted within the period mentioned in (a) above. If the case is not so instituted within the period aforesaid, no Village Bench shall take cognizance of such case, after the expiry of the said period, but in that case, the complainant will be left to his recourse in an ordinary Court of law. The reason is that the section is mandatory in terms. [S. 53(2)]

- (2) Prescribed fees.

The prescribed fees on the institution of a case:—

(a) Any case instituted—		Rs. as.
(i) on behalf of the panchayat,	in respect of	nil
	(1) any offence,	
(ii) by a public servant in his official capacity,	or	(2) a breach of any by-law.
	(2) a breach of any by-law.	
(b) Any other case	...	0—8

(Rule 17)

Receipt for the prescribed fees.

Receipt in the form ap- { the Chairman, } receiving the
proved by the Village { or } prescribed
Bench shall be given by { the member of the } fees, under
Village Bench, { his signature. }
(Rule 20)

B. Recording the substance of the application in the Register of cases.

The substance of the application shall be recorded in the Register of cases, in the same manner as in the case of suits. [S. 60]

The complainant shall, then, be informed of the time and place of the next sitting of the Village Bench, when the application will be considered by the Village Bench. [S. 61]

2. Issue of summons to the accused.—After hearing the application, the Village Bench shall—

- (a) cause to be served { to attend, }
on the accused a { and }
written summons { to produce }
requiring him, { his evidence, }
AND
(b) direct the { to attend, and }
complainant, { to produce his }
evidence, { }
at the time and place stated in the summons.

[S. 62]

The Village Bench may for reasons to be recorded—

- | | | |
|--------------------------------|---|---|
| after | } | refuse to issue a summons, and dismiss the application. [S. 62] |
| (a) hearing the application, | | |
| and | | |
| (b) examining the complainant, | | |

Notes:—

(1) Form of summons to the accused.

- (i) The summons shall be in the form prescribed by rules made under S. 108 (1-j) of the Act. For form of summons to the accused, see Appendix to Chapter II (3), *supra*.
- (ii) The summons shall be in duplicate.
- (iii) The summons shall be signed by the Chairman. [S. 64]

(2) Process fees for a summons. (Same as in the case of suits. See pp. 30, 31, *supra*.)

3. Service of summons upon the accused.

A. Service within the village.

(1) Who is to serve the summons?

Ordinarily, the summons shall be caused to be served by the Patel or village-headman. But if there are two patels in a village, and one of them is a Revenue Patel, and the other a Police Patel, the summons in a case shall ordinarily be served by the Police Patel. A Village Bench may, however, cause the summons to be served through any other person. [S. 63]

Note:—If a village officer is employed to serve a summons, the prescribed process fees shall be paid to such officer. (Rule 21)

(2) How and on whom shall a summons be served?

- (a) As far as possible, the summons shall be served on the accused personally. In token of such service, the signature or thumb impression of the accused shall be taken on the summons.

- | | | |
|--|---|---|
| (b) (i) If the accused cannot be found, and | } | the Village Bench may order service to be made— |
| (ii) the Village Bench is satisfied that | | |
| (1) the accused is evading service, | } | (i) on an adult male member of the accused's family, residing with him, or |
| (2) the accused refuses to take the summons, | | |
| | | (ii) by affixing a copy of the summons on some conspicuous part of the house in which the accused ordinarily resides. [Sec. 64] |

B. Service outside the village

If, at the time of the issue of the summons, the accused is outside the village of the panchayat, the Village Bench may forward the summons to—

- | | | |
|---|---|--|
| (i) the Collector, or | } | who shall cause the summons to be served as if it were summons from his own Court. [Sec. 65] |
| (ii) any officer, (not below the rank of a mamlatdar), authorised by the Collector or in that behalf, | | |

4. Issue of summons to witnesses. (Same as in the case of suits. See pp. 31 to 34, *supra*.)

5. Hearing of Cases.

(1) Members interested not to sit on Village Bench.

- (a) No member of the Village Bench, who is:—

- | | | |
|---------------------|---|--|
| (i) a party to, | } | any case,— |
| or | | |
| (ii) interested in, | | —shall sit on the Village Bench, while it is trying such case. |

- (b) Any dispute as to whether or not, a member of the Village Bench is—

- | | | | | | | |
|---------------------|---|---|---|---|---|---|
| (i) a party to, | } | any case before the Village Bench, —shall be decided by | } | the Collector, or any officer authorised by the Collector in that behalf, | } | on the written application of a party to such case. |
| or | | | | | | |
| (ii) interested in, | | | | | | |

Such decision shall be final.

[Sec. 50]

(2) Appearance of the parties.

- (a) The parties to the case will appear before the Village Bench at the time, place and date, fixed for the hearing of the case.

- (b) Legal practitioners shall not be permitted to appear on behalf of any party to a case before a Village Bench.

- (1)
- | | | |
|---------------------|---|---|
| (i) Any pleader, or | } | shall not be permitted to appear on behalf of any party to a case before a Village Bench. |
| (ii) Vakil, or | | |
| (iii) Mukhtyar, or | | |
| (iv) Advocate, or | | |
| (v) Attorney, | | |

- (2) Any party to any such suit, may, however, be permitted—on showing reasonable cause—to the satisfaction of the Village Bench—to employ to appear—

- (i) conjointly with such party, or
- (ii) in lieu of such party—with a written authority (defining the power of such authority) from such person—
- any { (1) relation,
(2) servant,
(3) dependant,
or
(4) friend, }
- who { is not,
and
has not
been
previously, } a pleader, or
a Vakil, or
a Mukhtyar, or
an Advocate, or
an Attorney, } of a High Court.
- [S. 68]

(c) Absence of parties.

- (1) The Village Bench may hear and decide a case,
- { if the complainant fails to appear after having been informed of—
- the time and place { of the hearing of the case. [S. 72 (1)]
- { in the absence of the accused, if summons has been properly served upon him, or if he has been informed of (the time and place) of the hearing of the case;
- { but the Village Bench shall not pass any sentence on the accused unless } he has appeared before the Village Bench, and his statement has been recorded in the Register of cases. [S. 72 (2)]

(d) Compelling the accused to attend the hearing:

- If—
- (i) after the service of summons upon him,
- (ii) the accused fails to appear { either in person, or by a representative, }
- the Village Bench may apply to— { the District Magistrate, or any officer authorised by the District Magistrate, (such officer not below the rank of II Class Magistrate,) }
- { who shall compel the accused to appear, (—as if he were the Court trying the case—) } either in person, or by a representative, before the Village Bench, which shall forthwith take the statement of the accused.

After such a statement, the attendance of the accused at the hearing shall not be compulsory. [S. 72 (3) and (4)]

(3) Hearing.

The provisions in respect of—

- (i) the hearing of a suit,
- (ii) the recording of evidence in a suit, and
- (iii) the adjournments in a suit,
- apply mutatis mutandis in respect of { (i) the hearing of a case,
(ii) the recording of evidence in a case, and
(iii) the adjournments in a case, respectively. }

(See pp. 36, 37, *supra*.)

[Ss. 69, 71; Rules 13, 14, 15]

6. Decision.

After the hearing, the Village Bench shall give its decision in the case.

Such decision shall be:—

- (a) in accordance with the opinion of the majority of the members present at the sitting;
- (In case of equality of votes, the member presiding at the sitting, has a second or casting vote.) [S. 70]
- (b) recorded in the Register of cases—together with the reasons for it, i. e. for such decision;
- (The members giving the decision, and the members disagreeing, shall then sign the Register of cases. The Chairman shall also sign the Register of cases.)
- (c) communicated to the parties present at the hearing. (Signatures or thumb-impressions of such parties shall then be taken on the Register of cases.) (Rule 16)

N.B.—No sentence can be passed by a Village Bench, on any accused in a case—in his absence—unless

{ he has appeared before the Village Bench, } either in person, or
by a representative,
and
his statement has been recorded by the Village Bench in the Register of cases. [Sec. 72 (2)]

7. Penalties.

- (1) A Village Bench shall not inflict—
(a) any sentence of imprisonment, { whether substantive, or in default of fine. [Sec. 45 (2)]
(b) any sentence of whipping.
- (2) Following are the **maximum penalties** which may be inflicted by a Village Bench, for the offences cognizable by it:—

Heads.	Normally. (S. 45)	when empowered by the Provincial Government (by notification in the Official Gazette.) [Sec. 46]
(a) Under the Indian Penal Code.	Fine { not exceeding Rs. 10, or double the amount of the loss, or damage caused,—upto Rs. 20.	Fine { not exceeding Rs. 20, or double the amount of loss or damage caused,—whichever is greater.
(b) Under S. 24 of the Cattle-Trespass Act,	Fine not exceeding Rs. 5.	Fine not exceeding Rs. 10.
(c) For a breach of a by-law punishable under the Act.	Fine { not exceeding Rs. 10, or at the rate of Re. 1 a day for a continuing breach, as provided in Sec. 109 (3) of the Act.	

(3) Youthful offenders.

Instead of passing any sentence, a Village Bench may discharge after due admonition a youthful offender, who in its opinion is below 16 years of age, at the date of the conviction of the offence. [S. 49]

- (4) A conviction by a Village Bench under the Act shall not be deemed to be a *previous conviction* for the purposes of S. 75 of the Indian Penal Code. [S. 44]

8. Compensation to parties.

A Village Bench may, { direct—while inflicting any fine—that the whole or any portion of the fine recovered shall be applied— } towards defraying the proper expenses of the complainant in the case; or
in compensating the complainant for any material loss or damage caused to him, by reason of the commission of the offence. [S. 47]

order the complainant to pay compensation to the accused, (not exceeding Rs. 5),—if satisfied after enquiry that the case is—
(i) false, (ii) frivolous, or (iii) vexatious. [S. 48]

[Ss. 47, 48]

Any money which has been so ordered to be paid as expenses or compensation shall be paid by the Village Bench out of the amounts realised (in the case) under Ss. 45 and 46. (i.e. out of the amounts of the fines.) [S. 86]

9. Compounding a case.

A Village Bench may permit any case to be compounded; where, however, it does not permit a case to be compounded, it shall record its reasons in writing. [S. 73 (2)]

VII. Payment and recovery of fines and compensation.

(a) Payment.

- (1) Every sum of fine or compensation shall be payable at once. Village Bench may however give time (not exceeding 15 days) on such terms (as to security) as to it may seem necessary. [S. 84 (1)]
- (2) The amount on account of fine or compensation shall be paid to—
(i) the Chairman, (or, in his absence from the village)—
(ii) the member of the Village Bench appointed under S. 59, or
(iii) the Secretary of the Panchayat, } who shall give receipt therefor, in the general receipt form. [Rule 23]

- (3) **Receipt.** When any amount is paid to any person under an order of the Village Bench, such person shall give a receipt (in the form approved by the Village Bench) for such amount. [Rule 23]

(b) Recovery.

If fine or compensation is *not paid within such time*, the Village Bench shall *recover* the same:—

- (i) *by distraint and sale of the defaulter's moveable property*; [S. 84 (2)]; and *failing that*,
- (ii) *through the Collector*. [S. 84 (3)]

(i) By distraint and sale of the defaulter's moveable property—if the amount of fine or compensation remains unpaid for 15 days from the date of the order.

[S. 84 (2)]

(ii) Through the Collector—if the amount of fine or compensation is not fully recovered. [S. 84 (3)]

Procedure. The Village Bench shall certify such fact, (i.e. that the amount of fine or compensation is not fully recovered), to the Collector—within 1 year from the date when such amount became recoverable. (If delay is made, the Collector will not proceed.) The Collector shall then proceed to recover the same as if it were arrears of land revenue, and on recovery remit the amount to the Village Bench.

[S. 84 (3)]

(c) Recording the realisation of fine or compensation.

On realisation of the amount of fine or compensation—directly or through the Collector—the same shall be entered in the Register of cases. [S. 85]

(d) Power of the District Local Board to apply to the Collector.

- (1) If the panchayat *neglects* to take the aforesaid action for the recovery of fine or compensation, the District Local Board may apply to the Collector to recover the same as an arrear of land revenue.
- (2) Such application must be made *within 2 years from the date on which the amount of fine or compensation became certifiable, under S. 84 (3)*; otherwise the Collector will not act on it.
- (3) The Collector, then, shall—
 - (i) hold such inquiry as he thinks fit, and
 - (ii) proceed to recover such amount as an arrear of land revenue, (unless the amount is directed by him—under S. 92—to be written off). [S. 91 (6)]

N.B.—The Collector may direct any sum, certified by a panchayat and recoverable by him under Ss. 84 and 91 (6), to be written off, if, in his opinion, such sum is irrecoverable. [S. 92]

VI. Finality of orders of a Village Bench.

In respect of cases, a Village Bench *cannot*—

- (i) *alter*, or
- (ii) *revise*, or
- (iii) *cancel*,

} its order.

[S. 75 (1)]

VII. Reference by a Village Bench to the District Magistrate.

- (1) If, in the opinion of a Village Bench, any case before it is—
 - (i) of such a *nature*, or
 - (ii) of such *intricacy*, or
 - (iii) of such *importance*,
 that it ought to be tried by a Court,—
it shall—
 - (i) *stay* proceedings, and
 - (ii) *refer* the case to the District Magistrate for orders. [S. 77 (1)]
- (2) *If the District Magistrate agrees with the opinion of the Village Bench* he shall pass orders, directing the complainant to the competent criminal Court. [S. 77 (2)]
- (3) *If the District Magistrate does not agree with the opinion of the Village Bench*, he shall *return the case to the Village Bench for disposal*. [S. 77 (3)]

VIII. Transfer of Cases.

The District Magistrate may—

- (i) *on the application of an* } transfer, at any time, (by a written aggrieved party, or } order,) any case *to a competent*
 - (ii) *otherwise*, } *criminal Court*. [S. 87A (1)]
- Such criminal Court shall hear such case *anew*. [S. 87 (2)]

IX. Appeals.

An appeal shall lie to the *District Magistrate* against an order made by a Village Bench in any case. [S. 78 (1)]
Such appeal shall be filed *within 30 days, from the date of the order*. [S. 78 (2)]

X. Power of the District Magistrate to quash proceedings.

In any case, the District Magistrate *may quash* any proceedings of a Village Bench, *at any stage, at any time*—(by a written order,)—*on*—

- (i) *an application of an aggrieved party, or otherwise, or*
- (ii) *on a reference made by the Village Bench, under S. 77*. [S. 87(1)]

Effects of such order.

Proceedings in respect of the *same* offence may be instituted in the Court of a Magistrate, having jurisdiction. [S. 87 (3)]

XI. Finality of orders of the District Magistrate.

Every *order* passed by a District Magistrate—

- | | | |
|---|--|--|
| (i) on a reference by a Village Bench, under S. 77, | } shall be <i>final</i> , and shall not be subject to— | |
| (ii) in an <i>appeal</i> , under S. 78, | | |
| (iii) under S. 87, or | | |
| (iv) on an <i>application for transfer</i> of a case, | | |
| | | (i) <i>appeal</i> ,
(ii) <i>revision</i> , or
(iii) <i>review</i> .
[S. 79] |

XII. Miscellaneous.

(1) Procedure in proceedings before the District Magistrate.

- | | | | |
|--|------------------------------|--|-------|
| (i) Subject to the provisions of the Act, | } District Magistrates shall | } { have the same powers as they have, and follow the same procedure as they follow, } | } in— |
| (ii) in regard to all proceedings under the Act, | | | |

—regard to proceedings in connection with orders of subordinate Courts, in their ordinary jurisdiction.

[Sec. 87B]

(2) Delegation of powers.

Subject to the rules made in this behalf, the *District Magistrate* may delegate his powers in regard to cases under the Act to a *1st Class Magistrate*—exercising *appellate jurisdiction* under S. 407 of the *Code of Criminal Procedure*—having jurisdiction over the village concerned.

[Sec. 112 (5)]

(3) Saving of pending proceedings.

Nothing in the Act shall affect—

- (i) any case (in respect of an offence cognizable by a Village Bench empowered under S. 37 of the Act,) which is *pending* in any Court,

and

- (ii) all proceedings { arising from, and incidental to, } such case.

Every such case or proceeding shall be tried, heard and determined by—

- | | |
|---|--------------------------------------|
| (i) the Court in which it is pending, | } as if the Act had not been passed. |
| or | |
| (ii) any other Court having jurisdiction, | |

(4) Non-application of Sections 14, 15 and 16 of the Bombay Village Police Act, 1867.

Sections 14, 15 and 16 of the Bombay Village Police Act, 1867, shall not apply to any village in which a Village Bench is constituted.

[Sec. 58]

Sections 14, 15 and 16 of the Bombay Village Police Act, 1867:—

- S. 14. This section authorises a *Police Patel* to try and to punish any person charged with committing (within the limits of the village,) *petty assault or abuse*.

S. 15. This section makes it lawful—

- (i) for the Magistrate of a District to issue a commission to a Police Patel (empowering him) to try certain offenders;
- (ii) for the Police Patel to punish any person convicted before him.

S. 16. This section authorises a Police Patel [when and so long as he is empowered under S. 15(1),] to prohibit, and to punish for—

- (i) beating, ill-treating or torturing animals;
- (ii) bathing, washing in, or defiling well, tank, reservoir, etc.;
- (iii) depositing dirt, etc.;
- (iv) committing nuisance, etc.;
- (v) accumulating offensive matter in cess pools, etc.;
- (vi) allowing offensive matter to issue on thoroughfare;
- (vii) depositing dead bodies so as to corrupt water for drinking.

The result is, that in every village in which a Village Bench is constituted under the Act, the Police Patel of the village shall neither have, nor be empowered with, any of the above powers. [Sec. 58]

APPENDIX TO PART II.

SOME IMPORTANT RULES OF EVIDENCE AND PROCEDURE.

1. Some important rules of evidence.

(A) Certain Terms.

(i) 'Proved'.

A fact is said to be proved,

when *after considering* the matters before it, the Court either, *believes it to exist,*

or, *considers its existence so probable that a prudent man ought, under the circumstances of the particular case, to act upon the supposition that it exists.*

(ii) 'Disproved'.

A fact is said to be disproved,

when *after considering* the matters before it, the Court either, *believes that it does not exist,*

or, *considers its non-existence so probable that a prudent man ought, under the circumstances of the particular case, to act upon the supposition that it does not exist.*

(iii) 'Not proved'.

A fact is said to be not proved,

when it is *neither proved, nor disproved.*

(S. 3, Indian Evidence Act)

(iv) 'Conclusive proof'.

When one fact is declared by the Indian Evidence Act to be conclusive proof of another, the Court shall, on proof of the one fact, regard the other as proved, and shall not allow evidence to be given for the purpose of disproving it.

Note:—In this part, the following words are used in the following senses, unless a contrary intention appears from the context:—

- (1) **'Court'** includes all *Judges and Magistrates, and all persons except arbitrators, legally authorised to take evidence.*
- (2) **'Fact'** means and includes—
 - (a) *any thing, state of things, or relation of things, capable of being perceived by the senses.*
 - (b) *any mental condition of which any person is conscious.*

Illustrations:—

- (a) That there are certain objects arranged in a certain order in a certain place, is a fact.
 - (b) That a man heard or saw something is a fact.
 - (c) That a man said certain words, is a fact.
 - (d) That a man holds a certain opinion, has a certain intention, acts in good faith or fraudulently, or uses a particular word in a particular sense, or is or was at a specified time conscious of a particular sensation, is a fact.
 - (e) That a man has a certain reputation, is a fact.
- (3) **'Document'** means any matter expressed or described upon any substance by means of letters, figures or marks, or by more than one of those means, intended to be used, or which may be used, for the purpose of recording that matter.

Illustrations:—

- (a) A writing is a document.
 - (b) Words printed, lithographed or photographed are documents.
 - (c) A map or a plan is a document.
 - (d) An inscription on a metal plate or stone is a document.
 - (e) A caricature is a document.
- (4) **'Evidence'** means and includes—

- (a) all statements which the Court

{	permits, or requires,	to be made before it by witnesses in relation to matters of fact under inquiry;
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such statements are called oral evidence.

- (b) all documents produced for the inspection of the Court; *such documents are called documentary evidence.* (S. 3, Indian Evidence Act)

(B) Proof of Facts.—General principles.

- (1) No fact of which the Court will take judicial notice need be proved. (S. 56, Indian Evidence Act)
(As to the facts of which the Court must take judicial notice, see S. 57 of the Indian Evidence Act).
- (2) Facts admitted or agreed to be admitted by the parties in any proceeding need not be proved; the Court may, however, in its discretion require the facts admitted to be proved otherwise than by such admissions. (S. 58, Indian Evidence Act)
- (3) All facts, except the contents of documents, may be proved by oral evidence. Such oral evidence must, in all cases whatever, be direct; that is to say—
 - if it refers to a fact which could be seen, it must be the evidence of a witness who says he saw it;
 - if it refers to a fact which could be heard, it must be the evidence of a witness who says he heard it;
 - if it refers to a fact which could be perceived by any other sense or in any other manner, it must be the evidence of a witness who says he perceived it by that sense or in that manner;
 - if it refers to an opinion or to the grounds on which that opinion is held, it must be the evidence of the person who holds that opinion on those grounds;
 Provided that the opinions of experts expressed in any treatise commonly offered for sale, and the grounds on which such opinions are held, may be proved by the production of such treatises, if the author is dead or cannot be found, or has become incapable of giving evidence, or cannot be called as a witness without an amount of delay or expense which the Court regards as unreasonable;

Provided also that, if oral evidence refers to the existence or condition of any material thing other than a document, the Court may, if it thinks fit, require the production of such material thing for its inspection.

[Ss. 59 and 60, Indian Evidence Act]

- (4) The contents of documents may be proved either by primary or by secondary evidence. [Sec. 61, Indian Evidence Act]
(As to the meaning of the words 'primary' or 'secondary' evidence, see sections 62 and 63 of the Indian Evidence Act.)

(C) Admissions and Confessions.

Please see sections 17 to 31 of the Indian Evidence Act.

(D) Burden of Proof.—General principles.

- (1) Whoever desires any Court to give judgment as to any legal right or liability dependent on the existence of facts which he asserts, must prove that those facts exist. When a person is bound to prove the existence of any fact, it is said that the burden of proof lies on that person.

[Sec. 101, Indian Evidence Act]

Illustrations:—

- (a) A desires a Court to give judgment that B shall be punished for a crime which A says B has committed. A must prove that B has committed the crime.
 - (b) A desires a Court to give judgment that he is entitled to certain land in the possession of B, by reason of facts which he asserts, and which B denies to be true. A must prove the existence of those facts.
- (2) The burden of proof in a suit or proceeding lies on that person who would fail if no evidence at all were given on either side. [Sec. 102, Indian Evidence Act]

Illustrations:—

- (a) A sues B for land of which B is in possession, and which, as A asserts, was left to A by the will of C, B's father. If no evidence were given on either side, B would be entitled to retain his possession. Therefore, the burden of proof is on A.
 - (b) A sues B for money due on a bond. The execution of the bond is admitted, but B says it was obtained by fraud, which A denies. If no evidence is given on either side, A would succeed as the bond is not disputed and the fraud is not proved. Therefore, the burden of proof is on B.
- (3) The burden of proof as to any particular fact lies on that person who wishes the Court to believe in its existence, unless it is provided by any law that the proof of that fact shall lie on any particular person. [Sec. 103, Indian Evidence Act]

Illustrations:—

- A prosecutes B for theft, and wishes that Court to believe that B admitted the theft to C. A must prove the admission.
- B wishes the Court to believe that, at the time in question, he was elsewhere. He must prove it.
- (4) The burden of proving any fact necessary to be proved in order to enable any person to give evidence of any other fact is on the person who wishes to give such evidence. [Sec. 104, Indian Evidence Act]

Illustration:—

- A wishes to prove a dying declaration by B. A must prove B's death.
- (5) When a person is accused of any offence, the burden of proving the existence of circumstances bringing the case within any of the General Exceptions in the Indian Penal Code, or within any special exception or proviso contained in any other part of the same Code, or in any law defining the offence, is upon him, and the Court shall presume the absence of such circumstances. [Sec. 105, Indian Evidence Act]

Illustrations:—

- (a) A, accused of murder, alleges that, by reason of unsoundness of mind, he did not know the nature of the Act. The burden of proof is on A.
 - (b) A, accused of murder, alleges that by grave and sudden provocation he was deprived of the powers of self-control. The burden of proof is on A.
 - (c) Section 325 of the Indian Penal Code provides that whoever, except in the case provided for by section 335, voluntarily causes grievous hurt, shall be subject to certain punishments.
A is charged with voluntarily causing grievous hurt under section 325.
The burden of proving the circumstances bringing the case under section 335 lies on A.
- (6) When any fact is especially within the knowledge of any person, the burden of proving that fact is upon him. [Sec. 106, Indian Evidence Act]

Illustrations:—

- (a) when a person does an act with some intention other than that which the character and circumstances of the act suggest the burden of proving that intention is upon him.
- (b) A is charged with travelling on a railway without a ticket. The burden of proving that he had a ticket is on him.

(Note.—For burden of proof in respect of certain other facts, see sections 107–114 of the Indian Evidence Act.)

2. Some important rules of procedure.**A. Joinder of charges.**

For every distinct offence, there shall be a separate charge, and every such charge shall be tried separately, except in the cases mentioned hereunder:—

- (1) When a person is accused of *more offences than one of the same kind committed within twelve months*, whether in respect of the same person or not, *he may be charged with, and tried at one trial for, any number of them not exceeding three.*
(Offences are of the same kind when they are punishable with the same amount of punishment under the same section of the Indian Penal Code or of any special or local law.)
- (2) If *in one series of acts so connected together as to form the same transaction, more offences than one are committed by the same person, he may be charged with, and tried at one trial for, every such offence.*
- (3) If the *acts alleged constitute an offence falling within two or more definitions of any law, the person accused of them may be charged with, and tried at one trial for, each of such offences.*

- (4) If acts, of which one or more than one would by itself or themselves constitute an offence, constitute when combined a different offence, the person accused of them may be charged with, and tried at one trial for, both the categories of offences.
- (5) Where it is doubtful what offence has been committed, the accused may be charged with all or any of the offences, and any number of such charges may be tried at once; or he may be charged in the alternative with having committed some one of the offences.

[Ss. 233, 234, 235, 236, Cr. Pr. C.]

B. Charge of one offence, conviction of another.

- (1) When a person is charged with one offence, and it appears in evidence that he has committed a different offence, he can be convicted of that offence.
- (2) When a person is charged with an offence consisting of several particulars, and some of the particulars constitute a minor offence, he may be convicted of such minor offence.
- (3) When a person is charged with an offence, and facts are proved which reduce it to a minor offence, he may be convicted of the minor offence.
- (4) When a person is charged with an offence, he may be convicted of an attempt to commit it. [Ss. 237, 238, Cr. Pr. C.]

C. Local Inspection.

Any Judge or Magistrate may, at any stage of any inquiry, trial or other proceeding, after due notice to the parties, visit and inspect any place in which an offence is alleged to have been committed, or any other place which it is, in his opinion, necessary to view for the purpose of properly appreciating the evidence given at such inquiry or trial, and shall without unnecessary delay record a memorandum of any relevant facts observed at such inspection.

Such memorandum shall form part of the record of the case. If the Public Prosecutor complainant or accused so desires, a copy of the memorandum shall be furnished to him free of cost:

Provided that, in the case of a trial by jury, or with the aid of assessors, the Judge shall not act under this section unless such jury or assessors are also allowed a view under S. 293.

[Sec. 539B, Cr. Pr. C.]

D. Power to summon material witness or examine person present.

Any Court may, at any stage of any inquiry, trial or other proceeding under this Code, summon any person as a witness, or examine any person in attendance, though not summoned as a witness, or recall and re-examine any person already examined; and the Court shall summon and examine or recall and re-examine any such person if his evidence appears to it essential to the just decision of the case. [Sec. 540, Cr. Pr. C.]

ORGANISATIONAL ADMINISTRATION IN THE MADRAS DISTRICT MUNICIPALITIES

By V. VENKATA RAO, M.A.,

Research Student, Madras University.

[Contd. from Vol. No. XVI, Page 114]

Regarding the composition of the committees, it is determined, in the case of statutory committees by the statute itself. The Contracts Committee and the Appointments Committee should consist of the chairman of the council, commissioner and a councillor elected by the council. In the case of non-statutory committees the composition is left to the discretion of the councils subject to the following conditions. Firstly, when persons other than members of the council are appointed to any committee, their number should not exceed one-third of the total strength of the committee. Secondly, whenever a joint committee is to be constituted the details of the constitution must be settled first. That is, the total strength of the joint committee, the number of members to be co-opted, the number of members which each local authority should appoint, the chairmanship of the committee, the procedure to be adopted for the transaction of business, the quorum of the committee and the publications of the proceedings of the committee. In case a joint committee is constituted by the Provincial Government, these details are settled by it.

Unlike in some English cities, like Manchester, the chairman of the council is the *ex-officio* chairman of all the committees. This practice enables the chairman to have a knowledge of what the several committees are doing.

Regarding the size of the committees, Sir Ernest Simon thinks that "if all councillors were men of reason, of first class experience and ability, with no political difference of point of view, with no private interest, direct or indirect to serve, working wholeheartedly and devoting a greater part of their time to the council work and if there is no danger of bureaucracy"⁵¹ a small committee of eight will be best. It is best because, it will meet often; attendance of the members will be regular; it will maintain lively interest in its work; its decisions are likely to be practical. Further, large membership is likely to result in the reduction of collective ability. However, this is not practicable for three reasons. Firstly, small membership may mean the exclusion of certain vested interests which is not practicable. Pragmatism there-

⁵¹ Simon. Op. cit.

fore dominates idealism. Secondly, it may so happen, that at a particular stage of enquiry the committee may feel the presence of members who are experts in a particular branch of work. Co-option of such members, though results in the increase of membership, increases the usefulness and completeness of the committee's recommendations. Lastly, the nature and extent of the work of a committee may be so very heavy and varied that it may have to split up into a number of sub-committees ; and under such circumstances a large committee is preferable. For instance, the Public Health Committee. In the District Municipalities the size of the statutory committees is only three. The size of the optional committees varies according to the nature of work which a committee will have to perform. In most cases it does not exceed five.

The membership of the committees need not necessarily be limited to the members of the council. Outsiders who have special qualifications may be co-opted subject to the condition that their number does not exceed one-third of the total strength. The co-opted members should not suffer from any of the disqualifications attached to the councillors excepting the residential qualification.

The need to bring in outsiders to strengthen the committees is justified on the ground that democratic process does not assure the representation of all shades of opinion ; it does not guarantee the selection of men of wisdom and knowledge ; lastly, most of the councillors are essentially 'casual labourers' with neither leisure to study municipal problems nor ability to acquire knowledge.⁵² To make up this deficiency, experts are co-opted. The purpose of co-option is therefore not only to utilise the great reservoir of knowledge, of skill and public spirit which is at the disposal of the public for nothing, but also to keep the committees in touch with kindred organisations and associations, engaged in similar work and whose friendly co-operation is essential.⁵³

It must be said, however, that co-option is not popular in the district municipalities, because of the fear that co-opted members would dominate the council. Again the council themselves, filled up with mediocrities are unable to appreciate the rich resources of scholarship and energy which are available for nothing. Finally, even when outsiders are co-opted, they are invariably the political associates of the chairman or adherents of the party in power. We, therefore, suggest that co-option should be freely made use of for "the presence of a few people who know something of a subject dealt with, would be a welcome

leavening of the collection of dead-heads and mediocrities who constitute the majority in most council committees."⁵⁴

It is interesting to note how the proceedings of the committees are conducted. The writer attended the meetings of several committees. In some committees there is never any discussion. The chairman and the commissioner sit at one end of the table and carry on conversation in low tones. No one knows what they are talking about. The members of the committee carry on their own conversation, smoking and sipping a cup of tea. Now and then the chairman reads out the resolution drafted by him, and, without waiting for any comment, he passes on to the next item. Sometimes the members of the committee have no patience to sit through the entire agenda. After a half-hour's sitting the committee reduces itself to a committee of yes-men, approving of everything that is placed before it without any discussion. Thus in the end bureaucracy triumphs. One of the tricks by which a committee may be hoodwinked is to place all the controversial subjects at the end of the agenda paper. The proceedings of the Taxation Appeals Committee are still more interesting. As we have already seen, the committee is entirely composed of non-officials. The committee, in most cases, does not dispose of the appeals after personally inspecting the properties of the appellants or by looking into the assessment registers. Personal and political considerations seem to influence the committee more than facts. At times the relief they grant is more than what is prayed for. This is the impression created in the mind of the writer when he attended the meetings of the Taxation Appeals Committee of the Nandyal Municipal Council.

The proceedings of the statutory committees need not be placed before the council for its approval. They may be placed on the table if the council desires. The council is not competent to modify them.⁵⁵ As regards the proceedings of the optional committees, it depends upon the powers delegated to the committee. For instance, the proceedings of the Taxation and Appeals Committee need not be submitted to the council for its approval. For, it is given the power to dispose of appeals as it pleases. This instance is an exception and the councils are jealous of their powers and do not generally delegate powers to the committees. But it must also be said that 90 per cent of the decisions of the committee are approved without any comment or criticism, though occasionally the council vetoed even the decisions of the statutory committees.

⁵² *Finer. English Local Government*, p. 226.

⁵³ *Simon. Op. cit.*, p. 86.

⁵⁴ *Hausluck. Local Government in England*, p. 181.

⁵⁵ G.O. No. 2661. L.M. 24-6-1936.

To what extent do the municipal councils make use of the committee system? Of the 82 councils which were requested to supply us with copies of administration reports, only 13 supplied us with reports for the year 1942-43. In that year the working of the committee system was as follows :

Name of the Municipality	Statutory Committees		Non-statutory Committees		Joint Committees
	No. of Committees	No. of Meetings held	No. of Committees	No. of Meetings held	
Srivilliputtur ...	2	Not known	1	Not known	Nil
Cuddapah ...	2	"	2	Nil	"
Trichinopoly ...	2	22	9	41	"
Vizagapatam ...	2	Not known	6	Not known	"
Sivakasi ...	2	25	8	"	"
Naniyambadi ...	2	Not known	4	"	"
Chicacole ...	2	26	6	4	"
Coimbatore ...	2	Not known	10	Not known	"
Anakapalli ...	2	15	5	8	"
Coonoor ...	2	Not known	4	Not known	"
Tuticorin ...	2	"	7	"	"

In all these 11 councils *ad hoc* committees were formed to consider urgent matters. But the significant feature is that in some councils the standing committees never functioned at all during the year. For instance, the Finance, Education and Lighting Committees in Anakapalli Municipality, the Lighting, Finance and Town Planning Committees in Chicacole, the Appointments and Education Committees in Vaniyambadi and the Town Planning and Scholarship Committees in Cuddapah were not convened even once during the year. Five out of the seven standing committees in Tuticorin never functioned during the year. Of all the committees the active ones are the Taxation Appeals Committee and the Encroachment Committee. The most inactive ones are the Town Planning, Education and the Finance Committees.

From these facts it must be evident that the statutory committees are functioning properly. It cannot but be. The optional committees are not functioning properly. Most of the committees exist on paper.⁵⁶

⁵⁶ See the inspection notes of Rao Bahadur (now Sir) N. Gopalaswami Ayyangar, Inspector of Municipal Councils, for the years 1920-22 and also the administration reports of the councils mentioned above for 1942-43.

The main cause is due to the fact that they are not endowed with power and responsibility. Unless powers are delegated to the committees, they will not function properly. If the Taxation Appeals Committee is active it is because powers are delegated to it. We, therefore, suggest that if municipal administration is to be effective, committee system must be used extensively and the committees must be endowed with power and responsibility.

The feature which attracted our attention is the absence of any committee to co-ordinate the activities of the various committees. Each committee is functioning as a water-tight compartment. This sort of arrangement is not likely to promote efficiency and economy. Imagine for a moment the enormous waste of public funds involved if each committee is allowed to function in its own way without having a knowledge of what the other committees are doing. For instance, a street may have to be broken up to lay water pipes, to construct sewage channels and to lay electric cables. Supposing each committee functions in its own way, the street may have to be broken up several times, resulting in unnecessary and wasteful expenditure. The only way by which this can be prevented is to have a single committee—call it 'General Purposes Committee'—consisting of representatives of all the standing committees. It may contain outsiders who are experts. It should also have power to co-opt outsiders when necessity arises. This committee will not only co-ordinate the activities of the various committees but will also formulate a unified policy. It may be entrusted with the responsibility of general supervision over municipal administration and report to the council on the action taken by the executive on the resolutions passed by the council. It will thus act as a sort of second chamber.

MEETINGS OF THE COUNCIL

The meetings of the municipal councils are of two kinds, statutory and non-statutory. The former are those which should be convened and held at least once in a month. Again, meetings which are requisitioned by at least one-third of the sanctioned strength of the council, meetings which are convened to consider the budget proposals, the administration report and meetings convened to elect chairman and vice-chairman are also statutory meetings. The non-statutory meetings may be convened by the chairman at any time.

The number of meetings which a council may hold, depends upon several factors. Firstly, bigger municipalities may have larger number of standing committees and the real discussion generally takes place in the committees. Small councils do not generally have larger number

of standing committees. They transact all business themselves. Naturally they meet at more frequent intervals. For instance,

Name of the Municipality	Grade	Total revenue Ordinary 1936-37	Number of Meetings held in the year			
			1936-37	1937-38	1938-39	1942-43
Trichinopoly	I	Rs. 5,07,554	41	32	23	37
Coimbatore	I	" 4,49,401	44	41	41	27
Chicacole	IV	" 64,548	59	43	41	36
Tirupati	IV	" 66,749	77	66	37	—

Secondly, factious councils are not generally business-like. The opposition generally adopts obstructive tactics. The disposal of subjects placed before such councils will be generally slow.⁵⁷ Adjournment of business for the want of a quorum or for other reasons, will be frequent. Naturally, meetings must be held at frequent intervals. Councils which are free from faction generally meet once in a month and the maximum number of meetings which they may hold may not exceed 24 in a year.

The percentage of attendance at the meetings is fairly high. It was 58 per cent in Coimbatore, 51.4 per cent in Trichinopoly, 40.6 per cent in Vizag. and 73.8 per cent in Coonoor during the year 1942-43.

The procedure for convening a meeting of the council is as follows. Every member of the council must be given notice specifying the date, time and place of meeting of the council, at least three clear days before the day fixed for each ordinary meeting, together with a copy of the agenda of the meeting. In the case of special meetings at least 24 hours notice must be given. Meetings should not be held on public holidays.⁵⁸ Non-observance of any of these statutory provisions will invalidate a meeting.

⁵⁷ The transaction of business in the Madura municipal council was scandalously slow. By July 1930 one thousand subjects were pending disposal. With a view to expedite the disposal of subjects the Collector of Madura attended the meetings of the municipal council and got some 800 disposed of. When the Collector ceased to attend the meetings the progress came to a stop and the trouble between the chairman and the council developed. On the 10th December 1930 the number of subjects pending disposal were 1,444. During the months of January to March the Council was busy with the plans for the removal of the chairman and therefore did not transact any business and the council would not sit through to dispose of items of business placed before it. The undisposed items of the previous meeting were not placed before the council at its next meeting. No order was observed in the disposal of subjects. Some items were picked out of the agenda paper in which the councillors were interested and after passing them the meetings were adjourned. The number of items pending disposal in March 1931 were 3,068. "All these facts demonstrate" writes Sir Gopalaswamy Ayyangar, formerly Inspector of Municipal Councils, "the lighthearted manner in which the Madura council performed its public duties". Report. Op. cit.

⁵⁸ G.O. No. 1936. L.M. 24-4-1934.

The agenda of the meeting must be prepared in the following order: firstly, interpellations; secondly, the papers to be laid on the table; thirdly, the election of members of the standing committees and other committees; fourthly, official business brought forward by the chairman; fifthly, proceedings of the standing and other committees, and lastly, motions of the private members of the council.

Excepting brief notes on the subjects entered in the agenda⁵⁹ files relating to the subjects should not be circulated among the councillors.⁶⁰

The meetings of the council are presided over by the chairman. The duties of a chairman are to see that a meeting is properly constituted, that all the statutory requirements are observed, that no discussion is allowed on matters which are not included in the agenda, to decide all points of order raised during the discussions, to maintain order, to put motions and amendments for voting, and adjourn meetings whenever there is disorder.

The first duty of a chairman is to see that there is a quorum. If the quorum is 6 and the sanctioned strength of the council exceeds 16, it should not be less than one-third of the sanctioned strength of the council. The minutes of the previous meeting must be read and approved at every meeting. After these preliminaries are over, the business of the day must be taken up.

The first item of business is to answer the questions put by the councillor. A councillor is entitled to ask a question, provided it is relevant and seeks information. He may also put supplementary questions for the purpose of elucidation.⁶¹ The admissibility and non-admissibility of questions is left to the discretion of the chairman.⁶² In practice very few questions are asked.

The last item on the agenda is the non-official motions.⁶³ A councillor may move a motion by giving ten days notice to the chairman. This privilege is intended to enable individual councillors to draw the attention of the Executive Authority to a defect or want in the administration. In practice, however, all sorts of resolutions are moved, some of which are not at all related to municipal administration. At times the resolutions passed by the council form the main basis for their supersession. For instance, all the councils which approved of the August Resolution of the Indian National Congress were superseded. The chairman may disallow a motion on the ground that it relates to a matter unconnected with

⁵⁹ G.O. No. 1062. L.M. 7-5-1923.

⁶⁰ G.O. No. 595. L.M. 14-2-1935.

⁶¹ G.O. No. 1175. L.M. 22-6-1921.

⁶² G.O. No. 970. L.M. 1-3-1928.

⁶³ The term motion and resolution are used synonymously; but a motion is properly a proposition or a proposal formally proposed whereas a resolution is a motion which has been accepted by the council.

municipal administration or that it contravenes the provisions of the Act. ⁶⁴ Motions which are likely to lead to an unseemly or communal controversy may be referred to the Provincial Government and obtain their orders as to whether they should be admitted. ⁶⁵

Regarding the conduct of debates, rules tell us that a member should not speak more than once, excepting the councillors who have moved substantive motions. The speech must be strictly relevant to the matter before the council. It should not refer to matters which are '*sub-judice*'. It should not attack personally a sitting councillor. It should not use offensive expressions nor should it contain treasonable, seditious, defamatory or unparliamentary words. The right of speech should not be utilised as a means of obstructing the transaction of business.

These rules are honored more in the breach than in the observance. The writer attended the meetings of some of the councils. The proceedings are often spoilt by the presence of a number of irresponsible councillors with a powerful voice. They talk very often irrelevantly and in the filthiest language possible. They do not generally observe the rules of debate. They are not restrained by a sense of shame. The types of persons that take part in discussions may be classified into four. Firstly, we have the inactive intelligent who follows the proceedings closely but is prevented by nervousness to give expression to his ideas. Secondly, we have the active intelligent who remains silent but intervenes only when necessity arises. Thirdly, we have the inactive unintelligent who attends every meeting but never opens his mouth. He derives pleasure and satisfaction from the membership of the council. Lastly, there is the active unintelligent who speaks on every question placed before the council. The number of the first two classes of persons in the council is negligible. Generally the councils' discussions are dominated by the last class of persons. They monopolise the entire time of the council. They often speak or repeat the same arguments which the previous speakers had already advanced. Some of their statements are absolutely false. The tempo of the debates reach the highest pitch when personal and party feelings run high. Sometimes the heated discussions lead to disorderly scenes. The examples below give us an idea of these scenes that prevail in some of the councils.

"DISORDERLY SCENES IN NANDYAL COUNCIL"

"Members use discourteous language."

"Disorderly scenes were witnessed last evening at a special meeting of the Nandyal Municipal Council. A wordy warfare then ensued . . . in the course of which discourteous and provocative language was used. . . . At this stage there

⁶⁴ G.O. No. 743. L.M. 29-4-1921.

⁶⁵ G.O. No. 3696. L.M. 16-9-1938.

was great confusion and disorder which would have taken a serious turn but for the intervention of the chairman." ⁶⁶

This instance is nothing when compared with the following :—

"FRACAS IN A CIVIC MEETING"

Bezwada, 1st April.

"A meeting of the local municipal council was held yesterday in the council hall with Mr. M., chairman, in the chair. 30 councillors attended the meeting. The meeting hall and the municipal office compound were fully packed by the rate-payers who had gathered to witness the proceedings, in view of the Government's warning that the council would be superseded in case the budget for 1933-34 was not passed by the council and submitted to the Government before the end of March.

The chairman introduced the budget. . . . Mr. C. S. proposed and Rao Sahib C. K. seconded that the budget . . . introduced by the chairman be passed.

Mr. S. moved and Mr. P. seconded that the subject be adjourned.

Rao Sahib C. K. moved and Mr. G. S. seconded that the subject be considered that day only. . . . The amendment of Rao Sahib was put to vote. It was found that 13 votes were for and 16 votes were against. Rao Sahib called for a poll.

At this stage Mr. K. S. remarked that it was all a children's play, which remark was objected to by the chairman. Thereupon Mr. K. S. replied that it was a side-talk with a brother councillor and need not be taken notice of. The chairman opined that such language should not be indulged in.

A MELEE

It was during this conversation that a commotion started. In the twinkling of an eye, tables were thrown aside. A councillor got upon the chair and began belabouring the one sitting opposite to him. Instantly chairs were raised and the *galata* went on to the discomfort of the councillors, and the huge crowd which gathered, ran pell-mell in all directions to escape beating. Many jumped over the high compound walls and ran away. The affray continued for about 15 minutes, after which the police arrived and dispersed the crowd. Rings, watches, sticks were lost besides injuries received. Mr. G., councillor, . . . received severe injuries. . . . Mrs. R., one of the two lady councillors, received a cane cut on her back and got fever. Some of those who received injuries were rendered medical aid by the Municipal Health Officer and Dr. D., . . . in the municipal office while others went to the Government Hospital for treatment." ⁶⁷

These, not unusual, incidents illustrate the tempo of the discussions in the municipal councils. This state of affairs does a good deal to keep away intelligent men with some status and economic independence from the councils.

It is true that the chairman has power to expel a member who disregards the rules of debate, or behaves irregularly, improperly or offensively, or wilfully obstructs the council's business. But this is an unpleasant function to perform, and very often such situations are avoided by adjourning meetings.

⁶⁶ *The Madras Mail*, dated 29-6-1940.

⁶⁷ *The Hindu*, dated 5th April 1933.

A meeting of the council may be adjourned for want of quorum or when the council decides to adjourn by a majority vote, or the chairman himself may adjourn the meeting. Meetings properly convened should not be postponed. They may be adjourned.⁶⁸

All questions are decided by a majority vote, excepting no-confidence motions. The method of voting is by show of hands. It is not compulsory that every one should vote on all questions. The chairman counts the hands showed for and against, and decides the result. A poll may be demanded by any two councillors and the chairman is bound to take a poll and record the names of persons voting for and against. The chairman or the councillors should not take part in the discussions or voting of a question in which they are pecuniary interested. A councillor has a right to dissent from any decision arrived at by a majority vote. The chairman should record the names of such councillors and submit the minute of dissent received, to the Collector of the district, together with his remarks if any. This right is intended to serve as safety valve of the democratic process. For it is just possible that majorities actuated by partisan feelings may cause harm to a section of the people or involve the council in unnecessary expenditure. Under such circumstances a councillor may bring the facts to the notice of the Collector who may, if the facts warrant interference, suspend the resolution of the council and move the Provincial Government for its cancellation. A perusal of the minutes of some of the councils shows that a good number of dissents were recorded; but most of the dissenters never submitted their minute of dissent to the Collector of the district.

The minutes of the council proceedings should invariably be recorded in the minutes book maintained for the purpose. They should be recorded at the meeting itself.⁶⁹ For recording the minutes the chairman may take the assistance of some one. But the chairman should satisfy himself that the minutes, as drawn up and entered in the minutes book, are accurate before affixing his signature.⁷⁰ A copy of the minutes of every meeting must be forwarded to the Collector of the district for publication in the district *gazette*.⁷¹ The proceedings of a special officer of a superseded council need not be published in the district *gazette*,⁷² but a copy of it must be forwarded to the district collector as he is the supervising officer of the superseded councils.⁷³ With the publications of the proceedings, the part to be played by the councils comes to an end. It is here that the executive comes into existence to carry out the resolutions of the councils. For this purpose a net work of departments is required, efficiently organi-

⁶⁸ G.O. No. 3297. L.M. 27-8-1927.

⁶⁹ G.O. No. 4234. L.M. 26-9-1926.

⁷⁰ G.O. No. 329. L.M. 27-1-1939.

⁷¹ G.O. No. 1453. L.M. 30-4-1931.

⁷² G.O. No. 4604. L.M. 18-10-1934.

⁷³ G.O. No. 3414. L.M. 25-7-1934.

sed, well manned and properly regulated. Let us now see how these departments are organised and how they are controlled.

DEPARTMENTAL ORGANISATION.

One of the most important aspects of municipal administration is the proper classification and allocation of functions to proper departments. Next, the activities of the various departments should be co-ordinated. Non-observance of these two principles is likely to result in a great deal of unprofitable expenditure. Without a business-like organisation even a well meaning officer cannot prevent leakages. Therefore, there should be a sufficient number of well organised departments. To each department should be allocated functions which are similar in nature. But we should also remember that the creation of too many departments is not desirable, for it leads to an enormous wastage of effort and energy. Nor is it desirable to have too few departments, for it may result in the neglect of one or other of the functions. For instance, if the Public Health Department is entrusted with the function of collection of taxes or with the removal of encroachments, we may be sure that some of the functions will suffer.

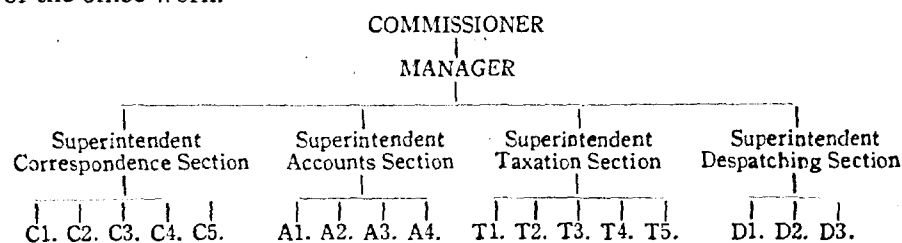
Next to organisation, comes the co-ordination of functions of these various departments. If efficiency and economy are the ends of all administrative activity, the administrative organisation should take the form of a pyramid with the executive officer at the apex, the labour force at the bottom and the departmental heads in between. In other words, all the departments should be linked to one common centre.

It does not appear that these principles have been observed in the district municipalities during the period of dyarchy. First of all the functions were not classified nor were they allocated properly. For instance, the staff of the public health department were entrusted with the collection of certain items of revenue, with the removal of encroachments which should have been entrusted to the revenue and engineering departments respectively. However, this chaotic state of affairs was brought to an end by the organisation of departments and the appointment of departmental heads.

Regarding the co-ordination of the activities of the various departments it must be said that no such thing exists at present. What we have at present is a number of pyramids without a peak. The executive officer is not at the apex. The departmental heads are in no way responsible to him. We hear, now and then, differences of opinion between the executive officer and the departmental head. It is therefore highly desirable that the entire administration of a municipality should be treated as a unified enterprise and the executive officer is made responsible for its efficient administration.

INTERNAL ORGANISATION.

Now, let us see how each department is organised. For this purpose let us take the general department. The commissioner is the head of the department. Below him there is a manager. The office is divided into a number of sections and each section has a superintendent assisted by a number of clerks. The manager is generally responsible for the supervision of the office work.



The internal organisation of the other departments is more or less the same. We need not go into their organisation. How does the general department function? To have an idea of that, visit any municipal office on any working day. You will find at 11 A.M. clerks one after the other dropping in and signing the attendance register. The manager must close the register within half-hour after the opening of office and note late attendance and absentees. He must then send the remittance of the previous day to the treasury. The business in the office is generally dull until the commissioner arrives at 1 P.M. From 1 P.M. the office bristles with activity, people going up and down the verandahs. Who comes there? What brings them there? A poor and helpless widow with a grown-up child in ragged clothes drops in with a petition for the reduction of property tax. A second comes to report the birth or death that had occurred in his house. A third with a request for the withdrawal of prosecution filed against him for the non-payment of taxes. A fourth to receive payment of money due to him. This goes on till 5 P.M. How are these various calls attended to?

Let us take a municipal office which receives mail in the morning. The day's work commences with the opening of the mail. What does the mail contain? It may contain an order from Government cancelling a resolution of the council or superseding it or removing or reverting the Commissioner. It may contain a letter from the Collector of the district directing the Municipal Commissioner to remove all the objectionable encroachments. Or the Inspector of Municipal Council may, in another letter, demand explanation for the delay in the execution of particular matter. A rate-payer or an anonymous petition-writer may, in another letter, attack the conduct of a municipal subordinate. Excepting the letters received from Government, all other letters are opened by the commissioner. He may note instructions on the letters and send them to the office.

How are these papers accounted? During the dyarchical period two systems were in existence for the registration of the papers. The first system is known as the MacLean System and the second system is known as Tottenham System. The salient features of the MacLean are, all papers are entered in one register and they are given a serial number after disposal. Thus all the L. Disposals are given one serial number, the D. Disposals another, and so on. This system existed in the district municipalities till 1938.⁷⁴ But it was not given an honest trial in a great majority of the councils. The papers received were not properly accounted for. The personal registers were maintained more for show than to account for the papers received. There was no systematic check on the personal registers nor were the disposals quick.⁷⁵ This state of affairs continued till 1938. It was just at this time that Mr. S. Ranganathan, I.C.S., was appointed as Inspector of Municipal Councils. Dissatisfied with the working of the municipal offices he set himself the task of improving the efficiency of the municipal offices which have become, by that date, proverbial for incompetency and inefficiency. He introduced the Tottenham System with which he was familiar as district officer. He drafted a manual known as the 'District Board Office Manual' which is only an abridged edition of the District Office Manual.

Under the Tottenham System the office is divided into convenient sections. The composition of each section is fixed. In bigger offices there is a fair-copying section. Each section is named by a letter. For instance, the correspondence section may be called the 'C' section and the accounts section 'A' section, and so on. After the division of office into several sections, an office order must be issued determining the functions to be performed by the several officers.

All the papers received must be sorted out and assigned to the section concerned. That is, papers relating to accounts are marked as 'A'. Each paper is given a number. For instance, a paper intended for the accounts section may be marked thus 'A-3, 144-44'. 'A' indicates the name of the section to which the paper relates. '3' indicates the number of the clerk who should deal with the paper. '144' is the number assigned to the paper. '44' indicates the year in which the paper is received. The papers are then entered in the distribution register and delivered to the clerks concerned, and as a token of having received them their initials are obtained in the distribution register. Immediately after their receipt, each paper must be given a title. Supposing a letter is received from the

⁷⁴ In 1927 the Tottenham System was in a modified form but it was never given a trial in most of the councils. The MacLean System was therefore continued.

⁷⁵ See the inspection notes of Rao Bahadur (now Sir) N. Gopalaswamy Ayyangar, formerly Inspector of Municipal Councils, for the years 1920-22 and the inspection notes of Mr. S. Ranganathan, I.C.S., formerly Inspector of Municipal Councils, for the years 1933-39.

Madras University Research Department for the supply of certain information, the title that may be given is Research—Madras University—Information requested'. The title is intended to give an idea of the paper received at a glance to the clerk as well as to the checking officer. The papers are then entered in the personal register. The register contains several columns and all the columns must be filled up, for the entries made in these columns give us an idea of the action taken on each paper. Each clerk must maintain a personal register and some action must be taken on each paper within three days from the date of its receipt. In order to avoid delays the personal registers of the clerks are checked by the manager and the commissioner. At the beginning of every month every clerk must render an account of the number of papers received, the number disposed of and the number pending. If a paper is with a clerk without being disposed of for more than three months he must render reasons for the same and furnish a list of such papers. After the final reply or action is taken on a paper, it should be given a disposal.

Disposals are of five kinds. 'R', 'D', 'L', 'N' and 'F'. 'R' disposals are those that are to be retained for all time to come. 'D' disposals are those that are to be retained for a period of 10 years and then destroyed. 'L' disposals are those that are to be destroyed after a year. 'N' disposals are those that are to be sent back in original with a reply. 'F' disposals are those that are to be filed. The nature of the disposal must be approved by the Commissioner. The kind of papers that may be assigned for 'R' disposal are generally related to the acquisition of property or sale of property or about establishment. The nature of disposal must be entered in the last column of the personal register against the current number of the paper concerned and in the distribution register, and obtain the signature of the Record Keeper as a token of having received it.

The Record Keeper must maintain the records properly. He must keep the Record Room in a tidy manner. He must index all the 'R' and 'D' disposals separately. The records ripe for destruction should be listed and submitted to the Commissioner for approval. They should be destroyed in the presence of the Commissioner.

Mr. Ranganathan witnessed not only the introduction of the District Board Office Manual in the district municipalities, but also the end of all confusion and chaos prevailing in the municipal offices. A masterful personality as he is with enormous drive, he exercised strict control over the municipalities. His name was a terror to the municipal staff. The system introduced by Mr. Ranganathan has increased the efficiency of the municipal offices. Attendance of clerks is regular and disposals are quick. Municipal administration is slowly gaining the confidence of the public.

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PERSONNEL ADMINISTRATION IN THE MADRAS DISTRICT MUNICIPALITIES

By

V. VENKATA RAO, M.A.,

Research Student, Madras University.

CHAPTER I

MUNICIPAL CIVIL SERVICE

Significance and Importance of the Service

The Civil Service is the spinal column of every civilised Government. The days when the duties of public officers were so simple and plain that men of average intelligence could perform them are over. The great cities which were no more than rural areas have become huge industrial centres. Life has become complex and this complexity can only be solved by functional specialisation.

Every organisation has two aspects : the political and the administrative. Political policies and leadership may be wise. But they will be of no avail without a body of men and women, permanently and specially employed, to secure the ends of those policies. Experience shows conclusively that the councillor who goes to the council hall once in a month is not the proper person to be entrusted with the execution of those policies. He has neither the time nor technical skill nor administrative ability to undertake that task. He must naturally employ professional administrators not only to carry on the day-to-day administration but also to furnish him with scientific, statistically accurate knowledge of the complex problems, without which no council can, in any adequate measure, formulate and enact policies.

The importance of the Municipal Civil Service can be realised by having a glance at the amount of revenue it administers and the nature of functions it performs. It administers a revenue of Rs. 319 lakhs and an expenditure of Rs. 238 lakhs. The items of expenditure are public safety, 24 lakhs including fire fighting and street lighting ; public health, 90 lakhs including water supply, drainage, conservancy, medical, vaccination and registration of births and deaths ; public instruction, 24 lakhs including secondary and elementary education. Besides these items of expenditure there is the public works department responsible for the construction and maintenance of communications and buildings.¹

¹ G.O. No. 124. L.A. 9-1-1940.

All the objects of expenditure are directly related to public services. Their efficient administration will surely increase human happiness and mitigate individual suffering. It can give a healthy body to the school-going children. It can confer the greatest of earthly blessings, viz., good health. It does not stop there. The education of the child is equally its concern. Again educated population must be provided with libraries, entertainments etc.² If educational administration is inefficient, not only illiteracy will not be liquidated but there will be a great wastage. Efficient administration is, therefore, desirable, because it eliminates avoidable waste and secures the social ends in view.

The efficient administration of these services depends on the nature and quality of the personnel that is recruited. That is to say, persons endowed with intellectual training and deep sympathetic understanding of the social purposes are required to administer these services.³ A service consisting of such persons will not only be efficient but also constructive. To this service we generally apply the name 'civil service'. "The creation of this service", writes Professor Graham Wallas, "was the one great political invention in nineteenth century".⁴

Personnel administration is concerned with the securing, training and appointing particular persons to particular jobs. It is also concerned with the promotion of those who have already rendered service in the lower ranks. Efficient personnel administration must secure better conditions of service, and discipline the indolent, the lazy and the inefficient.⁵

² *Public Administration*, 1926, p. 12.

³ *Political Quarterly*, 1936, p. 185.

⁴ Can we apply the term 'Municipal Civil Service'? To be a civil servant it is necessary that a servant should belong to a public service. Secondly, the position which he occupies must be a permanent one. It matters little whether the position is high or low. Even an attender has a right to the title of civil servant. (See L. D. White, *Civil Service in the Modern State*, p. 222). Applying this definition to Municipal servants, it must be said that the municipal servants are public servants because they belong to a public service. (See the decision given in *Queen Victoria v. Ramaswami*, 'Indian Law Reports', Madras, XIII, p. 131.)

The distinction between a civil servant and a wage earner is, the position of the wage earner is one equality with the employer. Both of them can discuss terms freely and both of them may enter into a compromise. The position of the civil servant is different. It is not one of equality with the employer. The employer fixes the pay and determines the conditions of service. He may change the terms at any time affecting the material benefits of the employee.

⁵ Wallas, *Human Nature in Politics*, p. 249.

⁶ *Encyclopaedia of the Social Sciences*, 'Personnel Administration'.

The writer desires to express his gratefulness to Sri K. Ramunni Menon, M.A., Bar-at-Law, I.C.S., Inspector of Municipal Councils and to Sri A. K. Raghavan, B.A., B.L., Municipal Commissioner, Saidapet, for permitting him to go through the records available in their offices; and to other Municipal Commissioners who furnished us with information on this and other allied subjects.

Essentials of Personnel Administration

The first principle of personnel administration is that all the positions should be classified and the scales of pay should be standardised. The activities of the Municipal council have so expanded that they demand a systematic classification of all positions with a view to eliminate gross inequalities and settle the conditions of employment and questions of pay, grades, and promotion.⁷ The main purpose of classification is "to lay the foundation for equitable treatment of public employees by accurate definition, orderly arrangement, and fair evaluation of positions in the public service".⁸ In other words it fixes equal pay for equal work. Classification, it must be remembered, is not concerned with the person but with the position.⁹

The essentials of a proper classification system are first, classifying positions which are alike in demanding similar qualifications, responsibilities and compensation and assembling them together into separate groups; second, defining the functions of each class; third, determining the minimum qualification for each class; fixing a title and a scale of pay for each position and finally clearly indicating the lines of promotion.

The benefits of a proper classification system are: it secures appropriate salaries to the personnel; avoids political pressure to secure advance increments in pay; eliminates discontent among the employees; secures immediate relief where they are inadequately paid; assures regular advancement for satisfactory work and promotion for meritorious work. Classification thus assists in the establishment of the merit system and assures an impartial administration in personnel matters.¹⁰

The aim of the merit system is to eliminate personal favouritism and political preference. It means that the recruitment and promotion of personnel must be done impartially. The results that will be obtained by establishing the merit system are, it secures permanency of tenure, eliminates frequent displacements and stops promotion of persons under outside pressure. It does not give an opportunity to any one to defraud the public. Thus the merit system is intended to eliminate waste, combat political corruption and purify political life in local areas.¹¹

Mere merit system will not secure real efficiency in personnel administration. A service to be efficient must offer a career to its servants. It must offer opportunities to move vertically to those who have merit in them. A person who enters service with no prospects of

⁷ *Encyclopaedia of the Social Sciences*, 'Public Employment'.

⁸ White, L.D., *Introduction to the Study of Public Administration*, p. 327.

⁹ Proctor, *Public Personnel Administration*.

¹⁰ Willoughby, *Principles of Public Administration*, p. 246-50.

¹¹ *Ibid.*, p. 225.

advancements is likely to become a mere cog in the administrative machinery. He will have no incentive to put forth his best.¹² The foundations of a career system are : office is held during good behaviour ; equal opportunity is extended to all who have the required qualifications ; selection of candidates is made by a process of examination and the promotion of those in service is based on merit principle.

We shall now examine how far these fundamental principles are observed in personnel administration in the district municipalities. The entire service is divided into two classes, the superior and inferior. The superior servants include bill-collectors, clerks, managers, engineers, health officers, and executive officers. The inferior servants include those who are drawing Rs. 20 and less.¹³ The difference between these two services is that the superior servants are entitled to Provident Fund benefits ;¹⁴ the inferior servants are not.¹⁵

The essentials of a proper classification system did not exist in a great majority of the district municipalities under dyarchy. Persons performing similar functions were differently designated in different municipalities. To mention a few instances, the ministerial head who is generally called 'Manager' was designated as 'Manager' in Negapatam,¹⁶ 'Head Clerk' in Mangalore,¹⁷ 'Office Superintendent' in Kumbakonam,¹⁸ 'Secretary' in Karaikudi,¹⁹ 'Personal Assistant to the Commissioner' in Tanjore,²⁰ and 'Chief Ministerial Officer' in some other places. Persons who maintained few account books were designated as 'Accountants' even though they did not possess the required qualifications. Persons who were engaged in the supervision of the collection of revenue were designated as 'Revenue Officer' in Coonoor,²¹ 'Tax Superintendent' in Salem,²² 'Vehicles and Animals Inspector' in Calicut,²³ 'Revenue and Licensing Inspector' in Tuticorin,²⁴ 'Tax Supervisor' in Trichinopoly,²⁵ 'Distraint Officer' in Madura,²⁶ 'Tax Collector' in Ooty,²⁷ 'Assessor of Taxes' in Kodaikanal,²⁸ 'Assessing and Distrain-

ing Officer' in Periyakulam,²⁹ 'Warrant Officer' in Cuddapah,³⁰ 'Tax Inspector' in Adoni,³¹ 'Licensing Inspector' in Chittoor,³² and 'Licensing Fee Inspector' in Mayavaram.³³

These facts reveal two fundamental defects. Firstly, no effort was made to classify positions performing similar functions and group them together and fix proper designations. Secondly, the functions of these positions were not properly defined. Let us take the example of Periyakulam, where an officer designated as 'Assessing and Distraining Officer' existed. The designation tells us that that officer was endowed with powers to fix assessments on properties and to distrain them if the taxes were not paid in time. Besides this officer, there was no other officer to supervise the collection of revenue. Again, in Ongole,³⁴ there was an officer called 'Warrant Officer'. The designation creates an impression in our minds that he was employed to issue warrants on those who failed to pay the dues to the Municipality and nothing more. In Vaniyambadi³⁵ there was an officer called 'Licensing Inspector'. This designation tells us that he was employed to license animals and vehicles and dangerous and offensive trades. In all these Municipalities there was no other person to supervise the collection of revenue. On enquiry it was revealed that all these persons were primarily responsible for the collection of revenue. Again in some municipalities like Calicut, there were the Revenue Officer, the Tax Superintendent, Tax Supervisor, Vehicles and Animals Inspector, Warrant Officers besides an army of bill collectors. The Calicut example tells us that the function of these officers were not properly defined. This chaotic condition prevailed in a great majority of the municipal councils throughout the dyarchical period and was set right in 1940 by the interference of the Provincial Government.

At present the ministerial head is designated as 'Manager'. The head of the Accounts section alone is called 'Accountant' and he must have passed the Account Test examination. The clerks have been designated as 'Lower Division' and 'Upper Division' clerks. For the proper assessment and collection of taxes, two posts have been created, viz., 'Revenue Officer' and 'Revenue Inspector'. All other designations were given a decent burial.

¹² *Ibid.*, p. 231.

¹³ G.O. No. 3575. L.M. 2-9-1932.

¹⁴ G.O. No. 666. L.M. 15-2-1937.

¹⁵ Fundamental Rules, 9(32)iii.

¹⁶ Inspector of Municipal Councils. Office D. Dis. 36406-39.

¹⁷ *Ibid.*, D. Dis. 37357-39.

¹⁸ *Ibid.*, D. Dis. 20955-39.

¹⁹ *Ibid.*, D. Dis. 31814-39.

²⁰ *Ibid.*, D. Dis. 26343-39.

²¹ *Ibid.*, D. Dis. 41792-39.

²² *Ibid.*, D. Dis. 41790-39.

²³ *Ibid.*, D. Dis. 31812-39.

²⁴ *Ibid.*, D. Dis. 35271-39.

²⁵ *Ibid.*, D. Dis. 33916-39.

²⁶ *Ibid.*, D. Dis. 57699-39.

²⁷ *Ibid.*, D. Dis. 11516-39.

²⁸ *Ibid.*, D. Dis. 32661-39.

²⁹ *Ibid.*, No. D. Dis. 36040-39.

³⁰ *Ibid.*, D. Dis. 41547-39.

³¹ *Ibid.*, D. Dis. 28552-39.

³² *Ibid.*, D. Dis. 35766-39.

³³ *Ibid.*, D. Dis. 36105-39.

³⁴ *Ibid.*, D. Dis. 35768-39.

³⁵ *Ibid.*, D. Dis. 37482-39.

The functions of the entire staff are also defined. The Manager is made responsible for the proper maintenance of office. He is also held responsible for the proper maintenance of accounts in the IV grade municipalities. The Accountant is held responsible for the proper maintenance of accounts. The Upper Division clerks are given clerical work of a responsible nature and the Lower Division clerks of routine nature. The Revenue Officer is held responsible for the proper assessment of taxes and general supervision of the collection of revenue. He is generally appointed in the 1st and 2nd grade municipalities. Below him there is the Revenue Inspector. Each Revenue Inspector is given the charge of five bill collectors. His functions are to distrain the properties of the defaulters, to assist the bill collectors in the collection of taxes and to submit periodical Progress Reports of the collection of revenue to the Revenue Officer or the Executive Officer where there is no Revenue Officer. Each Bill collector is held responsible for the collection of certain number of bills the value of which should not be less than Rs. 2,500 per annum.

Thus for the first time in the history of Municipal Service uniformity in designation and proper relation between the designation and functions performed, has been established."

Qualifications

One of the essentials of classification is fixing the minimum qualifications for each of the positions. Dr. L. D. White divides qualifications into two classes. According to him they are general and special. The general qualifications embrace such factors as citizenship, reservation of jobs to a particular sex or community, exclusion of persons convicted by a judiciary for a criminal offence and age limit.

The special qualifications are education, experience and personal qualities. Personal qualities are honesty, truthfulness, resourcefulness, tact, persistence, executive ability, personality and pleasing manners. It is exceedingly difficult to determine these qualifications as the method of valuation differs from person to person entrusted with this task. These personal qualities are demanded from every public servant. His prestige, his influence and popularity in his official position depend to a large extent on the possession of these qualities. It must also be said that the possession of these qualities is no mean business. One may be brutally frank, thoroughly honest and exceedingly able in the discharge of his duties. But if he does not possess tact, a balanced mind, and pleasing manners he is likely to prove a failure, especially in Municipal service. On the other hand he is likely to succeed remarkably well

¹⁷ *Ibid.*, D. Dis. No. 2441-39.

if he possesses the latter three qualifications even though he may not be honest, truthful and frank. The other special qualifications mentioned above require little comment.

Adopting the classification given by Dr. White, we may divide the qualifications fixed for the Municipal servants into two classes. The general qualifications are that no one, before appointment to any post, must have attained the age of 30. This does not apply to persons who are transferred from the service of one municipal council to that of another." Secondly, he must be a British subject or the subject of a State in India, or a person who has resided in the Madras presidency for a period of not less than 10 years immediately preceding the date of his application." Every person must have good physique, active habits and must be free from any bodily defect or infirmity unfitting him for service." These qualifications are applicable to all the municipal employees. There are, however, certain variations which we shall note while dealing with the special qualifications of individual positions.

Let us now consider the special qualifications. The minimum educational qualification of the Manager, "Revenue Officer" and the Accountant" is they must have secured eligibility for the University course. In addition they must have passed the Account Test examination prescribed for the subordinate officers in Government service."

However, the following classes of persons are permitted to hold the post of Manager or Accountant or Revenue Officer even though they may not be eligible for the University course. Persons who have passed the Account Test examination before the 3rd December 1935; persons who officiated in any one of these posts before the 3rd December 1935; persons who completed their period of probation before 3rd December 1935 and were waiting for confirmation; persons who commenced their period of probation before 3rd December 1935 but were discharged for want of a vacancy; persons who are granted exemption from possessing the minimum educational qualification. The Executive Authority was given power to appoint unqualified persons in temporary vacancies. But this power was subsequently withdrawn.

The Upper Division clerks must, in addition to the educational qualification mentioned above, have passed the Account Test examination, Part I, prescribed for the subordinate officers in Government Service."

¹⁸ G.O. No. 2342. L.M. 2-6-1936.

¹⁹ G.O. No. 456. L.M. 24-1-1934.

²⁰ G.O. No. 727. L.M. 22-2-1936.

²¹ Noti. No. 423. F.S.G.G. P.I.A. 1925.

²² G.O. No. 4603. L.M. 11-10-1929.

²³ G.O. No. 2100. L.M. 6-6-1932.

²⁴ G.O. No. 4448. L.M. 29-10-1935.

²⁵ G.O. No. 2317. L.A. 27-6-1940.

All other ministerial servants, including the Revenue Inspectors must have secured eligibility for the University course,⁴⁶ or any other examination which has been recognised as equivalent to it.⁴⁷

The clerks and accountants in the electrical department recruited before the 16th October 1936 must have passed the commercial book-keeping portion of the departmental test examination, prescribed for the clerks in the L. F. Audit department, followed by a course of training in Electrical Licencee's Accounts for a period of three months in the office of the Engineer-in-chief, Pykara System, Coimbatore. The clerks recruited after the 16th October 1936 must be Bachelors of Arts of a recognised University and must have passed the commercial Book-keeping mentioned above.⁴⁸ The Accountants are required to pass the Account Test examination in addition to the qualifications mentioned above.

Till 1940, the Bill Collectors and attenders were not required to possess any qualification. At present they must have successfully completed the middle school course in a recognised Secondary school.⁴⁹

The teachers employed in the Municipal Secondary and Elementary schools must possess the qualifications prescribed in the Madras Educational Rules. The Head Master and the assistants of the secondary department of a High School must be graduates of a recognised University and holders of an L.T. or a B.Ed. certificate.⁵⁰

Pandits and Munshis teaching the vernaculars and the classical languages must be holders of a certificate of proficiency in oriental learning.

The Weaving Instructor employed in elementary schools must have passed the Government technical examination in weaving in Lower Grade⁵¹ or must have obtained the diploma in weaving granted by the Textile Institute, Madras.⁵² However, it was permissible to appoint an unqualified candidate, when qualified candidates were not available, in consultation with the Deputy Inspector of Schools for boys in the case of boys' schools and Sub-Assistant Inspectress of Schools for girls in the case of girls' schools.⁵³ This permission was subsequently withdrawn and at present only qualified candidates should be appointed.

⁴⁶ G.O. No. 4448. L.M. 29-10-1935.

⁴⁷ G.O. No. 2364. L.A. 16-6-1939.

⁴⁸ G.O. No. 4311. L.A. 3-11-1939.

⁴⁹ G.O. No. 2317. L.A. 27-6-1940.

⁵⁰ G.O. No. 917. Edn. 27-4-1937.

⁵¹ G.O. No. 1239. Law. 25-6-1930.

⁵² G.O. No. 4028. L.M. 14-10-1930.

⁵³ G.O. No. 3138. L.M. 28-8-1931.

⁵⁴ G.O. No. 818. L.M. 2-3-1932.

The teachers in Elementary schools should ordinarily be trained teachers. When trained teachers are not available, persons who have the prescribed educational qualification for admission to a training school may be appointed. The Head Master and the teachers handling classes from 5 to 8 in a Higher Elementary School must be secondary grade trained teachers. The Head Master of an Elementary school with class V as the highest class must be a higher grade trained teacher. Lower Grade trained teachers, who had already two years of experience as Head Master of an Elementary school on or before the 1st September 1933, are permitted to continue as Head Masters.⁵⁴

The Supervisors of Elementary schools must be holders of a Trained Teachers' Certificate.⁵⁵

A First Class Health Officer should either be an L.M. & S. or an M.B.B.S. of the Madras University or possess any other qualification considered as equivalent to the above or the holder of a B.Sc. degree of the Madras University or a diploma in Public Health or Hygiene of a British University.⁵⁶

A Second Class Health Officer must be at least an L.M.P. and must have undergone training, in public health and sanitary science for a period of one year.

The qualifications of the Sanitary Inspector varied from time to time. In 1920 he had to be the holder of a certificate from the Commissioner for Government Examinations to the effect that he had passed the higher grade technical examination in animal physiology and hygiene.⁵⁷ The course of study for this examination was very limited and found to be very inadequate in view of the fact that great advance was made in sanitary science. The Director of Public Health therefore recommended to the Government that the course of study for the Sanitary Inspectors should be expanded and that the period of training should be increased from six months to one year. He also suggested that the Sanitary Inspectors should also hold a first class vaccinators' certificate.⁵⁸ The recommendations of the Director were accepted. The Sanitary Inspectors are at present required to secure eligibility for the University course with two optional subjects, preferably Physics and Chemistry or Mathematics or Elementary Science and must be the holder of a diploma⁵⁹ signed by the Chairman of the Board of Examiners constituted by the Government of Madras.⁶⁰

⁵⁴ G.O. No. 1680. Edn. 16-9-1933.

⁵⁵ G.O. No. 4867. L.M. 16-11-1926.

⁵⁶ G.O. No. 945. Ph. 1-12-1923.

⁵⁷ G.O. No. 1960. Ph. 1-12-1923.

⁵⁸ G.O. No. 2108. Ph. 5-10-1928.

⁵⁹ G.O. No. 1296. Ph. 22-5-1929.

⁶⁰ G.O. No. 2274. Ph. 1-12-1931.

However, the following classes of persons are not required to possess the diploma mentioned above. A Licensed Medical Practitioner; a certified sanitary inspector or assistant sanitary inspector who held a substantive appointment as sanitary inspector on the 1st April 1929; a candidate who had passed the Bombay or the Burma sanitary inspector's course.⁶¹ Again the Director of Public Health was empowered to exempt deserving candidates from possessing the general educational qualification,⁶² and to certify any person, who in his opinion was considered as fit, to hold the post of sanitary inspector.⁶³ But this power was subsequently withdrawn.

The vaccinators are divided into two classes, first and second. The minimum educational qualification of a first class vaccinator is eligibility for the University course,⁶⁴ and he must have the qualification of an assistant sanitary inspector, or sanitary inspector or sub-assistant surgeon and must have completed his training at the King Institute, Guindy.

A second class vaccinator must have appeared for the S.S.L.C examination,⁶⁵ and secured a second class vaccinator's certificate issued by a First Class Health Officer under the authority of the Director of Public Health.

However, a person who held a substantive appointment as a first class vaccinator on the 1st April 1929 in the Madras presidency is not required to possess the qualifications of a first class vaccinator mentioned above.⁶⁶

A Health Visitor must be a woman.⁶⁷ She must not be less than 25 years nor more than 38 years of age. She must hold the diploma in Health Visiting, granted by the Board of Examiners of the Training School for Health Visitors attached to the child welfare and maternity division of the Indian Red Cross Society, Madras Branch.⁶⁸ The Local Government may appoint a person possessing the diploma both in general nursing and midwifery if recommended as suitable by the Director of Public Health.⁶⁹

The post of 'Woman Medical Officer' to be in charge of maternity and child welfare must be filled up by women alone. Her age must not be less than 25 nor more than 38 years. She must possess the diploma of an L.M.P. or L.I.M. (A class) and must have undergone training in

⁶¹ G.O. No. 1339. Ph. 21-6-1932.

⁶² G.O. No. 1296. Ph. 22-5-1929.

⁶³ Noti. No. 290. L.M., F.S.G.G., P.I.A. 1923.

⁶⁴ G.O. No. 2274. Ph. 1-12-1931.

⁶⁵ Noti. No. 423. P.I.A., F.S.G.G. 1925.

⁶⁶ G.O. No. 1339. Ph. 21-6-1932.

⁶⁷ G.O. No. 306. Ph. 29-1-1936.

⁶⁸ G.O. No. 638. Ph. 9-3-1934.

⁶⁹ G.O. No. 306. Ph. 29-1-1936.

maternity and child welfare. Preference must be given to an L.M.P.⁷⁰ If a woman who has successfully undergone the training prescribed for women medical officers is not available, an untrained woman medical officer may be appointed subject to the condition that she should undergo the training within a period of two years from the date of her appointment.⁷¹

The midwife of the maternity and child welfare section should not be less than 21 years of age and not more than 40 years of age, and should possess a diploma, registering her as a midwife under the Madras Nurses Act.

The Veterinary Surgeon must not have attained the age of 32 years and must possess the qualifications required for the veterinary Assistant Surgeon in Government service.⁷²

Regarding the medical establishment, the Assistant Surgeon, Sub-Assistant Surgeon, nurse, wardboy, nursing orderly, compounder and the midwife must possess the qualifications prescribed by the Local Government for the appointment of persons as Assistant Surgeon, Sub-Assistant Surgeon, nurse, wardboy, ward attendant or nursing orderly, compounder and midwife as the case may be for local government service.⁷³ An unqualified midwife may be appointed with the sanction of Local Government.⁷⁴ An L.I.M. who has been appointed as Medical Officer in an Ayurvedic, Unani or Siddha Hospital must have been registered under A class.⁷⁵

Regarding the Engineering establishment, an engineer must be a B.E. or C.E.⁷⁶ of the Madras University or holder of a certificate of engineering of the Benares, Mysore, Bombay or Calcutta Universities and certain other foreign Universities.⁷⁷ An Upper Subordinate with 10 years of experience in Local Bodies' service is also eligible for appointment as Municipal Engineer.⁷⁸ The Engineering qualification may be either civil or mechanical.⁷⁹ The service is divided into three grades.

Supervisors must be Upper Subordinates and Overseers may be lower subordinates. The qualifications of draftsmen, sub-overseers, water-works fitters and engine drivers working in the water-works department have also been fixed and we need not go into these details.⁸⁰

⁷⁰ Ibid.

⁷¹ G.O. No. 2013. Ph. 21-10-1936.

⁷² G.O. No. 341. L.A. 27-1-1936.

⁷³ G.O. No. 1435. Ph. 5-7-1932.

⁷⁴ G.O. No. 2744. Ph. 24-10-1935.

⁷⁵ G.O. No. 2795. Ph. 28-10-1935.

⁷⁶ Noti. No. 423. P.I.A., F.S.G.G. 1925.

⁷⁷ G.O. No. 3780. L.M. 21-9-1932.

⁷⁸ G.O. No. 727. L.M. 22-2-1936.

⁷⁹ G.O. No. 3270. L.M. 13-7-1934.

⁸⁰ G.O. No. 3750. L.M. 21-9-1932.

Before 1935, the Executive Authority was empowered to appoint unqualified persons as supervisors, overseers and sub-overseers.⁸¹ With the change in conditions this power was withdrawn.⁸²

The Electrical Engineering service is divided into three grades.⁸³ An Electrical Engineer must have a degree in electrical engineering of a recognised University or must possess a certificate in electrical technology of the Indian Institute of Sciences, Bangalore.⁸⁴ In addition to the above qualification, a person recruited to the first grade must have had seven years' practical experience in electrical engineering, approved by the Chief Engineer, four years being in operation and maintenance of central stations and distributive systems and three years in administrative charge. A person recruited to the second grade must have had five years' practical experience, three years in operation and one year in administration. For the third grade a person must have had three years' practical and administrative experience. Qualifications for the line supervisors,⁸⁵ foremen,⁸⁶ testing assistants and switch-board operators⁸⁷ have been fixed. The entire technical establishment belonging to the electrical department has been classified into 16 positions, commencing from the Power House Foreman to the Telephone Call Boy; their qualifications also have been fixed.⁸⁸

We must have noticed two fundamental defects in the above survey, viz., the Provincial Government and the Departmental Heads were empowered to exempt certain persons from the need to hold the prescribed qualifications and authorising the Executive Authority to appoint unqualified persons in certain permanent and temporary vacancies. It was here that the power was abused. Unqualified persons were appointed on the plea that qualified candidates were not available.⁸⁹ They were continued in service for a number of years and they subsequently applied to the Government for exempting them from possessing the prescribed qualifications. The attention of the Government was drawn by the Examiner of Local Fund Accounts to the fact that a number of Municipal Councils appointed unqualified persons even though qualified persons were available. The Government warned the Municipal Councils but without effect. They were, therefore, forced to withdraw the powers given to the Executive Authorities. At present only qualified candidates should be appointed.

⁸¹ G.O. No. 4892. L.M. 7-12-1932.

⁸² G.O. No. 2445. L.M. 26-6-1935.

⁸³ G.O. No. 727. L.M. 22-2-1936.

⁸⁴ G.O. No. 2698. L.M. 29-7-1931.

⁸⁵ G.O. No. 2346. L.M. 14-5-1934.

⁸⁶ G.O. No. 348. L.M. 26-1-1937.

⁸⁷ G.O. No. 2649. L.M. 14-7-1937.

⁸⁸ G.O. No. 4019. L.A. 17-10-1939 & G.O. No. 1796. L.A. 16-5-1940.

⁸⁹ G.O. No. 3947. L.M. 1-10-1928.

Secondly, the minimum educational qualification fixed for the managers, accountants and the upper division clerks is not adequate. The minimum must be raised and they should be graduates of a recognised University. Again, the special qualification which these persons are required to possess, viz., the Account Test examination is not at all related to the actual functions which they perform. The books prescribed for the examination do not at all deal with Municipal Accounting and Municipal Budgeting. They deal with the preparation and maintenance of provincial accounts and budgets. There is, therefore, need to revise the course of study so as to make the accounts examination a more realistic one.

Let us now consider the qualifications which the heads of departments should possess. In recent times, a controversy has arisen on this subject. Sir Ernest Simon, a former Lord Mayor of Manchester, is of opinion that the heads of departments should be trained administrators and not technically qualified persons. According to him the head of the Public Health department in a municipality must not be the Municipal Health Officer but a lay administrator. He argues that neither medical knowledge nor medical experience gives him any knowledge or experience of Public Health administration. His training and interests are intended for a definite purpose and he is not likely to become an efficient administrator like a person who spent the best part of his life in acquiring the right knowledge and experience required for an administrator. He further argues that the administration of a department under a lay administrator is likely to be cheaper than under a professional or technical person. In order to support his thesis he says that the Permanent Secretary of the Ministry of Public Health is a lay man. Why should we not have a similar arrangement in Municipal Government also?⁹⁰

The view of Sir Simon was severely criticised. The argument that the Permanent Secretary of the Ministry of Health is a lay man and, therefore, the Head of the Public Health department in a Municipality should be a lay man reveals the imperfect realisation of the functions of technical persons in Civil Service and in Municipal Service. The main function of the technical officers in the central civil service is one of advice and the issue of instructions. They generally do not perform executive functions. In Municipal service, technical men are called upon to apply their technical knowledge in day-to-day administration.⁹¹ That is to say, the Municipal Health Officer functions in a dual capacity. He must not only advise and issue instructions to those engaged in public health work but must also see that his instructions are carried

⁹⁰ Robson, *British Civil Service*, p. 93.

⁹¹ *Public Administration*, 1934, p. 224.

out properly. Thus his functions are both technical and administrative. The nature of the work is such that the administrative aspect cannot be divorced from the technical aspect.⁸² Let us suppose that cholera breaks out in a Municipal area. According to the Simon Plan of Administration, the Health Officer must visit the spot, determine whether it is cholera or dysentery and report to the lay administrator as to the measures to be taken. The lay administrator will move only after the receipt of a report from the Health Officer. All this means delay and procrastination, resulting in the spread of the disease. In the very nature of things the person that should be entrusted with the administrative functions is the Health Officer.

Secondly, the entire personnel of the Public Health department, excepting the manipulative class, are technical men and women, like the sanitary inspector, vaccinator, health visitor and woman medical officer. A technically qualified person will find it exceedingly more easy not only to control the personnel but also to understand the administrative problems pertaining to his department than the lay administrator. Above all he is eminently fitted to take immediate action on any question relating to his department.

Thirdly, the lay Administrator will act in most cases only on the advice of technical men. That is to say, he requires the technical man to be always at his elbow. Such an arrangement is not only inefficient but is a costly luxury. It is inefficient because advice is rendered by one and execution is done by another. If anything goes wrong both will try to shift the burden on to the other. It is a costly luxury because two officers will have to be appointed to perform one and the same function. But the most decisive point against the employment of a lay administrator as the head of a department is the possibility of a conflict between the technical man and the lay administrator producing disastrous results.

The arguments of Sir Simon that technical men as heads of departments are not likely to become efficient administrators is not a valid one. The technical person who is appointed as the head of a department is generally one who had acquired administrative experience in the lower ranks. For instance the engineers must have had approved experience of administrative character before their appointment. Again all technical men are given some kind of training of an administrative character during their training period.

The conclusion therefore follows that there is no need to make any change in the present arrangement.⁸³ Dr. Finer's suggestion that

a lay administrator may be appointed as subordinate to the technical man⁸⁴ is not applicable to Indian conditions because, the area of administration for supervision is limited and there is no need for the appointment of two officers for the same purpose. There is the Municipal Commissioner to take the place of Lay Administrator and to co-ordinate the activities of the various departments and to survey the entire field of administration.

Salaries, Scales and Allowances

The next essential feature of a proper classification system is related to salaries. The essential features of a good salary administration are firstly, every position must have a scale of pay. That is to say, there should be a minimum and a maximum, and the maximum is to be reached by stages. Such an arrangement will have a beneficial effect on recruitment. Its absence means, that competent men will not seek service. It also means that the initial salary and the periodical increments depend upon the amount of political pressure brought about on the members of the council.⁸⁵

Secondly, salaries must be adequate and secure. Here are two parties with conflicting interests. The public servant demands liberal pay, while the tax-paying public want that the administration should be carried on as cheaply as possible. The task of the administrator is to reconcile the conflicting interests. His primary business is to guard the interests of the public servant from the attacks of the people's representatives. When any deficit is anticipated, or a financial crisis has to be got over, the pay rolls of the public servants are the first items that are taken up for scrutiny. The reason is obvious. A glance at the budget estimate of any municipality reveals the fact that more than 50 per cent of the total revenue is set apart towards pay and allowances of the services. Instead of levying additional taxation and thus incurring the displeasure of the rate-payers, cut in salaries is found to be the easiest way of getting over financial difficulties.

Thirdly, there should be inter-relation between the salary paid, and the purchasing power of the rupee. During the last war and the present war, the prices of commodities have gone up but the salaries of the municipal establishment remained stationary in most of the councils. There is therefore need for the periodical adjustment of the salaries paid to the purchasing power of the rupee.⁸⁶

⁸² *Ibid.*, 1929, p. 254.

⁸³ *The Hadow Committee Report*, p. 34.

⁸⁴ *Finer, English Local Government*, p. 264.

⁸⁵ *Hadow Committee Report*, p. 34.

⁸⁶ *Mosher and Kingsley, Public Personnel Administration*.

How far these fundamental principles are observed? Before 1933 the councils had complete freedom to fix scales of pay for all municipal employees. The previous consent of the Provincial Government was not necessary excepting in the case of Municipal Health Officers and Municipal Engineers. However, most of the councils never made any effort to introduce scales of pay for all the Municipal employees. Political and personal considerations played a great part in fixing the initial pay or the scale of pay. Different municipalities introduced different scales of pay for similar positions.⁹⁷ Persons performing similar functions in the same municipality were given different scales of pay.⁹⁸ In some cases they were unduly generous and in some they were hopelessly inadequate.⁹⁹ The municipal employees demanded from time to time the introduction of uniform scales of pay.¹⁰⁰

Let us examine the validity of these statements by reference to the actual state of affairs that existed in some of the municipalities before 1940.

Firstly, scales of pay were never introduced for the non-technical establishment in some councils like Nandyal,¹⁰¹ Bimilipatam,¹⁰² Tiruvarur,¹⁰³ and Vizianagaram.¹⁰⁴

Secondly, scales of pay were given to some and denied to others in some municipalities like Tanjore,¹⁰⁵ Mannargudi,¹⁰⁶ Sivakasi,¹⁰⁷ Chica-
cole,¹⁰⁸ Gudiyattam,¹⁰⁹ Trichinopoly,¹¹⁰ Conjeevaram,¹¹¹ and Chittoor.¹¹²

Thirdly, there was no uniformity in the scales of pay fixed for persons performing similar functions in different municipalities belonging to the same grade and for persons performing similar functions in one and the same municipality. For instance,

⁹⁷ G.O. No. 4209. L.M. 14-10-1935.

⁹⁸ G.O. No. 5096. L.M. 7-12-1933.

⁹⁹ M.L.C.P. Vol. 73. p. 393. Speech of the Chief Minister, Raja of Bobbili.

¹⁰⁰ Resolution No. 8. Proceedings of the All-India Federation of the Teachers' Association, Madras Session.

¹⁰¹ I.L.B. Office D. Dis. No. 20956-39.

¹⁰² & ¹⁰³ *Ibid.*, D. Dis. No. 35772-39.

¹⁰⁴ *Ibid.*, D. Dis. No. 41867-39.

¹⁰⁵ *Ibid.*, D. Dis. No. 26343-39.

¹⁰⁶ *Ibid.*, D. Dis. No. 36041-39.

¹⁰⁷ *Ibid.*, D. Dis. No. 35771-39.

¹⁰⁸ *Ibid.*, D. Dis. No. 34768-39.

¹⁰⁹ *Ibid.*, D. Dis. No. 41545-39.

¹¹⁰ *Ibid.*, D. Dis. No. 33916-39.

¹¹¹ *Ibid.*, D. Dis. No. 41793-39.

¹¹² *Ibid.*, D. Dis. No. 35766-39.

TABLE I
First Grade Municipalities—Scales of Pay on 31-3-1940

Name of the Municipality.	Managers.	Accountant.	Clerks.	Revenue Officers.	Warrant Officers.	Bill Collectors.
Calicut ¹¹³	80-8/2-120	80 Fixed.	45-3/2-60 30-2/2-60 20-2/2-35	200-10/2-300	30-2/2-40	20-2/2-30
Coimbatore ¹¹⁴	100-5-150	50-4-70	50-4-70 40-4-60 40-2-50 35-1-40 30-1-40 20-1-25	60-4-80	35-2-45	30-1/2-35 25-1/2-30 20-1/2-25
Madura ¹¹⁵	230 Fixed.	85-5-125	30-2-70 30 Fixed. 75-5-100	100-10-150	30-14-45	25-1 1/2-45 25-1 1/2-40 25 Fixed.
Ooty ¹¹⁶	125-7 1/2-225	75-5-100	125-5-150 60-3-90 50-2-70 40-2-60	40-2-60-14-75	Nil.	25-1-30
Salem ¹¹⁷	60-4-80	45-1 1/2-60	45-1 1/2-60 35-1 1/2-50 30-1 1/2-45 30 Fixed.	100-5-125	30-1-35	20-1-30 20-1/3-30
Trichinopoly ¹¹⁸	150-10-200	50-4-70	50-4-70 30-2-50 40-2-60 25-1-30 40 Fixed. 35-1-50	100-5-150	25-1-40-2 1/2-45	25-1-45

¹¹³ *Ibid.*, D. Dis. No. 31812-39.

¹¹⁴ *Ibid.*, D. Dis. No. 26217-39.

¹¹⁵ *Ibid.*, D. Dis. No. 57639-39.

¹¹⁶ *Ibid.*, D. Dis. No. 11516-39.

¹¹⁷ *Ibid.*, D. Dis. No. 41790-39.

¹¹⁸ *Ibid.*, D. Dis. No. 33916-39.

TABLE II
Second Grade Municipalities—Scales of Pay on 31-3-1940

Name of the Municipality.	Managers.	Accountant.	Clerks.	Revenue Officers.	Warrant Officers.	Bill Collectors.
Coonoor ¹¹⁹	...	60-3-90	50-2-60 45 1-55-2-65	150-10-250	40-2-60	40-2-60
Mangalore ¹²⁰	...	60-5-100	30-1-40-2-60 24-65 30-1-45	50-5/2-75	40-2-60 35-1-50	25-1 1/2 40
Negapatam ¹²¹	...	45-1 1/2 60	30-1 1/2 45 30-2/2-40 30-1-40 25-1 1/2 40 25-2 35 25-2-45	80 4-100	Nil.	25 Fixed. 24 Fixed. 23 Fixed. 20 Fixed.
Ellore ¹²²	...	35-1 1/2 50	30-1-40 40-2-60	60-4-80	25-1-30	20-1-25
Vizagapatam ¹²³	...	80 Fixed.	35-2 1/2 60 30-3/2-55 30-1 1/2 50 30-1 1/2 45 30-2 1/2 45 30-1-40 20-2-30	150-12 1/2 225	35-2 1/2 60	18-1 1/2 30

¹¹⁹ Ibid., D. Dis. No. 41792-39.¹²⁰ Ibid., D. Dis. No. 37357-39.¹²¹ Ibid., D. Dis. No. 36406-39.¹²² Ibid., D. Dis. No. 35268-39.¹²³ Ibid., D. Dis. No. 36772-39.

TABLE III
Third Grade Municipalities—Scales of Pay on 31-3-1940

Name of the Municipality.	Managers.	Accountant.	Clerks.	Revenue Officers.	Warrant Officers.	Bill Collectors.
Karaikudi ¹²⁴	Secretary on 150-5-200 Manager on 75-5/2-100	60-4-80	35-1 1/2 55 30-1 1/2 50 25-1-30	60-4-80	30-1-35	20-1-35
Cannanore ¹²⁵	80-4-120	50-2-70	40-1-50 30-1/2-45 25-1 35	Nil.	Nil.	15-1 1/2 30 12 1/2 1-17 1/2 12 1/2 1-22 1/2
Adoni ¹²⁶	75-5/2-125	40-3/2-55	40-3/2-55 30-2/2-40	Nil.	30-3/2-45	20-2/2-30
Chidambaram ¹²⁷	70-5/2-100	30-1-50	30-1-45	30-1-45	25 Fixed.	20-1-25
Anantapur ¹²⁸	60-2-80	40-1-50	30-1-40 35-1-45	Nil.	35-1-45	20 Fixed.

¹²⁴ Ibid., D. Dis. No. 31814-39.¹²⁵ Ibid., D. Dis. No. 35272-39.¹²⁶ Ibid., D. Dis. No. 28552-39.¹²⁷ Ibid., D. Dis. No. 35271-39.¹²⁸ Ibid., D. Dis. No. 24990-39.

TABLE IV

Fourth Grade Municipalities—Scales of Pay on 31-3-1940

Name of the Municipality.	Managers.	Clerks.	Name of the Municipality.	Managers.	Clerks.
Ongole ¹²⁹	60-4-100	30-1-40	Tirupati ¹³³	55-3-70	35-2-45 25-1-30 20-1-25
Chicacole ¹³⁰	60-4-80	35-1-40 40-1-45	Narasaraopet ¹³⁴	60-4-80	35-1-45 30-1-40
Gudiyattam ¹³¹	75 Fixed.	25-1-30	Tirupattur ¹³⁵	60-5-90	30-1½-45 25 Fixed. 28-1½-43
Bodinayakanur ¹³²	40-2-50	25-2/2-35	Vaniyambadi ¹³⁶	40-1-50	40-1-50 35-1-40 30-1-40

¹²⁹ Ibid., D. Dis. No. 35269-39.¹³⁰ Ibid., D. Dis. No. 34768-39.¹³¹ Ibid., D. Dis. No. 41545-39.¹³² Ibid., D. Dis. No. 34923-39.¹³³ Ibid., D. Dis. No. 34398-39.¹³⁴ Ibid., D. Dis. No. 41789-39.¹³⁵ Ibid., D. Dis. No. 41546-39.¹³⁶ Ibid., D. Dis. No. 37482-39.

Were the scales of pay noted above adequate? One thing we must know before we investigate into this question. We must know first, the standard scales of pay for all the positions, i.e., the pay which is equal to the work which a person occupying a particular position will have to perform. Scales of pay depend to a large extent on the nature and extent of the duties and responsibilities which particular positions will have to perform. For instance the duties and responsibilities of the Managers of Madura and Anantapur Municipalities are not the same though they bear the same designation. Madura is the biggest of all the Municipalities with an annual revenue of 22 lakhs, with an office (the main office only) consisting of a Manager, an Accountant, 8 Upper Division clerks, 42 Lower Division clerks, a Revenue Officer, 8 Revenue Inspectors and 42 bill collectors. The duties and responsibilities of the Manager and Accountant of the Madura Municipality are not only great but they are also of varied character.¹³⁷ Compare this with a third grade Municipality like Anantapur¹³⁸ with an annual revenue of one lakh with a small office consisting of a Manager, an Accountant and five lower division clerks. The position is self-evident. Therefore there is need for the classification of the Municipalities into several grades based on annual revenue. After that, each position must be given a scale of pay based on the nature and extent of duties and responsibilities which it will have to perform.

In this respect our task is lightened. The Inspector of Municipal Councils has already classified the Municipal councils into four grades and fixed scales of pay for all the non-technical positions. The Managers of the

- I Grade Municipalities are given 100—5½—125
 II Grade Municipalities are given 80—5½—100
 III Grade Municipalities are given 65—5½—80
 IV Grade Municipalities are given 55—5½—65

The Accountants have been divided into two grades. The scale of pay is

- I Grade 65—5½—80
 II Grade 55—5½—65

The first grade accountants are appointed to the first grade municipalities and the second grade accountants to the second and the third grade municipalities. The fourth grade municipalities have no accountants.

The clerical positions have been divided into two categories, the Upper Division and the Lower Division. The former are appointed

¹³⁷ Ibid., D. Dis. No. 57699-39.¹³⁸ Ibid., D. Dis. No. 24990-39.

generally in the first and second grade municipalities. The Lower Division clerks are appointed in all the municipalities. The scale of pay for the Upper Division clerk is 55—5½—65 and that of the Lower Division clerk is 30—3½—45—2½—50.

The collection department consists of a Revenue Officer, Revenue Inspectors and Bill Collectors. The Bill Collectors have been divided into two classes, first and second grade. Revenue Officers are appointed in the first grade municipalities. Revenue Inspectors are appointed in all municipalities excepting in the fourth grade. First grade Bill Collectors are appointed in all the municipalities excepting in the fourth grade. The second grade Bill Collectors are appointed in the fourth grade municipalities. Their scales of pay are : Revenue Officer 80—5½—100, Revenue Inspector 30—3½—45—2½—50, First Grade Bill Collector 22—2½—40 and II Grade Bill Collector 19—2½—30.

A comparative study of the scales of pay fixed by the Inspector of Municipal Councils and the scales of pay given in the above four tables leads us to the conclusion that Managers of most of the Councils and Revenue Officers of some of the Councils were given generous scales of pay. The scales of pay of others were not adequate. For example, in Tiruvarur a fourth grade Municipality, the Manager was receiving on the 31st March 1940, after 25 years of service, Rs. 50 per month as salary, which was less than the minimum of the standard scale of pay, viz., Rs. 55 ; in the same Municipality three clerks with 15 years' service were receiving Rs. 34 ; one clerk with 12 years' service was drawing Rs. 32 ; two clerks with 7 years' service were drawing Rs. 26 each. Tiruvarur is not a solitary example. In Tirupati, the Manager and the Accountant were given the same scale of pay, Rs. 30—2—45. Again in Bodinayakanur, Sivakasi, Gudiyatam and Priyakulam the maximum of the scale of pay of the clerks was the minimum of the standard scale of pay. A careful examination of the scales of pay of the ministerial establishment of several Councils that existed on the 31st March 1940, i.e. just before the introduction of the scales of pay fixed by the Inspector, reveals the fact that they were fairly generous in the first and second grade municipalities and inadequate in the third and the fourth grade municipalities.

The failure of some of the Councils to introduce reasonable scales of pay, the great diversity in the scales of pay that existed and the consequent need for the introduction of uniform scales of pay, impelled the Provincial Government to assume power to fix the strength and scales of pay for all the Municipal employees. It is not open to the Councils to alter the scales of pay fixed by Government without its previous consent.¹²⁹

¹²⁹ Madras Act IV 1935.

The Provincial Government fixed the scales of pay for all positions and grades. The Health Officers' pay was fixed in 1924.¹⁴⁰ The Provincial Government bears three-fourths of the cost of salary and the remaining one-fourth together with leave contributions is recovered from the Municipal Councils concerned. The Health Officers are also given an allowance for the maintenance of their conveyances from the Municipal funds.¹⁴¹ The scales of pay of the other members of the Public Health staff, such as Woman Medical Officer, Health Visitors, Midwives, Compounders, Sanitary Inspectors, Vaccinators, Registrar of births and deaths, sanitary and scavenging maistries, sweepers, scavengers and drain cleaners were fixed in 1937.¹⁴² They were also fixed for all the officers and servants employed in Medical institutions, for the teachers employed in secondary schools,¹⁴³ elementary schools,¹⁴⁴ supervisors of elementary schools,¹⁴⁵ Engineers, both Municipal and Electrical,¹⁴⁶ the Engineering establishment,¹⁴⁷ and the non-technical establishment employed in their offices.¹⁴⁸

Before the fixation of scales of pay by Government, the Municipal Councils were very generous in granting allowances in addition to pay but they were based on no principle. At present they are given on certain principles. Officiating allowances may be granted to an acting incumbent. For instance, an assistant performing the duties of a Head Master of a Secondary School,¹⁴⁹ or an L.T. or B.Ed. assistant working in the secondary grade but handling classes in higher forms, may be granted an allowance not exceeding one-third of their pay, subject to the condition that the total emoluments do not exceed the minimum fixed for the post in question.¹⁵⁰

The fixation of scales of pay, affected adversely those who were drawing generous scales of pay. In order to protect such persons, the Local Government instructed all the Municipal Councils to assign the incumbents in the existing posts to similar posts in the new scales of pay and to fix the existing pay drawn by an incumbent at any stage in the new scale of pay. If it does not conform to any stage in the new scale of pay it should be fixed at the next stage below the pay drawn and the difference between the actual pay drawn and the new scale of pay should be paid as personal allowance to be absorbed by future

¹⁴⁰ G.O. No. 516. Ph. 1-4-1924.

¹⁴¹ G.O. No. 1172. L.M. 6-8-1936.

¹⁴² G.O. No. 646. L.M. 10-3-1937.

¹⁴³ G.O. No. 3639. L.M. 7-9-1935.

¹⁴⁴ G.O. No. 5096. L.M. 7-12-1933.

¹⁴⁵ G.O. No. 4209. L.M. 14-10-1935.

¹⁴⁶ G.O. No. 727. L.M. 22-2-1936.

¹⁴⁷ G.O. No. 2248. L.M. 9-8-1941.

¹⁴⁸ I.L.B. Office. D. Dis. 2441-39.

¹⁴⁹ G.O. No. 4702. L.M. 2-11-1936.

¹⁵⁰ G.O. No. 2122. Edn. 3-10-1936.

increments. If the pay drawn exceeds the maximum of the new scale, the pay is fixed at the maximum and the difference is paid as personal allowance. In fixing the pay of an incumbent in the new scale of pay his past services are not taken into consideration.

There is, however, one defect in the whole procedure. It is, the handling of the subject by the Departments. The Departments are not the proper agencies to handle this question for two reasons: Firstly, each department exaggerates its needs and tries to secure a liberal pay for its own men. Secondly, such procedure does not secure uniformity in treatment, the chief end of the classification system.¹⁵¹ This business should therefore be entrusted to an outside body representing all the local bodies. That organisation should fix the scales of pay in close consultation with the departments concerned. Obviously, the body to which this function should be entrusted is the Local Appointments Commission of which we shall speak later on.

The present position, when compared to the state of affairs that existed in 1920, is that every employee, whether permanent or temporary is started on a minimum pay and is assured of a maximum for satisfactory work. There is uniformity in the scales of pay and their determination is removed from the sphere of council politics. The salaries are adequate.

Tenure of Office

One of the important factors of personnel administration is the tenure of office. Tenure of office is of three kinds. Holding appointment at the will of the appointing authority; or for a definite period or during good behaviour.

Holding appointment at the will of the appointing officer prevails in business circles. There the employer is interested in profit and loss and hence the insecurity of office. The second kind of tenure does not generally prevail in public employment. Public positions are generally held during good behaviour.

The duties of the Municipal employees are such that they are likely to come into conflict with the councillors and their vested interests. The Councillors are not always impartial. There is therefore need to secure permanency of office, if the Municipal servants are to discharge their duties with independence and integrity. The difference between public and private employment is that the public employees are 'lifers'. They hold appointments during good behaviour and cannot be removed except for cause. The cause must be shown and a definite procedure

¹⁵¹ Willoughby, *Op. Cit.*, p. 250.

must be adopted in showing it. It must be either misconduct or gross inefficiency.

How far was this observed in Municipal service? As long as the Chairman of the council happened to be the Executive Authority there was general insecurity. A number of persons were improperly removed from service. One of the grounds on which the Walajapeta¹⁵² and Hindupur¹⁵³ councils were superseded was, the irregular removal of persons in service. It was generally believed that of all the services, Municipal service was the most insecure. Competent men hesitated to come forward to accept appointment in a Municipality. When plague was raging furiously in Madura in 1920, it had no Health Officer.

In order to secure permanency of office for the Municipal servants, various experiments were made. Before provincialising the service of Municipal Engineers and Municipal Health Officers, it was statutorily provided that they should not be removed from office without the consent of the Provincial Government. After provincialisation, the Councils are given power to recommend their removal by a two-thirds vote passed at a special meeting called for the purpose.¹⁵⁴ The officer concerned will be transferred to another Municipality.

Secondly, proposals adversely affecting any Municipal officer or servant who has been in permanent service for more than five years and has been drawing a salary of Rs. 50 and above must be considered at a meeting specially called for the purpose.¹⁵⁵

These attempts did not improve the position. The Government therefore assumed power to fix the strength, scales and grades of pay of the Municipal servants and the Municipal councils have no power to alter them without the previous consent of the Provincial Government. Under this provision the Government had already fixed the strength of the establishment of every council. The position has, however, considerably improved with the appointment of Municipal Commissioners. The Chairmen and the councils are divested of their former power to inflict punishment and hear appeals. The Executive Authority is made responsible for the maintenance of discipline. Today the Municipal employees are 'lifers'. They cannot be removed without cause. Even if they are removed they enjoy the right of appeal to the Provincial Government.

¹⁵² I.L.B. Office. D.Dis. No. 39598-35.

¹⁵³ *Ibid.*, D.Dis. No. 36580-37.

¹⁵⁴ The Madras District Municipalities Act, 1920., Sec. 72(4), G.O. No. 1435. L.M. 22-4-1932.

¹⁵⁵ The M.D.M. Act, Sec. 70(2).

CHAPTER II

RECRUITMENT, TRAINING AND TRANSFERS

Agency of Recruitment

It is claimed by some that it is the essence of the democratic system that the elected representatives should have the power to appoint Municipal Officers and servants. There are others who argue that the people's representatives are thoroughly unfit to make wise choice of Municipal officials. Experience has shown conclusively that democratic control of public personnel affords opportunities for abuse of power.

Before 1933 there were two agencies for the recruitment of Municipal personnel, the Municipal Council and the Municipal Chairman. Municipal Councils had power to appoint Municipal Health Officers and Municipal Engineers. In practice, however, it was the Government that appointed the Municipal Health Officers and this practice was legalised in 1933. The Municipal Chairman as Executive authority appointed all other persons. The Act XV of 1933 has completely altered the position. The Council is divested of the power of appointing Municipal Engineers, both civil and electrical, and Municipal Health Officers.¹⁵⁶ In its place came the Provincial Government. Again the Chairman is no longer an appointing authority. In his place two agencies came into existence, the Municipal Commissioner and the Appointments Committee. The Commissioner appoints all persons whose maximum monthly salary does not exceed Rs. 50. All others, excepting Municipal Health Officers and Municipal Engineers, are appointed by a committee consisting of the Commissioner, the Chairman and a member of the council elected by it. Again the Provincial Government, may on application, place the services of any Government Officer, at the disposal of any council. Most of the Medical Officers in charge of Municipal Medical Institutions are members of the Provincial Service and this power of lending the services of medical officers to local authorities is exercised by the Surgeon-General.¹⁵⁷

We have, therefore, three agencies at present. The plurality in the agency for the recruitment of personnel is not conducive to secure uniformity in recruitment. There are at present 82 Commissioners, 82 Appointment Committees besides the Provincial Government. These agencies are in the very nature of things, not the proper ones to be entrusted with the task. For they may not adopt approved methods

¹⁵⁶ M.L.C.P. Vol. 66. 781 & Madras Act, XIII of 1933.

¹⁵⁷ G.O. No. 2676. L.M. 23-6-1926.

of selection. They may be guided by political and communal considerations in selecting candidates. Evidence collected shows that appointments were given to the sons and brothers of the sitting councillors. Again the selection of personnel is an exceedingly complicated task which can be performed only by experts specially trained for the purpose.

If the existing agencies are unsuitable, what is the machinery that should be devised to undertake the business? The Hadow Committee recommended the establishment of a selection committee in every council consisting of the members of the council.¹⁵⁸ In the United States where cities have Managers, the recruitment of personnel is done by a 'Personnel Director'. Some cities have appointed 'Personnel Commissioners'.¹⁵⁹ In France the Mayor is the recruiting agency.¹⁶⁰ He appoints all the Municipal Officers and servants. In England there is no uniform practice. Some times it is left to the senior officers of the departments; sometimes to the concerned committees of the council; sometimes the whole council does it; some of the councils have the appointing committees;¹⁶¹ sometimes they are done by sub-committees or by the chairman of sub-committees.¹⁶² An exceedingly interesting experiment made in this affair is the creation of the 'Local Appointments Commission' in Ireland in 1926. The Commission consists of three members. Their functions are to select candidates for appointment in local bodies. The Local Bodies must appoint persons recommended by the Commission. The Commission generally recommends only one person for every vacancy and he should be appointed.¹⁶³

Of all the agencies mentioned above, the one that is most suitable for adoption appears to be the Local Appointments Commission. The Commissioners, numbering three may be appointed for life. They should be removed from office only when their integrity is questioned. The Commission should consist of persons of outstanding ability. One of them should be an eminent educationist and another an eminent administrator. The Commissioners may be appointed by the Ministry for Local Administration.

The Commission should concern itself with the formulation of rules for the selection of candidates, with the classification of positions, with the standardisation of scales of pay and fixation of grades. Some of the Civil Service Commissions are entrusted with disciplinary functions and with promotions. It is undesirable that the Commission

¹⁵⁸ The Hadow Committee Report, p. 36.

¹⁵⁹ Walker, *Public Administration in U. S. A.*, p. 154.

¹⁶⁰ Munro, *Government of European Cities*, p. 304.

¹⁶¹ Hausluck, *Local Government in England*, p. 71.

¹⁶² Harris, M. *Municipal Self-Government in England*, p. 93.

¹⁶³ *National Municipal Review*, 1938.

should be entrusted with disciplinary and promotional functions. That would weaken the administrative control over the personnel.

The Commission should recruit persons for all the local authorities. The merits of the plan are self-evident. A central agency would secure better personnel; it would purify political life in the local areas; it would relieve the chairman of the political pressure from party leaders to secure appointments for the liquidation of political debts; it would liberate the Executive Authority from the conflicting claims of the contending parties. Finally it would enable all the local authorities to bestow their attention on their proper functions.

Methods of Recruitment

Having settled the agency, let us now consider the methods to be employed to secure better personnel. During the dyarchical period, most of the vacancies were never advertised. They were filled up by local men if they had the required qualifications. But after the appointment of commissioners vacancies are generally advertised. The first thing that should be observed in this connection is that every vacancy should be advertised. Advertisement removes any suspicion that appointments are being jobbed. It should contain all the details, whether the vacancy is a temporary or a permanent one and what pay and prospects for promotion it carries. These details are intended to persuade the best candidates to come forward. The purpose of advertisement is to search for them. Again there should be sufficient interval, at least 20 days, between the date of publication of an advertisement and the date fixed for the receipt of applications.

After receipt of applications, they should be sorted out according to qualifications and the applications of unqualified candidates should be rejected.

Then comes the selection of candidates. The selection may be done in three ways, by a competitive examination, or by a non-competitive examination or by a personal interview¹⁶⁴ or by combination of any two of the three methods. Whatever may be the method of selection, two principles should be observed. The merit system demands that the ablest of the candidates should be selected and the method of selection should be thoroughly impartial.¹⁶⁵ The only known means by which these two fundamental principles can be secured is by an open competitive examination.¹⁶⁶ The mills of examination "grind with amazing fairness".¹⁶⁷ Examination not only guarantees fairness and impartiality,

¹⁶⁴ Mosher & Kingsley, *Op. Cit.*, p. 105.

¹⁶⁵ *The Hadow Committee Report*, p. 19.

¹⁶⁶ Robson, *Op. Cit.*, p. 254.

¹⁶⁷ *The Political Quarterly*, 1936, p. 200.

it also results in the creation of an honest civil service.¹⁶⁸ By proper examination methods we can surely know the real worth of a candidate.¹⁶⁹

It is true that examination like all human institutions has its defects. It does not reveal such personal qualities as honesty, integrity, and personality. But these defects can be rectified by interviewing the candidates and enquiring about their antecedents.

Open competitive examination has its own limitations. Technical persons like the Municipal Health Officer, Municipal and Electrical Engineer and Medical Officer may have to be selected by a non-competitive examination. The reasons are obvious. They are already subjected to a series of examinations and the unfit are eliminated. Secondly, their number is small. All that we have to discover in them is their administrative ability to manage their departments. That can be done by asking them to undergo some kind of training in Public Administration and personally interviewing them before their appointment. The adoption of these two methods will secure good candidates. Then there is the labour force which should be exempted from all examinations. To sum up, examinations of a competitive nature should be limited to the administrative and clerical classes; technical employees should be selected by a non-competitive examination; manipulative services should be exempted from all kinds of examination.

Limitations to Recruitment

There are, however, certain limitations which the Appointing Authority should observe before recruiting any person. The first limitation is that persons other than British subjects¹⁷⁰ should not be appointed except for scientific and technical posts and that too when qualified men are not available.¹⁷¹

The next limitation is that preference should be given to local men. Outsiders are preferred only when local talent does not supply the necessary material. Some of the councils resolved to prefer persons residing within their municipal limits.¹⁷² "This is an extremely serious limitation one not in harmony with the merit principle".¹⁷³

¹⁶⁸ *Ibid.*

¹⁶⁹ White, *Op. Cit.*, 317.

¹⁷⁰ G.O. No. 1851. L.M. 20-9-1921.

¹⁷¹ G.O. No. 456. L.M. 24-1-1934.

¹⁷² M.L.C.P. Vol. 69, p. 352.

¹⁷³ Mosher & Kingsley, *Op. Cit.*, p. 118-20.

Persons dismissed from service¹⁷⁴ or convicted for political offence or for an offence involving moral turpitude should not be appointed.¹⁷⁵ Persons whether trained¹⁷⁶ or untrained¹⁷⁷ should not be appointed as honorary teachers in Municipal schools. Ex-Taluq Board servants who have the prescribed qualifications may be preferred over others.¹⁷⁸

Again women alone should be appointed to certain positions like the Woman Medical Officer, Health Visitor, Midwife, female nursing orderly and teachers in girls' schools. If women teachers are not available male persons whose age is more than 30 years may be appointed with the sanction of the inspecting authority concerned.¹⁷⁹ Even among women candidates, preference should be given to spinsters and widows. If they are not available married women may be appointed. For all other posts any 'person' may be appointed. In practice, however, women are not at all appointed to ministerial or non-ministerial posts. There appears to be some sort of aversion to the employment of women. It is highly desirable that women should be treated in the same way as men. The rule that preference should be given to spinsters and widows is not at all wise. It means the denial of the right of marriage to a woman who desires to enter municipal service. It means the denial to her of the 'irreducible minimum of human happiness' to which every person is entitled. It means the assumption of a duty by the appointing authority of determining as to who should assume the function of home-building and who should not. It is not realised that from the administrative point of view a married woman is more amenable to discipline than a spinster or a widow.

The next limitation is that the appointing authority must consult certain outside authorities before recruiting certain classes of persons. The District Medical Officer must be consulted before appointing or transferring a Government medical officer whose services have been placed at the disposal of the council.¹⁸⁰ He must also be consulted before appointing compounders, midwives,¹⁸¹ nurses and nursing orderlies in an allopathic institution.¹⁸² The Surgeon-General must be consulted before appointing a medical officer who is not a Government servant to

¹⁷⁴ G.O. No. 5062. L.M. 23-11-1934. The Chairman, Municipal Council, Gudiyattam appointed a person who was dismissed and convicted for embezzlement of Municipal funds as Manager of the Saidapeta Municipality. The Chairman, Municipal Council, Tadipatri, appointed a dismissed manager as Accountant. (G.O. No. 1851. L.M. 9-5-1936.)

¹⁷⁵ G.O. No. 3648. L.M. 18-8-1936.

¹⁷⁶ G.O. No. 404. Edn. 26-2-1937.

¹⁷⁷ G.O. No. 120. L.M. 5-1-1934.

¹⁷⁸ G.O. No. 3109. L.M. 28-6-1934.

¹⁷⁹ G.O. No. 2604. L.M. 21-11-1939.

¹⁸⁰ Noti. No. 226. L.M. 14-3-1922.

¹⁸¹ G.O. No. 2607. Ph. 23-1-1925.

¹⁸² G.O. No. 1965. Ph. 30-7-1929.

an allopathic institution.¹⁸³ The Principal of the Indian Medical School must be consulted before appointing medical officers,¹⁸⁴ compounders, midwives and nursing orderlies in an Ayurvedic, Sidda, Unani or Homeopathic Hospital.¹⁸⁵ The Director of Veterinary Services must be consulted before appointing a Veterinary Surgeon.¹⁸⁶ Before the enactment of the Madras Public Health Act, the Municipal Health Officer¹⁸⁷ or the District Health Officer if there was no Municipal Health Officer¹⁸⁸ had to be consulted before appointing vaccinators and sanitary inspectors. At present there is no need for such consultation.

Previous to 1930, a number of officers of the education department had to be consulted before making certain appointments. For instance, the District Educational Officer had to be consulted before appointing Supervisors of the Municipal Elementary Schools,¹⁸⁹ and before appointing unqualified persons as teachers in municipal secondary schools; the Inspectress of Girls' Schools had to be consulted before appointing an unqualified person as teacher in a secondary school for girls; the Deputy Inspector of Schools had to be consulted before appointing an unqualified person as teacher in an elementary school for boys;¹⁹⁰ the Sub-Assistant Inspectress of schools had to be consulted before appointing a male teacher or an unqualified teacher in an elementary school for girls.¹⁹¹ At present there is no need to consult any of these officers.

The Sanitary Engineer must be consulted before appointing a person whose monthly salary exceeds Rs. 50, in the water and Drainage works¹⁹² and public works. The Municipal Engineers must be consulted¹⁹³ before appointing a draftsman, sub-overseer or supervisor.

Previous to 1930, the Examiner of Local Funds had to be consulted before appointing Head Accountants.¹⁹⁴ At present he need not be consulted.

The procedure fixed for consultation is as follows: the appointing authority selects a candidate from among the applications received and sends the name of the candidate selected together with all other applications to the authority whose consultation has been prescribed. The authority consulted must advise the appointing authority as to the suitability or otherwise of the candidate selected. If he disagrees with the

¹⁸³ G.O. No. 94. L.M. 8-1-1924.

¹⁸⁴ G.O. No. 1823. Ph. 30-7-1934.

¹⁸⁵ G.O. No. 1965. Ph. 16-8-1934.

¹⁸⁶ G.O. No. 831. L.M. 1-3-1937.

¹⁸⁷ G.O. No. 1896. Ph. 30-7-1929.

¹⁸⁸ G.O. No. 3600. L.M. 8-9-1932.

¹⁸⁹ G.O. No. 4867. L.M. 16-11-1926.

¹⁹⁰ G.O. No. 694. L.M. 8-1-1924.

¹⁹¹ G.O. No. 3152. L.M. 8-11-1924.

¹⁹² G.O. No. 4259. L.M. 22-10-1928.

¹⁹³ G.O. No. 3600. L.M. 8-9-1932.

¹⁹⁴ Noti. No. 226. L.M., F.S.G.G., P.I.A., 1922.

selection made, he should give full and clear reasons for such disagreement and indicate the candidate from among the applicants suitable for appointment.¹⁰⁷ If the appointing authority does not accept the advice tendered, he must record the reasons for rejecting the advice and communicate a copy of the same to the authority consulted and to the Local Government.¹⁰⁸ The object of consultation is to secure the efficiency of the service concerned.

In practice, however, many Executive Authorities never consulted the prescribed authority.¹⁰⁷ Even when they consulted, they treated the advice as a mere formality and over-ruled the advice given without recording reasons.¹⁰⁸

The next limitation is that outside sanction must be obtained before appointing certain classes of persons. For instance the sanction of the Local Government must be secured before appointing special engineering staff to execute special works.¹⁰⁹ The sanction of the Local Government must also be secured before appointing Pandits, Munsis, Gymnastic Instructors in Municipal Elementary Schools,¹¹⁰ and unqualified persons either as Supervisors, Overseers, Sub-overseers or as draftsmen¹¹¹ or as nursing orderlies¹¹² or as Midwives in Municipal Hospitals.¹¹³

Previous to 1935, the sanction of the Director of Public Health had to be obtained for appointing unqualified persons either as Sanitary Inspectors,¹¹⁴ or as Vaccinator¹¹⁵ or as Registrar of Births and Deaths.¹¹⁶ At present no unqualified person should be appointed to any of these posts and the power given to the Director was withdrawn.

Again the sanction of the Director of Public Instruction must be obtained before appointing a music teacher in an elementary school¹¹⁷ for girls. The consent of the District Educational Officer must be secured before appointing unqualified persons as teachers in Municipal Schools for Boys and that of the Inspectress of Schools for Girls in respect of Municipal schools for girls.¹¹⁸ The consent of the Deputy Inspector of schools for boys or that of the Sub-Assistant Inspectress of schools for girls, as the case may be, must be obtained before appointing

¹⁰⁵ G.O. No. 235. Ph. 28-4-1936.

¹⁰⁶ G.O. No. 3648. L.M. 18-8-1936.

¹⁰⁷ G.O. No. 127. L.M. 10-1-1936.

¹⁰⁸ G.O. No. 223. L.M. 16-1-1937.

¹⁰⁹ G.O. No. 2177. L.M. 8-6-1933. & G.O. No. 3674. L.M. 16-9-1935.

¹¹⁰ G.O. No. 4891. L.M. 7-12-1932.

¹¹¹ G.O. No. 4892. L.M. 7-12-1932.

¹¹² G.O. No. 1086. Ph. 19-5-1933.

¹¹³ G.O. No. 2744. Ph. 21-10-1935.

¹¹⁴ G.O. No. 1962. Ph. 1-12-1923.

¹¹⁵ Noti. No. 423. F.S.G.G., P.I.A. 1925.

¹¹⁶ G.O. No. 610. Ph. 15-3-1930.

¹¹⁷ G.O. No. 2463. Edn. 6-11-1936.

¹¹⁸ G.O. No. 2604. Edn. 21-11-1939.

an untrained teacher to satisfy the local needs or to remove undue predominance of any community in the personnel of Municipal Elementary schools.¹¹⁹

We now come to the last of the limitations, viz., the introduction of communal rotation in services. According to it recruitment is from the main communities in certain order, or from the members of a particular community which is least represented in the service at the time the appointment is made. Thus appointments are made in two ways. The first way is by communal rotation, i.e. the order according to which appointments have to be made has been fixed. The order is¹²⁰

1. One Non-Brahmin Hindu,
2. One Muhammadan,
3. One Non-Brahmin Hindu,
4. One Anglo-Indian or Indian Christian or Non-Asiatic,
5. One Brahmin,
6. One Non-Brahmin Hindu,
7. One member of the Scheduled Class,
8. One Non-Brahmin Hindu,
9. One Muhammadan,
10. One Non-Brahmin Hindu,
11. One Anglo-Indian or Indian Christian or Non-Asiatic,
12. One Brahmin.

If a suitable candidate with requisite qualifications belonging to any community is not available for appointment in the turn allotted to that community, a candidate belonging to the community next in the order of rotation is appointed, but the former community has a preferential claim for consideration when any subsequent appointment has to be made until a suitable and qualified candidate is appointed against that claim. The second way is by communal proportion. That is the community least represented in any particular service should get the appointment. "If a member of that community is not available, a candidate from the community next in the order of disadvantage should be appointed. When an appointment has to be made next time, the former community will still be least represented and the appointment should go to a member of that community. The lost turns of a particular community do not, therefore, lapse under either method".¹²¹

Agitation for communal representation in public services has had a very interesting history. We need not go into that. We shall concern ourselves with communal representation in Municipal services. A

¹¹⁹ G.O. No. 727. L.M. 22-2-1936.

¹²⁰ G.O. No. 727. L.M. 22-2-1936.

¹²¹ Reply to a question on the subject by the Hon'ble Prime Minister Mr. C. Rajagopalachari. M.L.A.P. Vol. 4, p. 203.

resolution was moved in the Madras Legislative Council on the 11th November 1933, "recommending to the Government to take early steps to enforce the communal Government order in the Local Bodies in the presidency".²¹² The resolution was passed in the Council and accepted by the Government.²¹³ Accordingly the Madras local Boards Act, 1920, was amended to provide communal representation in services and the rules on this subject were also issued in 1933.²¹⁴

However, the District Municipalities Act was not amended for a similar purpose and, therefore, the communal principle could not be introduced. Without amending the Act it would be illegal and *ultra vires* to introduce communal principle for the recruitment of Municipal personnel. For the Act authorises certain authorities to make appointments and their powers cannot be restricted by the rule making power of the Provincial Government. In spite of these legal difficulties, few councils like Bellary, Kumbakonam,²¹⁵ Vizagapatam,²¹⁶ Kodaikanal,²¹⁷ Cannanore,²¹⁸ Calicut,²¹⁹ Rajahmundry,²²⁰ Trichinopoly,²²¹ Erode,²²² Tanjore,²²³ Periyakulam,²²⁴ Salem,²²⁵ Tadipatri,²²⁶ and Sivakasi²²⁷ have introduced communal representation in their services. Municipal Engineers and Electrical Engineers are recruited according to the principle of communal rotation.

How far is this limitation justifiable? Communal representation seriously restricts the scope for selection of desirable candidates. The best candidates may go to the wall. It may consequently affect the efficiency of the services. Birth in a particular community is after all a mere accident and to prefer candidates for appointment by reason of birth appears to be ridiculous.

However, it is argued, with some force, that communal representation should be secured so long as education is not compulsory and

²¹² M.L.C.P. Vol. 68, dated 11-11-1933.

²¹³ *Ibid.*, Vol. 69, p. 356.

²¹⁴ F.S.G.G., P.I.A., dated 2-7-1935.

²¹⁵ Commissioner's N. Dis. 4450-44, dated 10-4-44.

²¹⁶ Commissioner's L. Dis. 3139-44.

²¹⁷ *Ibid.*, L. Dis. 1620-44.

²¹⁸ *Ibid.*, L. Dis. 1907-44.

²¹⁹ *Ibid.*, L. Dis. 5331-44.

²²⁰ *Ibid.*, L. Dis. 3790-44.

²²¹ *Ibid.*, L. Dis. 8068-44.

²²² *Ibid.*, L. Dis. 3439-44.

²²³ *Ibid.*, L. Dis. 3316-44.

²²⁴ *Ibid.*, L. Dis. 1166-44.

²²⁵ *Ibid.*, L. Dis. 6347-44.

²²⁶ *Ibid.*, L. Dis. 1576-44.

²²⁷ *Ibid.*, L. Dis. 1830-44.

All the Municipal Commissioners were requested to inform us whether they observe communal rotation principle in the recruitment of personnel. Of the 82 Commissioners, 58 have so far replied, and the communal principle is being observed only by 13 of them.

universal and so long as higher education is not accessible to all communities. At present education, especially higher education, is accessible to the members of a few communities which live in predominant numbers in the urban areas. The agriculturist and the labourer, who are generally Non-Brahmins, find it extremely difficult to send their children to a neighbouring town for higher education. After enormous expenditure and trouble, if their children fail to secure a position in public services, it would discourage others from sending their children for higher education. Communal representation therefore acts as a powerful stimulus to the education of the communities which are educationally backward and to the consequent liquidation of mass illiteracy to a certain extent.

Again, communal representation does not mean that every one will be appointed simply because he is born in a particular community. All that it means is that if *A* and *B* belonging to different communities present themselves as candidates for an appointment *A* may be appointed if he has got the minimum qualifications. *B* will not be preferred even though he may be better qualified than *A*.

Thirdly, communal representation is intended to check favouritism and nepotism. If persons in the higher ranks of service are good men, with good intent and good judgment, favouritism and nepotism will not creep into public services. Unfortunately that is not the case. They are generally swayed by communal and sectional considerations. In making appointments as well as in inflicting punishments, they almost always find it easy to see the virtues of the members of their own community. In the very nature of things they experience difficulty in finding out the virtues of the members of the community other than their own. As a result of it appointments are given in the first instance to the members of their own community. If the Executive Authority happens to be a Muhammadan he appoints mostly Muhammadans. If he happens to be a Naidu only Naidus are appointed. If he happens to be a Brahmin, Brahmins are given preference over all other communities. Most of the services are thus monopolised by certain communities in certain Municipalities.

The greatest danger is this. In recent times the sphere of influence of the Civil Service has greatly expanded. The individual is touched by its authority at every point. The transformation of the state from a negative to a positive one, has enormously expanded its authority. Increase of authority means increase of control over the individual. Therefore the "need to ensure that no section of the community dominates the services and all get fair opportunities becomes essential. Indeed this principle finds recognition in the American constitution which lays down that generally on the Federal services all the part

states should have representation roughly equal to their population so that no single state or clique of states may be in a position to dominate the policy of the Federal Government".²²⁸

The Training of Officials

The old belief that the duties of public officers are so plain and so simple that they can be performed by any person of average intelligence does not hold water at present. On the other hand the training of officers has become such an important aspect of public administration, that institutions are springing up in countries like Germany and the United States to meet this demand.

The primary aim of training is not only to enable a candidate to have an intimate knowledge of the departments in which he is going to work but also to train his mind so that he may have a liberal, instead of a merely efficient mind. There are, however, a number of persons who do not require any kind of post-entry training. The typist, the switch board operator in an electrical station, the teacher, the Engineer, the Health Visitor, have all been trained in their respective professions and they do not require any training immediately after their entry. There is, however, one limitation to this general statement. Persons occupying positions like those of teachers and Sanitary Inspectors will have to undergo periodical training. For, teaching methods are likely to become obsolete. Scientific discoveries are likely to reveal better methods of combating preventive diseases. In order to enable these two classes of employees to have an up-to-date knowledge of their respective professions, they should be deputed for training at least once in five years. In 1922 the Provincial Government directed the Municipal Councils to depute their Sanitary Inspectors to undergo training in advanced hygiene and minor Sanitary Engineering in the Madras Medical College.²²⁹ Since 1932 it is made obligatory that every Sanitary Inspector in the employ of Municipal Councils should undergo training in Sanitary Engineering and pass the examination, if so ordered by the Provincial Government.²³⁰ The Government directed the Municipal Councils to depute the untrained teachers in their employ to undergo training.²³¹ Refresher courses in recent methods of teaching are being conducted for the benefit of the teachers in the employ of local bodies.

Others are not given any kind of training at all. It is, therefore, essential that clerks, accountants, and managers are given 'in-service training' immediately after their appointment. That is, they should

be made to work at every seat for a definite period and thus enable them to have a knowledge of the 'departmental geography' and its 'physical lay-out'. The employment of trained personnel must naturally result in increasing the efficiency of service, decreasing administrative expenses, mitigating public dissatisfaction and raising the standard of Municipal service.²³²

Probation

Whatever may be the care exercised by the recruiting agency in selecting candidates for service, there is always the possibility that persons selected may not after all prove suitable. In order to find out the suitability or otherwise of a candidate, he is subjected to a period of probation. The probationary period is, therefore, the final step in the process of selection. Probation, therefore, implies that every candidate should be tried and if the results of trial are unsatisfactory, he should be rejected.²³³ It is a "means by which a square peg can be removed from a round hole".²³⁴ As Dr. Finer says, "it is a mistaken act of kindness to retain in the service, a man who is not likely to be fitted for promotion and may subsequently have to be discharged on the ground of inefficiency at an age when it is much harder for him to obtain other employment".²³⁵

In Municipal service every person is subjected to a period of probation. Before 1930, it was only for a period of six months.²³⁶ Subsequently it was raised to a period of two years to be completed within a continuous period of three years.²³⁷ If at the end of the probationary period, a probationer is found to be unsuitable for full membership of the service, he should be discharged.²³⁸ The termination of probation should be before the completion of the probationary period.

However, it must be said, that in spite of these detailed instructions, very little attention is paid to this final aspect of selection. Departmental Heads treat the probationary as a mere formality and regard probationers as permanent employees and very few probationers are discharged on the ground of unsuitability.

How to improve the situation? It should be made obligatory on the part of Departmental heads, who supervise the work of probationers to submit a quarterly report on the work of probationers to the Local Appointments Commission. A probationer should be admitted to full

²²⁸ 'The Hindu', Madras, dated 22-8-1943. Editorial.

²²⁹ Noti. No. 827, F.S.G.G., P.I.A., 1922.

²³⁰ G.O. No. 1090. Ph. 19-5-1932.

²³¹ G.O. No. 4974. L.M. 14-11-1934.

²³² White, Op. Cit., p. 366.

²³³ Public Administration, 1930, p. 47.

²³⁴ Mosher & Kingsley, Op. Cit., p. 221.

²³⁵ Finer, British Civil Service, p. 97.

²³⁶ G.O. No. 4728. L.M. 29-11-1932.

²³⁷ G.O. No. 2342. L.M. 2-6-1936.

²³⁸ G.O. No. 727. L.M. 22-2-1936.

membership of the service if the Commission certifies that he has satisfactorily completed the period of probation.

The merits of the plan are obvious. It would compel the officer concerned to supervise the work of probationers more carefully. The probationers on their part would make serious effort to put forth their best during the probationary period.

Promotion

The foundations of an efficient civil service do not begin and end with recruitment and training. If competent men are to be attracted to the service, opportunities to move about both vertically and horizontally must be provided. Absence of promotional prospects deters the ambitious and capable persons from entering the Municipal service. There will be no incentive to take a more lively interest in the work. Further it makes the maintenance of discipline somewhat difficult.²⁹

The administration of promotional system must be based on the principle of merit. If the principle of merit is not observed, an undeserving candidate may be pushed up. The consequences of an improper selection are far more serious. If an incompetent person is selected for appointment the fact is known only to a few. If an undeserving candidate is selected for promotion, the fact is known to all who are affected by it. It breeds discontent, discourages initiative, impairs efficiency and encourages slackness. Like slyical socialism it may promote sabotage.

Before proceeding further, let us know the distinction between advancement and promotion. Advancement simply means increase in the pay of an employee. It does not increase his responsibilities. Nor does it involve a change in position. Advancements are of three kinds. Firstly, advancements are automatic when an employee gets an increment in salary at stated intervals. For example he is started on Rs. 30. He is given an increment of Rs. 3 after every two years of service until he reaches the maximum of the scale. Secondly, advancements are semi-automatic, when they are given only for approved service. In other words, they are given for attaining a certain standard of efficiency. If he does not reach that standard, the advancement may be stopped. Thirdly, advancements are given as a matter of reward.

In Municipal service the second and third kinds of advancements existed until the introduction of scales of pay. Increments were given very often as a reward for political service. They also depended on the amount of political pressure brought on the authorities concerned.

²⁹ Proctor, *Public Personnel Administration*, p. 173.

There was, therefore, neither uniformity nor justice in sanctioning advancements. Evidence collected shows that while in some cases advance increments were given, in others even ordinary increments were denied for years together. Again the amount of increment and the period of interval fixed to draw increment varied from person to person even though they performed the same functions. A careful study of the scales of pay given above clearly shows that some were given annual increments, some biennial and some triennial. Some were given an annual increment of Rs. 4, some Rs. 3, some Rs. 2 and some Re. 1, even though all these persons worked as clerks in one and the same Municipality. However, with the introduction of scales of pay all these inequalities have come to an end. At present every employee is assured of an increment at stated intervals if his work is satisfactory. It does not depend on political service rendered, or on political pressure. If an employee fails to maintain efficiency his future increments may be withheld. This threat acts as a spur to maintain efficiency. Again no employee is given an advance increment without the sanction of the Local Government.

Promotion on the other hand means, a change of position, increase in pay and responsibilities, and the "main consideration ruling all promotions should be advancement of efficiency" of the service. Advancement of efficiency can be secured only by the application of the merit principle. What is the means by which the merit can be discovered?

A candidate may be selected for promotion in three ways.³⁰ Firstly, by seniority. Employees generally prefer seniority to any other principle. They argue that it eliminates favouritism and political pressure. But seniority should not be taken into consideration if there is great disparity in talent in the contesting candidates. Seniority, however, determines selection when everything else is equal. Again, it plays a decisive part when the qualifications are highly technical.

The second method of selection, is by examination. Examinations are of three kinds; open competitive, limited competitive, or a mere pass examination. Open competitive examination widens the field of recruitment. Every one, both outsiders and insiders, may appear for the examination and the most competent person is selected. It means that outsiders may come in to occupy higher posts. It is defended on the ground that it brings into service new ideas, new blood and a fresh mind. It is criticised on the ground that it would destroy the morale of those already in service. Limited competitive examination means that the examination is open only to those who are in the service. An

³⁰ Mosher & Kingsley, *Op. Cit.*, p. 271.

examination of this kind is defended on the ground that it is the only impartial way of discovering the right type of persons for promotion from among those in service. It prevails in some foreign countries like New South Wales. The third type of examination is a mere pass. That is, a lower division clerk will be promoted to the upper division if he passes the Account Test examination.

Examinations, however, are not popular with a majority of the public servants. They say very pertinently that if recruitment had been made by proper methods, competent men must have been selected. Again, there are certain positions which are highly technical and examinations are not the suitable means by which we can discover the qualities which a candidate should possess. Lastly, examinations cannot discover such dynamic traits as resourcefulness, initiative and adjustability which are very essential for success in the higher ranks of service.

The third method of promotion is to leave it to the discretion of departmental heads. Administrative considerations clearly point out the desirability of this course. With a view to secure impartiality in selecting candidates for promotion, personal records should be designed properly and the departmental heads should give clear and definite reasons for overlooking the claims of prospective candidates. "If the efficiency records are correctly designed and properly maintained, the individual whom they indicate as properly in line for promotion, should be the same one who should be selected by the unshackled judgment of the administrative superior, when that judgment is based, as it should be, upon a full knowledge of all the facts, of the past performance of the several employees from among whom selection should be made".²⁴¹ The most important thing is that the person entrusted with the function of maintaining personal records must be 'a man of good intent, good judgment, and free from bias'.

In Municipal service, merit and seniority are taken into consideration in the matter of promotion. The Municipal Electrical Engineers and Civil Engineers are promoted from the lower grade to the higher grade for approved service of more than ordinary merit. No member of the engineering service is entitled to promotion on the ground of seniority. Appointments to the I and II grades 'shall ordinarily be' from those in service in the lower grades. An outsider may be appointed to the I and II grades if no suitable member is available in the lower grades.²⁴²

As regards other services, especially in the ministerial service, promotion was at first based on seniority whenever the duties of the

members in various grades were the same.²⁴³ Subsequently, all posts have been divided into 'selection' and 'non-selection' posts.²⁴⁴ The selection posts are those of the manager, Head Master of a secondary school²⁴⁵ and accountants. All other posts are non-selection posts. Promotion to selection posts are made on grounds of merit and qualifications, seniority being considered where everything else is equal. Promotion to non-selection posts are made on grounds of seniority. However, the appointing authority may appoint a junior if the senior member does not possess the qualifications prescribed for the post or is definitely proved to be an undesirable person.²⁴⁶ Assistants with L.T. or B.Ed. qualifications working in secondary schools in the secondary grade should not be promoted to the L.T. grade, when vacancies arise merely on the ground of seniority. They must be qualified to teach the subject in which vacancies have arisen and must have had satisfactory record of service in the secondary grade.²⁴⁷

Municipal service, however, suffers from one serious defect in this respect. Excluding the executive heads, the service offers very few opportunities for promotion to those in service. The reasons are obvious. Every Municipal Council is treated as a unit. Promotions can only be within that unit. In bigger Municipalities like Madura and Trichinopoly, where there are a number of positions of different grades, opportunities to move about vertically are greater. It is not the case in small Municipalities like Bimilipatam and Walajapeta. Most of the Municipalities are small in area and revenue. Usually they employ a manager and not more than half a dozen clerks. The managers must die or resign before giving place to the juniors. Few die and none resign. Therefore a person who enters Municipal service as a clerk will retire as clerk even after 30 years' service. This is a depressing feature of the Municipal service. Ambitious and enterprising graduates have absolutely no place in it. How is this state of affairs to be remedied?

We have already seen that there should be common recruitment for all the local authorities in the presidency by a common agency. For promotional purposes the ministerial service may be organised on a regional basis. The presidency may be divided into three divisions, the southern, the central, and the northern. All the ministerial servants employed in all the local bodies in a particular division may be treated as belonging to one unit. All similar positions within that unit may be treated as belonging to one service. Thus all the managers

²⁴¹ Willoughby, *Op. Cit.*, p. 312.

²⁴² G.O. No. 727. L.M. 22-2-1936.

²⁴³ G.O. No. 2553. L.M. 27-6-1933.

²⁴⁴ G.O. No. 276. L.M. 25-1-1935.

²⁴⁵ G.O. No. 4519. L.M. 4-11-1935.

²⁴⁶ G.O. No. 250. L.A. 19-1-1940.

²⁴⁷ G.O. No. 190. Edn. 27-1-1937.

employed in all the local bodies within a particular division may be treated as belonging to one service. The service may be divided into several grades as we have at present. The vacancies arising in the higher grades must be filled up by persons working in the lower grades. Similarly the service of accountants, upper division clerks and the lower division clerks may be organised on the lines indicated above. The lower division clerks may be promoted to the upper division and the upper division clerks to the posts of accountants and managers provided they have the necessary qualifications and merit. Seniority should be taken into consideration when all other things are equal. The Deputy Inspector of Municipal Councils of the division may be entrusted with the function of promotional administration.

The merits of the plan are that every division consists of an average of 25 Municipal Councils and 8 District Boards. On the whole there will be at least 40 managers and about 50 accountants and upper division clerks. It affords opportunities to those who have merit in them to move vertically. It attracts competent men into service. Lastly, it increases the efficiency of the service.

Transfers

Transfer of Municipal employees from the service of one Municipality to that of another is a horizontal movement. It does not involve a change in position, nor increase in compensation or responsibilities. Transfers are intended to enable public servants to gain as wide an experience as possible. They are also intended to prevent them from acquiring prejudices and predilections as a result of continuous stay in one place.

Transfers are of two kinds, intra-departmental and inter-departmental. Intra-departmental transfers mean the movement of an employee from one section to another in the same office. A clerk working in the tax section may be transferred to the accounts section or to the health section. In the very nature of things such transfers are very easy, because they are within the discretion of the head of the office. Inter-departmental transfers mean transfers of employees from one local body to another. They are very difficult, for it involves two or more local authorities and they must consent for the transfer. We are now concerned with inter-departmental transfers.

Inter-departmental transfers are permitted in Municipal service. A Municipal council may permit its employees to take up permanent service under another council. Before granting such permission, it must communicate to the council in which the employee will take up service, the period of leave and the amount of leave allowance for which it will

accept responsibility. The latter council must ascertain all these details before allowing an employee of another local body to enter its service,²⁴⁶ and recover leave allowances from the former council in accordance with the terms of agreement for transfer.²⁴⁶

Municipal servants may be transferred temporarily to the service of another local body or private body under certain conditions. Firstly, the employee should not be transferred against his will. Secondly, the employee will draw his pay from the new employer from the date on which he relinquishes his charge in his old post. The rate of pay, the amount of joining time admissible to him and his pay during the joining time will be fixed by the authority sanctioning the transfer in consultation with the new employer. During the period of foreign service the new employer will have to pay to the former employer 15 per cent of the pay drawn by the employee as leave contribution, and the bonus payable under the provident fund rules to the employee.²⁴⁷

In 1933, the Provincial Government assumed power to transfer Municipal Health Officers and Municipal Engineers without reference to the councils concerned.²⁴⁸ In 1935, the Provincial Government assumed power to transfer any Municipal servant or officer other than those mentioned above after consulting the councils concerned.²⁴⁹

Regarding the interchange of the Provincial and Municipal officers, the Provincial Government has got power to place the services of any of its officers at the disposal of a council on application. The Medical Officers, Commissioners and Engineers²⁵⁰ are mostly Government servants. Very seldom Municipal officers are taken for Government service.

The present position is officers appointed by the Provincial Government are transferred from one local body to another without the consultation of the council concerned. As regards others, it may be done in two ways. The Government may take the initiative and after consulting the councils concerned, may transfer an officer or servant from one local body to another. Or the councils themselves, without the intervention of the Provincial Government, may agree for a mutual transfer of their employees. Very rarely do the councils agree and very rarely do the Government initiate proposals for the transfer of Municipal servants.

Transfers are generally opposed both by the Municipal servants and Municipal councils. The Municipal servants are opposed to

²⁴⁶ G.O. No. 2557. L.M. 18-7-1925.

²⁴⁹ G.O. No. 5293. L.M. 14-12-1936.

²⁵⁰ G.O. No. 3579. L.M. 7-9-1932.

²⁵¹ Madras Act XIII, 1933, Sec. 2.

²⁵² Madras Act IV, 1935.

²⁵³ G.O. No. 1003. L.A. 13-3-1939.

transfers because they have vested interests in their native town. They have their properties to be looked after. They know the councils and the councillors so very intimately that they can manipulate things as they like. Again a transfer may affect the future prospects of a junior.

The Municipal Councils are opposed to the transfer of their servants on several grounds. Firstly, a transfer may result in the payment of a higher salary. Secondly, persons proposed for transfer may happen to be the adherent of the party in power or he may happen to be the relation of the chairman or a sitting councillor. In a majority of the cases, transfers are opposed by the councils. In one case, of which the writer has personal knowledge, when the Government proposed to transfer the manager of a Municipal Office, the entire political influence of the district in which the council is situated was brought to bear on the Minister and got the order cancelled. This is not a solitary instance. There are a number of such instances.

Apart from these obstacles, there were other barriers operating against the transfer of Municipal employees from one Municipality to another. Firstly the positions were not classified. Secondly, salaries, scales of pay and grades were not uniform. Lastly, conditions of service such as leave and superannuation schemes in all the councils were not uniform. All these barriers have broken down. In 1932 the Provincial Government directed all the Municipal councils to establish provident fund schemes for the benefit of the Municipal servants. In 1933 the Provincial Government assumed power to fix the designation, grades, scales of pay of the Municipal employees. Under this power, the designation, grades and scales of pay have been fixed for all the positions from time to time. We have, therefore, no barriers operating against the transfer of Municipal employees except the opposition of the employees and councils.

In the interests of efficiency of service there should be periodical transfers. Enquiries made show that a good number of the Municipal employees are deeply involved in Municipal politics. Some of them are able to control a section of their councils. Some of them are related to sitting councillors. These two factors not only promotes indiscipline but also hampers the gradual evolution of an efficient Municipal service. The Municipal Commissioners urged on the Provincial Government to undertake a systematic transfer of the Municipal servants. The Government do not seem to have paid heed to their request. It is in the interests of the Municipal servants themselves that they should favour transfers. Apart from the material benefits resulting from transfers, it gives them independence. They will not be bullied by party politics or harassed by political enemies.

How to secure this? We have already seen in connection with promotional administration that the presidency should be divided into three zones. The same zonal arrangement may be adopted for transfers also. Transfers may be from one local body to another within that zone. They should be regular at least once in three years. The Deputy Inspector of Municipal Councils may be entrusted with the function of transfers.

Discharge of Municipal Servants

Discharge of Municipal servants may be for three reasons, as a result of reduction in staff; for want of a vacancy; for disciplinary reasons. The necessity for reduction in staff arises whenever the councils are faced with huge deficits requiring drastic retrenchment in expenditure or when a particular piece of work for which a special staff was employed is completed. Discharge for want of a vacancy arises when a particular incumbent returns from leave or from foreign service. Discharge for disciplinary reasons arises when an employee is found to be unfit for the post during the period of probation.

Discharge must be distinguished from dismissal, the distinction being that a discharged servant is eligible for employment in any Government service but the dismissed servant is excluded from being appointed in any vacancy in any Government department.

In discharging servants for reasons other than disciplinary ones certain principles must be observed. Generally the juniormost is discharged. This principle is observed with certain qualifications in countries like the U. S. A. There a 'veteran' is not discharged even though he may happen to be the juniormost in service. Again a married person whose spouse is employed in Government service is discharged irrespective of his seniority.²⁴

Discharge applies only to those who are in active service. Persons who are on leave or who have retired cannot be discharged.

In Municipal service certain things will have to be observed before discharging a permanent servant. Firstly, it must be carefully considered whether he could not be provided otherwise. Secondly, a notice of three months proposing to terminate the appointment must be given to the person concerned. If three months' notice is not given and if the person is not provided with another appointment, he must be given a gratuity not exceeding his emoluments for the period for which notice actually given falls short of three months. Previous to 1930 compensation gratuity was also given to the discharged persons. At present no such gratuity is given.

²⁴ Mosher & Kingsley, *Op. Cit.*, p. 303.

The order of selection of candidates for discharge or reversion when any posts are abolished must be as follows. Acting persons who have completed their period of probation in order of juniority ; if such persons are not available, persons who have completed 30 years of service qualifying for pension or provident fund, in order of seniority ; lastly permanent servants, in order of juniority. The unit for purposes of selection of persons for discharge is the group of posts of the same grade or the higher grade, if any.

Discharge of servants for want of a vacancy must be in the order of juniority. That is, the juniormost probationer must be selected for discharge. If no such persons are available, persons who have completed their period of probation in order of juniority must be selected for discharge.

A probationer discharged for disciplinary reasons must be supplied with a copy of the reasons for the same.²⁵⁵

It is desirable that the persons who have been discharged for want of a vacancy or due to abolition of posts should be re-employed in future vacancies. In accordance with this principle, it is statutorily provided, that the above two classes of discharged servants should be re-employed in all future vacancies.²⁵⁶ No deviation therefrom is permissible.²⁵⁷ The appointing authority may, however, refuse to appoint a person who has already commenced his probation, if such person is considered as undesirable. The person affected must be provided with reasons in writing for overlooking his claims for reappointment. Again for administrative reasons, the appointing authority may entertain, temporarily, a person other than the probationer. For instance, it may not be possible for a person with best claims for re-appointment to join duty in short vacancies without unnecessary expenditure. In such cases a person other than the probationer may be appointed. However, such persons are not considered as probationers and cannot claim any right for any future appointment.²⁵⁸

²⁵⁵ G.O. No. 5062. L.M. 23-11-1934.

²⁵⁶ G.O. No. 2342. L.M. 2-6-1936.

²⁵⁷ G.O. No. 160. L.M. 9-1-1937.

²⁵⁸ G.O. No. 2133. L.M. 4-6-1937.

CHAPTER III

DISCIPLINE

'To order is nothing if one cannot punish'. In other words persons who are entrusted with the responsibility of getting things done must also be endowed with adequate powers to inflict punishments. There are two methods by which discipline may be maintained, formal and informal methods. The formal method is to frame charges and inflict punishment. The informal methods are a legion. They are very subtle and are exercised very constantly in every office. A frown, a transfer to a lower position with less responsibility without affecting the salary, a close supervision of work are some of the informal ways by which a person who is on the wrong track is set right. Mistakes are committed in everyday life. Very many of them are so very trivial that they should be corrected by resorting to informal methods. A wise administrator will concern himself more with such forms than with formal methods. Discipline occupies a secondary place in an organisation where the staff feels a high sense of responsibility. Again discipline largely disappears where there is close supervision of the work and where effective control is exercised over the personnel. It is difficult, however, to maintain discipline in an organisation exposed to a greater number of temptations.

Disciplinary action may be taken against an officer or servant in the following circumstances. An officer who has been convicted for a criminal offence or a misdemeanour involving moral turpitude or is guilty of an immoral act, or has wilfully, wantonly or through culpable negligence been guilty or wilfully violated any of the provisions of the law, or who has been found to be inefficient, insubordinate, or intoxicated while on duty, or lacking in integrity, defaulting in paying debts and soliciting and accepting bribes.

Punishments are of two kinds, light punishments and serious punishments. Light punishments are warning, censure, fine, stoppage of increment in pay or promotion or reduction to a lower grade. Serious punishments are suspension, discharge from service or removal or dismissal. By suspension we mean that an employee is separated from his position for a definite period without pay. Discharge and removal mean separation of a permanent nature for unsatisfactory work. The distinction between removal and dismissal is that removal does not bar the person concerned for appointment to another office for which he may be suited. Removal is the penalty in all the cases where it is not thought necessary to bar re-employments under Government.²⁵⁹ But dismissal is resorted for heinous crimes. A dismissed servant is prohibited from public employment.

²⁵⁹ G.O. No. 552. Public. 5-7-1897.

In Municipal service all these punishments are imposed. In recent times certain limitations have been introduced. A superior servant excepting the bill collectors should not be fined. Suspension as a substantive punishment should not be inflicted. However, a person may be suspended in public interests, pending enquiry into grave charges.²⁰⁰

As regards the agency that should be entrusted with the responsibility of exercising disciplinary functions, various methods have been adopted. In some places it is entrusted to the Civil Service Commission ; in some to a Board specially created for the purpose ; and in some to a committee consisting of the representatives of the employer and the employee. But generally it is entrusted to the departmental heads.²⁰¹ The main reason for adopting the last of the methods is that punishments will be effective. Punishments to be effective must be inflicted immediately. If this end is to be secured it logically follows that power to inflict punishments should be given to the immediate administrative head who supervises the work. To place it in the hands of an organisation or a person who is not the immediate chief means, delay in action. It diffuses responsibility. It lessens control of the immediate chief over his subordinates. It involves a procedure which is cumbersome and dilatory. It does not meet the daily need of office.²⁰²

In Municipal service the Executive Authority is responsible for the maintenance of discipline. He is empowered to inflict any punishment on any one excepting those that are appointed by the Provincial Government, like the Health Officers, Engineers and Medical Officers. If the Executive Authority is dissatisfied with the work of these officers he may report to the Government.²⁰³

Again, the Executive Authority is required to consult an outside authority before inflicting any punishment on the others. For instance, the District Medical Officer or the Civil Surgeon must be consulted in respect of the technical establishment in Medical Institutions of Western Medicine ; the Principal of the Indian Medical school in respect of the technical establishment in institutions of Indian Medicine ; the Municipal Engineer in respect of engineering establishment ; the Municipal Health Officer in respect of the Public Health establishment ; and the Sanitary Engineer in respect of the water works and drainage establishment.²⁰⁴

Again, the Executive Authority must suspend a teacher whose training school-leaving certificate has been suspended and must dismiss

²⁰⁰ G.O. No. 2542. L.A. 15-9-1941.

²⁰¹ Willoughby, *Op Cit.*, p. 319.

²⁰² Mosher & Kingsley, *Op. Cit.*, p. 314.

²⁰³ Noti. No. 226, F.S.G.G., P.I.A. 1922 ; G.O. No. 1208. L.M. 7-4-1925 ; Noti. No. 483, F.S.G.G., P.I.A., 1925 ; G.O. No. 1765. P.H. 22-8-1925.

²⁰⁴ G.O. No. 3648. L.M. 18-8-1936.

him if it is cancelled by the Director of Public Instruction. The Executive Authority has no discretion in this respect to vary the punishment.

We must, however, remember that disciplinary proceedings are in the very nature of things arbitrary. This power is likely to be abused. In order to obviate such things, certain guarantees have been given to the Municipal servants.

The guarantees are that before inflicting any punishment other than fine or censure on any servant or officer, an enquiry in a judicial form must be conducted. The Executive Authority must examine the material before him before he frames charges. If he is convinced of the reliability of the material, he must reduce it to charge or charges of indisputable proof. As a general rule the charges should be fewer in number. After the charges have been framed, a copy of the charges and a statement of the allegations on the basis of which the charges have been framed should be furnished to the accused. When charges have been framed no further action should be taken in support of it. Documentary evidence produced at the time of enquiry should be proved properly in a court of law. The evidence should in all cases be recorded in the presence of the person charged. That is, both the evidence given in the examination in chief and during the cross-examination should be recorded in the presence of the accused person. Where *ex-parte* preliminary enquiry has been held in the course of which witnesses have been examined and the statements given by them have been recorded in the absence of the accused person, the witnesses must be recalled and examined in the presence of the person charged and should be given an opportunity to cross-examine them. If witnesses have been examined in the presence of the person charged before framing the charges, the evidence recorded at such examination need not be recorded again but if the person charged desires to re-cross-examine the witnesses, he should be given an opportunity to do so, even though he has already done that before framing the charges. Further, the person charged may be allowed to produce his own witnesses to give evidence on his behalf. If the person charged desires to be personally heard, an opportunity should be given to him. The officer conducting an enquiry should note down in sufficient detail all the proceedings, for it is the recorded evidence given by the witnesses in the presence of the person charged that would form the basis of judgment.

The past record of the person charged should not be taken into consideration in proving the truth of the charges framed against him. It may, however, be taken into consideration in assessing punishment after the charges have been proved. Whenever it is intended to do so the person charged should accordingly be informed or a summary

of his bad record must be communicated to him and asked to say if he has anything against the bad record.

Thus the procedure fixed guarantees fair opportunities to the person charged to defend himself. The aim of the whole procedure is to make the trial of an accused as nearly judicial as possible and not to give rise to any feeling in the mind of the person charged that the enquiry was not conducted with an impartial and detached frame of mind. There should not be any delay in completing the proceedings. All dilatoriness should be avoided and adjournment or postponement of proceedings should be allowed only when it is absolutely necessary.

The order of punishment should state the charges, discuss the evidence recorded and make out a finding on each charge. A copy of the findings must be communicated to the person charged.

The procedure fixed is adequate. But we should like to have another safeguard, viz., a copy of the proceedings containing the orders may be communicated to the local Appointments Commission. The Commission need not necessarily take action on the order received. But it may act as a safeguard in this way. If the Commission is convinced that justice has been miscarried in a particular case they may call for the records and review the proceedings. If they find that a mistake has been committed in inflicting punishment they may direct the authority concerned to revise his orders. Again, certain circumstances may prevent the punished person to prefer an appeal. The Executive Authority may, in vindictiveness, harass a particular servant. The servant concerned may not like to prefer an appeal and thus incur the displeasure of the executive authority. Under such circumstances, the Commission may take the initiative. The merit of this provision is that it will impel the punishing authority to be careful in framing charges and in assessing punishments. For any miscarriage of justice may give an opportunity to the Commission to review his order. We very much desire that this safeguard is provided.

Appeal

It is an elementary right that every one who is punished should have a right of appeal against the orders passed by the Executive Authority. Disciplinary institutions are after all manned by human beings. Human beings are fallible. They are likely to be mistaken in ideas, erroneous in conclusions and faulty in judgment. To safeguard the interest of the person punished he is given the right of appeal.

Appeals may be preferred by the following classes of persons. A person who is discharged or reverted when any post is abolished may appeal that the procedure laid down for discharge or reversion has

not been observed ; persons who are discharged but are not re-appointed when vacancies arise ; persons whose probation is terminated as a measure of punishment ; persons whose claims for promotion are overlooked ; against all orders of the Executive Authority inflicting punishments.

There are however certain limitations to the right of appeal. There is no right of appeal against an order of the Executive Authority inflicting a punishment of fine,²⁶⁵ not exceeding Rs. 5 or against an order of suspension pending enquiry²⁶⁶ or against the order of suspension or dismissal of a teacher whose training school certificate has been suspended or cancelled as the case may be, by the Director of Public Instruction.²⁶⁷

An appeal should contain all the material facts and must be self-sufficient. It should be preferred by the person affected within a period of six months from the date of receipt of orders and submitted through the head of the office to which the appellant belongs or belonged and through the Executive Authority against whose order the appeal is preferred.

The Executive Authority must submit all appeals within a period of one month from the date of their receipt,²⁶⁸ together, with the original records connected with the case²⁶⁹ and his remarks, if any, to the appellate authority.

Regarding the agency to hear appeals, it has an interesting history. In 1920 there were two agencies, the Municipal Council and the Provincial Government. The Governor-in-Council heard all appeals against the orders of discharge, removal, and dismissal of persons whose appointment was sanctioned by it and from the teachers who were formerly in Government service. Again it heard all appeals preferred by Government servants whose services were placed at the disposal of Municipal councils.²⁷⁰ All others appealed to the Municipal Council concerned. In 1922 in the place of Municipal Council, a committee consisting of the District Collector as Chairman, the President of the District Board or the Vice-President, if the President happened to be the District Collector and a councillor elected by the council concerned. The appeals had to be submitted to the chairman of the committee.²⁷¹

The Local and Municipal Group Conference protested against the creation of an appeal committee consisting of extraneous elements.²⁷²

²⁶⁵ G.O. No. 94. L.M. 8-1-1924.

²⁶⁶ G.O. No. 3600. L.M. 8-9-1932.

²⁶⁷ G.O. No. 5061. L.M. 23-11-1934.

²⁶⁸ G.O. No. 1701. L.M. 9-5-1938.

²⁶⁹ G.O. No. 1596. L.M. 29-4-1937.

²⁷⁰ Noti. No. 1140. L.M., F.S.G.S., P.I.A., 1919.

²⁷¹ G.O. No. 2352. L.M. 29-11-1922.

²⁷² G.O. No. 991. L.M. 15-4-1924.

The Government, in defence to the wishes of the non-official opinion, abolished the Appeals Committee. Another committee consisting of the Council, for a period of one year²⁷³ commencing from the 15th November of each year²⁷⁴ was created. The Committee heard all appeals from all persons, excepting the Government servants whose services were placed at the disposal of the council. A second appeal could be preferred to the Provincial Government by persons whose monthly salary exceeded Rs. 100.

There was another change in the composition of the committee in 1928. The Municipal Chairman was removed from the membership of the committee. All the three members of the committee were elected by the council, from among the councillors, and the council selected one of the three to be chairman of the committee. The Municipal Chairman, however, was given the right to attend the meetings of the Appeals Committee to defend the orders he had passed as Executive Authority, but he had no right to vote in the disposal of appeals. The quorum of the committee was two and the decision was by a majority vote. If only two members of the Committee attended the meeting and if they differed on the merits of the case, the order of the chairman was held to be valid. A vice-chairman or a councillor who was a member of the Appeals Committee was not permitted to vote in the disposal of an appeal against an order passed by him as 'Chairman-in-charge' or 'Chairman-delegate' as the case may be. Appeals were submitted to the chairman of the committee. It was obligatory on the part of the chairman to convene a meeting of the committee within a period of one month from the date of receipt of an appeal. Failure on his part to do so resulted in his removal from the chairmanship of the committee and in the forfeiture of the membership also.²⁷⁵

Even this arrangement does not appear to have worked satisfactorily. The Appeals Committee was abolished in 1930 and the Local Government assumed power to hear all appeals against the orders of the Executive Authority.²⁷⁶ The Local Government can delegate this power to departmental heads.²⁷⁷

The history of the agencies created from time to time to hear appeals reveals the fact that ceaseless efforts were made to create an agency which would function impartially. It also reveals the fact that attempts were made to reconcile the two conflicting principles, viz., the principle of democratic control over the public personnel and the principle

ple that the elected representatives should not have anything to do with this aspect of administration. The reconciliation could not be brought about and the conflict between these two principles ultimately resulted in the triumph of the latter. The reasons are obvious. As long as the appellate power was in the hands of the council or the committee of the council, Municipal service was permeated with suspicion, fear, intrigue and low morale. The arrangement that existed before 1930 did not guarantee fairness and justice. It failed to infuse confidence in the minds of Municipal servants. These have largely disappeared with the removal of the appellate power from the sphere of politics. Even the present arrangement, though an improvement over the previous one, is not satisfactory. Governments are likely to be influenced by party and personal factors. It is, therefore, essential that in the interests of purity of personnel administration, the appellate power should be entrusted to an outside organisation, like the Local Appointments Commission. The chief merit of this proposal is that it secures hearing by an impartial and disinterested body. It is not likely to be influenced by personal and political considerations. It would create confidence in the minds of Municipal servants.

Retirement

Every public servant must reach a stage when by reason of age or infirmity unfitting him for service, he will have to retire from active service. That is, every servant will be compulsorily retired if he reaches the age of 55 or if he is declared to be an invalid by a medical certificate. The main object of retirement system is to get rid of employees who are no longer serviceable. The older generations not only resist the introduction of new administrative methods, they form a dead weight on the departments themselves. Further, they block the way of the juniors from moving vertically in service if they are retained a day longer than necessary.

In Municipal service no servant or officer should ordinarily be retained in service beyond the age of 55. At first, however, the Executive Authority had power to retain in service a member of the ministerial establishment till the age of 60 subject to the condition that the council concerned had adopted the Fundamental Rules. Where the Fundamental Rules were not adopted, the sanction of the council was necessary to retain in service a member of the ministerial establishment who had already attained the age of 55.²⁷⁸ The sanction of the Local Government was necessary to retain in service a member of the non-ministerial establishment who had already attained the age of 55.

²⁷³ G.O. No. 94. L.M. 8-1-1924.

²⁷⁴ G.O. No. 3484. L.M. 9-8-1926.

²⁷⁵ G.O. No. 4259. L.M. 22-10-1928.

²⁷⁶ G.O. No. 3600. L.M. 8-9-1932.

²⁷⁷ G.O. No. 3648. L.M. 18-8-1936.

²⁷⁸ G.O. No. 3124. L.M. 22-7-1926.

No one should be retained after the age of 60. Extension of service should be for one year at a time.²⁷⁹

The Councils seem to have abused this power. The Director of Public Instruction brought to the notice of the Government that teachers who had already attained the age of 55 were retained in service for no justifiable reasons, especially when qualified men were available for appointment. The Councils are therefore directed not to retain in service any person who had attained the age of 55 except under exceptional circumstances and that, too, with the sanction of the Provincial Government.²⁸⁰ They are also permitted to employ persons who have retired from the service of a local body or Government after attaining the age of 55, for a period of one year at a time with the special sanction of the Provincial Government.²⁸¹

CHAPTER IV

RIGHTS AND OBLIGATIONS

Every service has certain rights and obligations. Their number and extent depend on the influence and respect which they command. The first right is the right to leave with pay. Considerations of efficiency of service dictate that every service should have a liberal vacation policy. "It is a bulwark against stagnation, staleness, and dissatisfaction and a positive means of improving attendance throughout the year."²⁸²

The Municipal Councils have power to frame leave regulations under section 74 of the District Municipalities Act, 1920, subject to the condition that the regulations so framed should not be more liberal than the Government leave rules.²⁸³ However, all the Municipal Councils have adopted the Fundamental Rules governing the leave conditions of the Government servants. During the period under review three kinds of leave regulations were in force. Until the 31st December 1921, the Civil Service Regulations were in force. From 1st January 1922 till the 14th September 1933, the Fundamental Rules were in force. Since 15th September 1933 the Madras Leave Rules are in force. Those who were under the Civil Service Regulations came under the Fundamental Rules after their adoption by the councils. At present the leave conditions are governed by the Fundamental Rules and Madras Leave

Rules. The employees who entered Municipal service before the 15th September 1933 are governed by the Fundamental Rules and the rest by the Madras Leave Rules.

Under the Civil Service Regulations, a person earned leave at the rate of one-eleventh of the period spent on duty but ceased to earn leave if he had to his credit four months' leave. Under these regulations, leave taken both on medical certificate and without medical certificate should not exceed six months at a time. The Civil Service Regulations were superseded by the Fundamental Rules. They were adopted at different dates. Some Councils adopted them as late as 1929.

The principal features of the Fundamental Rules are, leave cannot be claimed as a matter of right. The grant of leave is left to the discretion of the officer concerned. Leave is earned by duty. That is, a person who is on leave cannot earn leave. The rate at which leave is earned is $\frac{5}{22}$ if the person concerned comes under the special leave rules. In other words this class of servants earn leave at the rate of 5 days of leave for every 22 days of duty. Persons who are under the ordinary leave rules earn at the rate of 2 days for every 11 days of duty. Out of this 2 days half is granted on full average pay and the rest on half average or quarter average pay as the case may be. Unlike the Civil Service Regulations, the Fundamental Rules permit the accumulation of leave earned. Leave is granted out of the balance of leave standing to his credit in the leave account. The maximum leave that may be granted at a time under ordinary leave rules is 28 months. Out of this 28 months, leave on full average pay may be granted for a period of 4 months on medical certificate and 4 months without a medical certificate. Any leave granted in excess of 8 months must be on half average pay. If a servant continues to be absent even after 28 months' leave, he may be paid quarter average pay subject to certain limitations. To grant leave, there must be leave to his credit. However, leave may be granted to a servant even though there is no leave to his credit.

The vacation departments, like the schools and colleges do not get full benefit of the leave rules. The amount of privilege leave is reduced by one month for each year of duty from the leave account of those employed in the vacation departments.

A comparative study of the Civil Service Regulations and the Fundamental Rules shows the generous nature of the latter. The very generosity of the rules afforded opportunities, for corruption, nepotism and liquidation of political debts. For instance a newly trained teacher must complete his practical training of 18 months with a continuous period of three years from the date of publication of results. He, therefore, gets at the key men of the council or an accommodating

²⁷⁹ G.O. No. 4728. L.M. 29-11-1932.

²⁸⁰ G.O. No. 5009. L.M. 2-12-1933 and G.O. No. 4530. L.M. 12-10-1934.

²⁸¹ G.O. No. 2342. L.M. 2-6-1936.

²⁸² Mosher & Kingsley, *Op. Cit.*, p. 372.

²⁸³ G.O. No. 409. L.M. 14-2-1923.

teacher. The person seeking employment agrees to part with a portion of his salary as price for accommodating him. The spoils are distributed between the unscrupulous politician and the dishonest employee. Very often leave is granted or employees are forced to go on leave with a view to make room for a candidate who happens to be the nearest relative of a chairman or of a sitting councillor or who has rendered valuable service during the last elections. If the Executive Authority is unaccommodating and obstinate, a medical certificate is produced. Medical certificates are secured for a pittance of Rs. 5 or 10. They are considerably cheaper especially after the Unani and the Ayurvedic doctors are empowered to grant them.

However, the Fundamental Rules were superseded by the Madras Leave Rules. These rules apply only to those who entered service after the 14th September 1933. The others will continue to be governed by the Fundamental Rules as long as they are in service. The essential features of the Madras Leave Rules are, firstly, leave is of two kinds, earned leave and unearned leave. The main feature of the earned leave is leave which is not allowed to accumulate. That is, every superior servant earns leave at the rate of 1/11 of the period spent on duty but ceases to earn leave if he has to his credit 90 days. The earned leave of a superior servant in a vacation department is reduced by 30 days for every year of duty. A servant is entitled to take leave under earned leave rules for a period not exceeding 90 days at a time.

Unearned leave is of two kinds, leave to settle private affairs and leave on medical grounds. The maximum amount of leave that may be granted to settle private affairs is six months during the entire period of service. At a time not more than three months' leave should be granted to settle private affairs, but it may be combined with earned leave and such combination should not exceed six months. Leave on medical certificate may be granted to a permanent servant for one year in all. If one year's medical leave is exhausted, a further period of six months may be granted in exceptional cases. Besides these, extraordinary leave may be granted when no other leave is available, or when the servant concerned desires to go on extraordinary leave.

Female servants in Municipal service are entitled to two months' maternity leave on full pay whether they belong to the inferior or superior service.

A servant who is on earned leave is entitled to draw full pay; if he is on leave to settle private affairs or on medical leave he is paid half the pay; if he is on extraordinary leave he is not paid any salary.

Leave is also granted to inferior servants. He earns leave at the rate of 1/22 of the period spent on duty and ceases to earn any leave if

he has to his credit 30 days in his leave account. He is also entitled to medical leave for a period of six months in all and extraordinary leave. When earned leave is granted he is paid full salary subject to the condition that no substitute is appointed. If a substitute is appointed he is paid half the salary during the leave period. If medical leave is granted he is paid half the salary; but if the medical leave granted is on-account of some infectious disease, he should be paid full pay.

Besides these leaves, every one is entitled to casual leave for a period of 15 days in a calendar year. It is intended to attend to unforeseen things. Casual leave should not be taken to enjoy a holiday or to take rest. It should be granted only when it is absolutely necessary for a servant to absent himself from duty. It should not be granted for more than seven days at a time. It may be combined with other holidays provided such combination does not exceed more than 10 days at a time. Casual leave cannot be combined with any other leave.

The second right which is universally recognised is the insurance against penniless old age or pauperism due to disability. This right may assume several forms. Principally they are three, pension, provident fund and gratuity. Before the introduction of the Provident Fund scheme in 1932, there was no uniform system of superannuation scheme for the benefit of Municipal servants. The Provident Fund Rules which the Provincial Government issued from time to time were only model rules and had no statutory force. Of the 58 councils which answered our questionnaire* there was not any kind of superannuation scheme in six of them; gratuity was in existence in 14 of them; provident fund scheme in 12; in 8 of them some were paid gratuity and some provident fund. The replies furnished by the rest are ambiguous. There was an agitation for the introduction of a uniform system of superannuation scheme for the benefit of Municipal servants. As a result of it the Government directed all the Municipal Councils to establish Provident Fund schemes for the benefit of their employees. The Government issued rules relating to this subject.

The principal features of the Provident Fund scheme are, all the superior servants in Municipal service must become subscribers to the scheme. He must contribute every month a sum not less than one anna and not more than 2½ annas in a rupee of their total emoluments. Municipal councils contribute one anna in a rupee of the total salary as bonus. The bonus is paid once in a year. The council is also required to pay interest at the rate fixed by the Examiner of Local Fund Accounts

* Questionnaire. "(g) Was there any kind of superannuation scheme for the benefit of Municipal servants—pension, provident fund or gratuity—before the introduction of Provident Fund in 1932."

on the accumulated amount to the credit of the subscribers. The amount is invested in postal savings bank.

The accumulated sum may be invested in interest earning securities like the postal cash certificates, the debentures and shares of Railway companies, etc. The Provident Fund amount should not be utilised, even temporarily, for general purposes, nor can it be taken as loan.

A subscriber may with the consent of the council invest a portion or whole of his subscription, that is, the amount which he contributes, in a life insurance policy. He may take a loan from the subscription amount standing to his credit. The loan taken should not exceed an amount equal to three months' pay. However, under exceptional circumstances and with the sanction of the council, the Executive Authority may grant a loan, a sum exceeding three months' pay. Loans should be granted only when the financial circumstances of the subscriber warrant and that, too, for certain specified purposes. No loan should be paid from the bonus account. The loan should be recovered by instalments with interest.

Every subscriber to the fund must nominate a person or persons to receive the amount that may stand to his credit in the fund in the event of his death while in service. The person or persons as nominated must be a member of the subscriber's family. No other person should be nominated. If a subscriber has no family he may nominate any other person but must cancel all the previous nominations and nominate a member of his family as soon as he acquires a family.

The introduction of the provident scheme in all the Municipal councils is a great improvement in the service conditions of the Municipal servants. It is more popular with the Municipal employees.

The inferior servants are entitled to gratuity. Gratuity may also be paid to superior servants for services rendered before the introduction of the Provident Fund scheme. It may also be paid to temporary servants with a service of more than 20 years with the special sanction of the Provincial Government. It should not be paid to those who are entitled to provident fund benefits, or pension, or to persons who are dismissed, removed or called upon to resign or to persons with a service less than five years. If a servant dies while in service and if the council is convinced that the deceased person's family is in need of financial assistance, the gratuity to which he would have been entitled had he retired or been incapacitated or discharged on the date of his death, may be paid. If a servant rendered service in different local bodies, the total service should be combined and treated as a whole for the purpose of

calculating gratuity. The rates fixed by the Government are the maximum rates and the councils have no power to vary them.²⁴

We shall now consider the third of the rights, viz. the right of association. Frequent meeting of persons of similar skills and training affords an opportunity for the interchange of opinion, for the testing of views and above all for the clash of personality. We have in this presidency the Local and Municipal Engineers' Association, the Municipal Employees' Association and the Municipal Commissioners' Conference. Of the three, the Local and Municipal Engineers' Association is functioning properly. It meets very regularly to discuss problems relating to road administration, etc. It has a secretariat of its own with office-bearers. The Municipal Employees' Association also meets once in a year though not regularly. It has a constitution, office-bearers and a secretariat. Very prominent politicians preside over its annual conventions. The Association is successful to a certain extent in inducing the Legislative Council and the Government to effect certain improvements in the service conditions of the Municipal employees. The resolutions passed at its annual conventions are submitted to the Government for necessary action and the Government at times complies with its requests though very often they are rejected. The Association has to encounter a number of obstacles. Firstly, it has no official support. The Association is looked upon with suspicion by the officialdom. Secondly, its constituent units are financially poor. A strong and powerful organisation could not, therefore, be built up. Thirdly, it lacks effective leadership to take up its cause both inside and outside the Legislative Council. Fourthly, it is not representative in the sense that all the Municipal Councils in the presidency are not represented at its annual conventions. Fifthly, the weakness of the constituent units and that of the central organisation is due to the fact that Municipal employment is heterogeneous in character. In Municipal service there are several kinds of employees with different kinds of training, tradition and conviction. There are doctors, teachers, vaccinators and sanitary inspectors. There

²⁴ The following Government Orders relating to superannuation schemes were consulted:

1. G.O. No. 4271. L.M. 1-11-1930.
2. G.O. No. 1714. L.M. 11-5-1932.
3. G.O. No. 2879. L.M. 6-7-1936.
4. G.O. No. 4309. L.M. 26-10-1928.
5. G.O. No. 4024. L.M. 28-10-1937.
6. G.O. No. 3427. L.M. 23-7-1929.
7. G.O. No. 4650. L.M. 2-12-1931.
8. G.O. No. 4366. L.M. 24-10-1925.
9. G.O. No. 2372. L.M. 22-6-1937.
10. G.O. No. 317. L.A. 29-1-1938.
11. G.O. No. 2418. L.M. 22-6-1932.
12. G.O. No. 756. L.M. 22-2-1932.
13. G.O. No. 727. L.M. 22-2-1936.
14. G.O. No. 4329. L.M. 2-10-1936.
15. G.O. No. 563. L.M. 13-2-1936.

is nothing between all of them to bind them together. Even among the teachers there is a fundamental difference in training, in psychology of those employed in the secondary schools from those employed in the elementary schools.

As regards the Municipal Commissioners' Conference, it has no status. The Conference reminds us of the old Taluq Boards and the District Boards with the Revenue Officer as their President. These Local Bodies were called 'concurrent bodies'. That is, they concurred with all that was said by the presiding deity. Similarly, the Municipal Commissioners' Conference meets when the Inspector of Municipal Councils wants it to meet. The Inspector presides over its deliberations. The agenda of the conference is prepared by the Inspector. It discusses only those subjects which the Inspector is pleased to admit. It has no constitution, no office-bearers and no annual conventions. The presidency is divided into six groups and the commissioners of each group meet once in a year. The central defect of the conference is that all the commissioners of all the Municipal councils in the presidency do not meet at one place annually. Its liberties are curtailed by the presence of the Inspector.

Unionism seems to be stronger among the havenots in Municipal service. The inferior servants, especially the manipulative class of the Public Health Department—the scavengers, the sweepers and the drain cleaners—have their Panchayats, with an unwritten constitution seemingly flexible but remarkably rigid. Every Panchayat has its leader. His word is law. Tools are laid down when he sounds the bugle. They are able to dictate terms to the Municipal authorities and exact their pound of flesh from the unwilling hands of the councils. In recent times, the leadership of these Panchayats, has been assumed by politicians of the extremist school of thought.

We may suggest in the end that the Municipal Employees' Association should be strengthened. It should be made more representative than it is at present. If other associations are representative, it is due to the fact that the delegates to their annual meetings are paid the travelling expenses by the Municipal Councils. But it is denied to the delegates of the annual meetings of the Municipal Employees' Association. Equity demands that they should also be paid the travelling expenses by the Municipal Councils. Another suggestion which we should like to make is it should have a journal of its own disseminating information regarding local administration. Again, instead of having separate associations, one for the employees of the Local Boards and another for Municipal Employees, it is desirable to have one organisation like that of NALGO in England. The existence of such an association would raise the intellectual standard of the local government servants; it would impel the mem-

bers of the association to establish a reputation for honesty and integrity. The existence of few distinguished administrators in the association is likely to permeate the whole association with their outlook and character.

Obligations of the Servants

The duty of a public servant is to dedicate himself for public service. He is not a day worker to 'go through the work'. From this follows certain rules of conduct.

A civil servant must devote his whole time and attention to public service. In other words he cannot engage himself in any profit-earning enterprises. Municipal servants are, therefore, required while on leave or in service, not to take part in the promotion of companies or banks excepting the Co-operative Societies intended for the benefit of Municipal employees and Government servants. But he is permitted to undertake works of literary and artistic character.

Secondly, every public servant must be honest in the discharge of his duties. He should be honest not only in fact but should not give room for any suspicion. Every Municipal servant is required not to accept any gift, gratuity or reward from any person. He is required not to take part in the collection of funds. He must furnish to the Executive Authority a statement of all immovable property held or acquired by him or by his wife or by any member of his family living or in any way dependent on him. The statement must be submitted once in six months. He is prohibited from having any pecuniary interest in Municipal contracts nor should he have any transactions with Municipal contractors.

As a loyal servant of the council, he should not dabble in local politics. The doctrine of neutrality is an universally accepted one. Therefore, he should not canvass or in any way interfere or use his influence in any election to the legislature or local authority or do anything in aiding or obstructing a voter from voting. While exercising his vote, he should not indicate beforehand the person to whom he is going to vote. A Municipal servant who indulges in local politics not only impairs his prestige but also becomes incapable of rendering disinterested advice to Councils and being the impartial executor of its policy. In this respect, Municipal service is not free from blame. Some of the Municipal employees are deeply involved in local politics. The way out is to have periodical transfers as suggested above.

Fourthly, Municipal servants must occupy an anonymous position in relation to press and platform. He should have no interest in the management or in editing a newspaper or a periodical publication. He should not state a fact or express an opinion which is capable of embarrassing the relations between the Central and the Provincial Governments and the people of India or any section thereof, or the relations between

His Majesty or the Governor-General and any foreign state in India. Before delivering a speech or publishing a communication containing facts relating to matters mentioned above, he must submit a draft to the Local Government and obtain its permission. Similarly he must obtain the permission of the Local Government before giving evidence before a Public Committee, excepting the statutory committees which have power to compel attendance to give evidence.

Lastly, every public servant must observe utmost reticence in office matters. He should not leak out the official information which has come into his possession in the course of his official duties.²⁸⁵

Conclusion

Looking back to 1920, it may be said without the fear of being contradicted, that there has been great improvement in the conditions of Municipal service. In that year Municipal service was a poorly paid and usually an inefficient creature with a sprinkling of talent here and there. Its morale was low, its loyalty to the organisation which it served was doubtful and its prestige was nil.

Today the position is different. There is a remarkable improvement both in its morale and prestige. In its service there are men and women who are generally honest and straightforward. The prime factor which is responsible for this improvement is the increasing control exercised by the Local Government over the personnel administration. The control exercised by the Provincial Government assumed three forms. Firstly, the Provincial Government assumed power to appoint Executive Officers and other departmental heads. With the appointment of these officers, the tone and quality of Municipal service has enormously improved. The pay, promotion, transfers and punishments of these officers are determined by the Local Government and the councils have no voice in them. Secondly, the Local Government assumed power to fix the strength, scales of pay, grades, designations and qualifications of Municipal servants. Lastly, they assumed the appellate power of the councils. Today Municipal servants have uniform scales of pay, an uniform system of superannuation scheme, liberal leave allowances and, above all, appointment during good behaviour.

However, something remains to be done to improve the quality of service, viz. the institution of examination for the selection of candidates, wider opportunities for promotion, periodical transfers and the creation of an independent body to handle all personnel matters.

²⁸⁵ The following Government orders were consulted for this section:

G.O. No. 692. L.M. 5-3-1931.
G.O. No. 3368. L.M. 18-7-1939.
G.O. No. 2598. L.M. 16-6-1926.
G.O. No. 4973. L.M. 14-11-1936.
G.O. No. 3136. L.M. 16-8-1938.

RECENT CASES ON LOCAL SELF-GOVERNMENT ACTS

(Bombay Series)

By CHUNILAL D. BARFIVALA, M.A., LL.B.,
Director, Local Self-Government Institute, Bombay.

[Continued from page 148 of Vol. XVI, No. 3]

District Local Board, Ratnagiri

vs.

Shantaram Rajaram.

(1) Before the amendment, in 1938, of the Bombay Local Boards Act (VI of 1923), a Local Board had no power to file a suit (against an importer of any animal or goods) for recovery of octroi (payable in respect of such animal or goods) not paid at the octroi naka.

(2) After the amendment, in 1938, of the Bombay Local Boards Act (VI of 1923), a Local Board has no power to file a suit (against an importer of any animal or goods) for recovery of octroi (payable in respect of such animal or goods) not paid at the octroi naka, unless it has maintained a current account with the importer in respect of such octroi.

In 1929, the Ratnagiri District Local Board levied octroi, and obtained sanction of the Government for its proposed octroi rules. By the said rules no attempt was made to impose personal liability for the octroi. The rules made it clear that the octroi was on animals and goods brought within the octroi limits for consumption, use or trade therein and that the duty arose only on import, and, except under special arrangement under the provisions in connection with goods exported after import, the duty was to be paid to the nakedar at the time of import on his tendering the bill for the same. The effective deterrent by which the octroi was collected was provided by r. 8.

The rules were revised in 1936. By the 1936 Revised Octroi Rules, there was introduced a vital change, the object of which appeared to have been to impose personal liability on the owner of the goods or animals irrespective of whether he was in charge of them when the octroi arose by virtue of their crossing the frontier.

The District Local Board did not maintain any current account, as mentioned in s. 116A, with any person, mercantile firm or public body, in respect of any octroi not paid by him or it at the naka.

In respect of certain octroi dues, not paid at the naka, the District Local Board proceeded to recover the same by means of a suit under s. 72 of the Act.

Stone, C. J. :—(Extract . . . Before turning to the relevant statutory provisions and rules, it is necessary to say something about the nature of an octroi, which has certain features which differentiate its nature from a tax. A tax can be and is usually imposed without difficulty on a person because he is the owner of some species of property such as income, a house or a motor car; whereas an octroi and customs duty, though a tax, are limited in scope to a levy or duty on the import of goods or animals. As such the collection of the duty is effected at the point of entry, either by refusing entry or by seizure, or by penalties imposed on any person attempting to introduce the animals or goods and at the same time evading payment of the duty. There are obvious difficulties in imposing personal liability for such a duty, since it is the animals or goods in relation to location which cause the duty to arise and not property in relation to ownership . . .

S. 116 of the Bombay Local Boards Act, 1923, and indeed the whole of Chapter VIII which is headed "Collection of Taxes" was, before the 1938 amendments, completely silent as to an octroi. S. 116 provided for the collection of tolls by seizure and sale of the goods or animals imported without payment of the toll; it does not aim at imposing any personal liability for which action could be taken in a civil Court . . .

The short answer to all the cases before us in so far as they are concerned with the collection of octroi before December 22, 1938, is that s. 104 which heads Chapter VIII of the 1923 Act before its amendment provided that when any amount, not being payable on demand on account of a toll, is claimable as an amount which is imposed in the district shall have become due, "the District Local Board shall, with the least practicable delay, cause to be presented to the person liable for the payment thereof a bill for the sum claimed as due". By sub-s. (2) it is provided that every such bill shall specify, and this includes *inter alia* "the liability incurred in default of payment". It is not disputed that before the 1938 amendments became operative, no written demands or notices or bills which could ratify this sub-section were served. Therefore, it is clear that the amount of this octroi, assuming the validity of its imposition, could not be recovered by distress under the subsequent sections of Chapter VIII, because there was no demand and no delivery of a bill under s. 104. Accordingly the alternative procedure of suing in a civil Court by virtue of s. 72 could not arise unless the machinery of s. 104 with regard to the giving of a bill, which is mandatory, had been complied with.

The Local Board, therefore, fails in these appeals and revision applications in so far as the amounts claimed arose before December 22, 1938.

I will now proceed to consider the position after the coming into operation of the 1938 amendments . . . Section 4 of the amending Act is as follows :—

"4. In clause (b) of sub-section (1) of section 104 of the said Act, after the words 'on account of' the words 'an octroi or' shall be inserted."

. . . It appears, that the inserted words are to be placed after the words "on account of" where they first occur in the old section. Accordingly the result is that s. 104 had no application at all to an octroi. So that the detailed bill as therein specified no longer has to be presented. The position is in fact now dealt with by certain new sections, viz. sections 102A, 102B, 115A, 115B and 115C and the amendments made to s. 116 and new 116A.

S. 116A is . . . new and that provides a special power for the Local Board to keep current accounts with any person, firm or public body instead of requiring payment "at the time when the animals or goods in respect of which the octroi is leviable are introduced within the octroi limits". It is submitted by Mr. A. G. Desai on behalf of the various owners that in order for the Local Board to sue in a Civil Court in respect of an octroi, personal liability to pay must have been in some way imposed on the persons sued and that s. 72 of the Act is the only section which makes any provision that "the District Local Board may sue in any Court of competent jurisdiction the person liable to pay the same". This provision is alternative and only applies "in lieu of proceeding by distress and sale, or in case of failure to realise by so proceeding the whole or any part of any amount recoverable under the provision of Chapter VIII or of any compensation, expenses, charges or damages awarded under this Act". Now except for s. 116A which has no application to any of the cases before us, none of the new sections or the amendments to the old ones introduced by the 1938 Amending Act provides for the levy of a distress. S. 116 as amended is in respect of seizure of the goods or animals in respect of which duty arises and is limited to those goods and animals, whereas the power to levy a distress and consequent thereon are contained in ss. 105 to 111 of the Act and apply to any moveable property of the person named in the warrant. Mr. Kavalekar on behalf of the District Local Board is unable to suggest that those sections or any other empower the Local Board to distrain any moveable property generally of any person in respect of unpaid octroi. That being so, it is clear that the alternative procedure laid down in s. 72 of suing in a Civil Court has no application to the case of an octroi. The result is that in all the cases arising after December 22, 1938, the District Local Board also fails in these civil suits."

Divatia, J. :—"The common question arising for decision in all these matters is whether the plaintiff Local Board is entitled to maintain the suits under s. 72 of the Bombay Local Boards Act, 1923, for recovery of octroi duty for personal decrees against the defendants. It may be assumed for

the purpose of these suits that the Local Board is competent to recover octroi from persons who bring the goods or the animals within its jurisdiction. The only question is whether for the non-payment of the octroi at the Naka, the power of the Board is merely to seize the goods or also to file a suit against their importers. In Chapter VIII of the Bombay Local Boards Act relating to the collection of taxes as it stood before the amendment of 1938 the octroi duty was not mentioned as one of the taxes to be collected. Section 72 applies to amounts recoverable under Chapter VIII, and it also appears that no written demand or bills were issued under s. 104 before the amendment. It follows in my opinion that s. 72 would not apply to the levy of octroi and no suit could be filed against the defaulters.

Even after the amendment of 1938 when the term "octroi" was introduced in several sections in Chapter VIII, it appears from the authorised publication of the amended Act that in s. 104 (1)(b) octroi is included along with toll in the amount not being payable or demanded and is thus an exception to the provisions for presenting bills to the persons liable for the payment. The subsequent sections in the same chapter, with the exception of s. 116A, where the word octroi is added do not relate to personal liability. It is under s. 116A which provides that the Local Board may instead of requiring payment of octroi at the Naka maintain current account with any person, mercantile firm or public body and such account may be settled and paid for at intervals. It is further provided in that section that any amount so due at the expiry of any such interval shall, for the purpose of Chapter VIII, be deemed to be recoverable in the same manner as an amount claimed on account of any tax recoverable under that chapter. This shows the intention of the Legislature that it is only in a case where such current account is kept that the amount is recoverable under Chapter VIII and not otherwise, because octroi duty is excepted from the provisions of s. 104 imposing personal liability of importers to whom the bills are presented. As a result, s. 104 will apply only to cases where current account is maintained. Section 72 will therefore apply to cases falling under s. 116A but not to any other cases where octroi duty is payable. There is also some force in the contention of Mr. Desai for the respondent that in cases of octroi duty to be collected under Chapter VIII, the duty is not leviable by distress and sale but by seizure and sale. Section 72 applies to proceeding by distress and not by seizure.

For these reasons I am of the opinion that even after the amendment of the Act in 1938 the Local Board has no power to file the suits in all these matters under s. 72 of the Act. Rule 8 framed by the Board is thus *ultra vires*. I, therefore, concur in the order proposed by the learned Chief Justice.

(1945) 47 Bom. L.R. 838.
April 13, 1945.

The Survey of Primary Education

IN

Rajapur Taluka (District Ratnagiri)

(English Summary of the detailed Report in Marathi)

CONDUCTED UNDER THE AUSPICES

OF

THE LOCAL SELF-GOVERNMENT INSTITUTE,
BOMBAY

AND SUBSIDISED BY

SHETH MOTIRAM NARAYAN DESAI TOPIWALLA,
BOMBAY

PREPARED BY

MR. D. J. SARDESHPANDE, B.A., B.T.,
Head Master, Private High School, Rajapur.

UNDER THE GUIDANCE OF

- (1) MR. R. V. PARULEKAR, M.A., M.Ed. (Leeds), T.D. (London)
- (2) RAO SAHEB D. J. KULKARNI, B.A., S.T.C.D.

1946

SURVEY OF PRIMARY EDUCATION.

Intention of the Government of Bombay to introduce compulsory primary education throughout the Province has been disclosed long since. With a view that Government may be appraised of the exact data regarding the number of schools, school buildings and teachers required for providing Primary Education to every school-going child within a distance of a few furlongs—not more than a mile from his residence—it was found necessary to undertake an elaborate survey of every Taluka of the Province. The idea to make a model survey of the type in the Taluka where competent selfless local people could be made available for co-operation first occurred to the well-known educationist of our Province, Mr. R. V. Parulekar, M.A., M.Ed. (Leeds) T.D. (London). He and Mr. S. S. Naik, the Honorary Secretary of the Local Self-Government Institute broached this idea to Sheth Motiram Narayan Topiwalla, who welcomed it and generously offered a handsome donation to the Local Self-Government Institute to meet the expenses of such a model survey. Two public spirited gentlemen of the Rajapur Taluka, Rao Saheb D. J. Kulkarni, B.A., S. T. C. D. and Mr. D. J. Sardeshpande, B.A., B.T. offered their co-operation with the result that an elaborate survey in Marathi was prepared by Mr. D. J. Sardeshpande, B.A., B.T. under the guidance of Mr. R. V. Parulekar and Rao Saheb D. J. Kulkarni. We have great pleasure in publishing an English Summary of the report with a few statistical tables. The Institute is indebted to Mr. R. V. Parulekar and Rao Saheb D. J. Kulkarni for guiding the survey so competently and to Mr. Sardeshpande for undergoing enormous trouble for preparing the survey, and above all to Sheth Motiram Topiwalla for the donation which enabled the Institute to undertake the work.

Thanks of the Institute are also due to a number of officials of the Educational and Revenue Departments who co-operated in the preparation of the scheme. A special mention must be made of Mr. D. S. Samant, Retired Educational Supervisor, Ratnagiri, who took great personal interest. It is proposed to publish the detailed Survey Report in Marathi to serve as a guidance to such further surveys as may be undertaken by field workers in future.

CHUNILAL D. BARFIVALA.

*Editor, Quarterly Journal, and Director of
the Local Self-Government Institute.*

CHAPTER I

THE RAJAPUR TALUKA

The Rajapur Taluka, with its headquarters at Rajapur, north latitude $16^{\circ}37'$ and east longitude $73^{\circ}22'$, is a subdivision of the Ratnagiri District forming part of South Konkan. The Taluka is bounded on the north by the Ratnagiri and Sangmeshwar Talukas, on the east by the Sahyadri range, beyond which lies the Kolhapur State; on the south by the Vijayadurg Creek, which separates it from the Deogad Taluka and on the west by the Arabian sea.

The Taluka has an average length of about 35 miles, and its average breadth, north and south, is about 20 miles. The area of the Taluka is about 632 square miles, with a population of 1,72,785 souls (1941 Census).

Physical Features

The Taluka of Rajapur stretching from the sea right up to the Sahyadri, falls into three distinct parts—the flat coast lands nearer the sea, which are called 'Khalati', the middle part, which is partly flat and partly hilly and the inner uplands, mostly rough and hilly, which are called 'Valati'. The villages situated to the west near the sea-coast, consist of flat-topped laterite hills, intersected by deep ravines. The plateaus are quite barren and in many places stretch for miles so that nothing but sheet rock can be seen from Adivara to Kotapur, from Nate to Dhopeswar and from Madban to Valye and Nanar. The valleys in the intervening deep ravines are, however, generally rich with good alluvial soil and have sufficient water supply. The villages to the east of 'Khalati' gradually lose the laterite formation of hills which here partake of a more undulating character and have broad stretches of sloping sides with more soil all over them. The rough and bare laterite rock is gradually replaced in these by gravelly hills and a fair amount of soil which produces good crops. The middle portion of the Taluka is like a plateau of red earth, where the hills are smaller and less steep and leave a considerable extent of open undulating ground between them with no tree growth worth the name. The villages to the east of these, which comprise the inner uplands called 'Valati', are mostly rough and hilly. The hills, which are high and difficult of ascent in many places, are, however, productive, and become more covered with trees and brushwood as we approach the Ghats, and rice cultivation decreases as that of Warkas increases.

Communications

The Taluka is well served with three principal rivers, viz. the Muchakundi, the Jaitapur and the Vijayadurg creeks, all of which are tidal. In the case of the Muchakundi river, the tide reaches Satavali, and bigger vessels can ply only for the first five miles. The Jaitapur river, which rises in the Anaskura Ghat and was formerly navigable for large-sized crafts as far as Rajapur, 15 miles up the course, has gradually silted up and now only small vessels below 10 tons can go there and that too at high tides. The Vijaydurg Creek, which forms the boundary between the Rajapur and Deogad Talukas, is a bigger river and it is navigable for large-sized vessels for the first ten miles. Smaller vessels drawing about 3 feet of water can pass as far up as Kharepatan, a distance of about 25 miles. All these rivers are, however, gradually silting up, thus making communication with the interior more and more difficult.

This Taluka is, on the whole, very rough and hilly and though it has a sea-board of about 20 miles, with three ports—Jaitapur in the Taluka itself and Purnagad and Vijaydurg at the northern and southern borders respectively, communication is comparatively difficult, especially in villages lying to the east of Rajapur and Lanja. There is only one P. W. D. road, viz. the Pali-Phonda road, which passes through Lanja and Rajapur to Kharepatan and Phonda. It crosses the Muchakundi and the Jaitapur rivers on its way, both of which are now bridged, and affords direct communication with Kolhapur and Ratnagiri *via* Pali, and with the Deccan Districts through the Phonda Ghat. Besides this main road, the District Local Board of Ratnagiri maintains some eight roads of varying length, connecting Rajapur and Lanja with several villages in the interior. Though these roads are sufficiently good for cart traffic, so far as they go, there are very few approach roads in villages lying away from them. The communication in villages is rendered still more difficult in the rainy season when the numerous streams, which, though almost dry in the fair season, are always difficult to cross and often impassable owing to their torrential currents and sudden floods.

Climate

The climate of this Taluka is generally regarded as healthy. It is almost entirely free from such epidemics as cholera and plague, which are a standing scourge in many up-Ghat districts, and even small-pox is of rare occurrence. Though fever prevails in places in certain seasons of the year, this Taluka is, on the whole, free from malaria. Cold is never excessive, and near the sea-coast, the sea breezes are felt throughout the greater part of the year. Though the inland parts are subject to greater

extremes of heat and cold, the heat of summer is neutralised by soft pleasant breezes which reach most parts of the Taluka. The average rainfall of this Taluka, which is about 125 inches, is generally sufficient for all purposes.

CHAPTER II.

THE PEOPLE AND THEIR ECONOMIC CONDITION

The population of this Taluka is mostly rural. The only town of some size is that of Rajapur, the headquarters of the Taluka, with a total population of 7,489 persons. The total population of the Taluka, according to the 1941 Census Report, is 79,728 males and 93,057 females, i.e. 1,72,785 persons in all. The total area of the Taluka is about 632 sq. miles. Thus the density of population per sq. mile comes to 273 against 350—which is the average for the Ratnagiri District. The Taluka had an average density of population of 216 as against 269, the average for the whole District, in the year 1879. The density of population in this Taluka thus seems to be below the average of the District and this is obviously due to the fact that large parts of it are rough, hilly and full of barren laterite plateaus.

The total population of this Taluka, which was 1,36,544 in 1871, 1,40,941 in 1891, and 1,51,987 in 1921, has now, according to the Census Report of 1941, increased to 1,72,785 persons. Thus the population of the Taluka has, during the course of the last 70 years, shown an increase of 27 per cent as against an increase of 36 per cent shown by the whole District during the same period.

For the purpose of this Survey, the population of the Taluka has been divided into (1) Advanced classes, consisting of Brahmins, Prabhus, etc.; (2) Intermediate classes, consisting of Vaishyas, Goldsmiths, Marathas, Bhandaris, Lingayats, Carpenters and such other artisan classes; (3) Backward Classes (A) *Scheduled Castes* consisting of Mahars and Chambhars; (4) Other Backward Classes (B) consisting mostly of Kunbis and such other communities as Gurava (Bhavik), Dhangars, Katkaris, etc., who are as backward in education as the Kunbis of this District; (5) Muslims; and (6) Others consisting of Jains and Christians. The "Tillori" Kunbi community in this District has recently been included by Government in other Backward Classes for purposes of education (*vide* G.R. No. 9330, General Department, dated 7th October 1940).

The following Table shows the class-wise distribution of population in the Taluka (according to the Census of 1941):—

Class-wise population (with percentage)

Advanced Classes	Intermediate Classes	Backward (A) Scheduled Castes	Backward (B) Others	Total Hindu Population	Muslims	Others	Grand Total
8,282	69,618	12,132	71,400	1,61,432	10,979	374	1,72,785
4.8%	40%	7%	41%	93.4%	6.4%	.2%	100%

The percentage for the whole District for these classes (according to the same Census Report of 1941) is as follows :—

Advanced Classes	Intermediate Classes	Backward (A) Scheduled Castes	Backward (B) Others	Total Hindus	Muslims	Others
4.5	43	8.6	36	92.7	6.6	.7

Economic Condition

The Ratnagiri District is itself proverbially poor, and this Taluka is one of the poorest Talukas in the whole District. Nearly 80 per cent of the people in this Taluka are directly or indirectly engaged in agriculture. The soil is poor and the pressure on land is so great that the total quantity of foodstuffs produced in the Taluka during the whole year is hardly enough to maintain the population even for 4 months. According to the Census Report of 1921, the total population of the Taluka was divided into two classes—agricultural and non-agricultural—as shown below :—

Agricultural Population				Non-Agricultural Population	Grand Total
Tenants and Sub-sharers	Other Land-Holders	Agricultural Labourers	Total		
1,14,452	3,506	3,795	1,21,753	30,281	1,51,987
75%	2.5%	2.5%	80%	20%	100%

As is the case with the whole of the Ratnagiri District, a large number of people from this Taluka is employed in Bombay and other

places in industries and in various Government services such as Military, Police, Post-Offices, Customs, and in Schools, Railways and such other concerns. After retirement, most of them return home and settle in their villages. The percentage of population from this Taluka in this case, has been differently calculated, varying from 20 to 50 per cent. But this figure can safely be taken at about 20 per cent, as is revealed by actual figures of migrating people obtained from some villages during the course of the inquiry made for the purpose of the present survey. Many of those who go out in this way to Bombay and other places to earn higher wages in mills, factories and dockyards as coolies or labourers, come home for certain holidays and especially during the cultivating season, when they look after their fields.

Crops

Rice, which is the principal crop, is grown in about 26,428 acres, i.e. 38 per cent of the total cropped area, while Nachani, which is the chief crop in Warkas land, occupies about 9,139 acres, i.e. 15 per cent of the land under cultivation. The total cropped area in the Taluka, according to the Revision Settlement Report of 1929, was 64,145 acres and fallow 1,46,267 acres, the proportion being 30 per cent and 70 per cent respectively. The large proportion of fallow is due to inferior Warkas lands which in this Taluka occupy about 91 per cent of the total cultivable area, and have to be left fallow for several years, ranging from 3 to 6, according to situation and soil. The soils in general are red, gravelly and of a poor description. For rice they require a plentiful supply of rain, while for Warkas cultivation, where crops are taken by rotation, a good many years of fallow are necessary after each period of rotation. The chief produce of Bagayat lands, which cover about 450 acres in the whole Taluka, is cocoanuts and betel-nuts. The 'Agri' Bagayats which are situated on the alluvial or sandy soils in the vicinity of the creeks or near the seashore, abound in cocoanuts. They are superior to 'Dongri' Bagayats, which are situated inland on the Warkas soil, on hill slopes, where the ground is hard, has no moisture and is more or less gravelly and rocky. Here there are more betel-nut than cocoanut palms. There are, however, no important commercial crops in the Taluka worth the name.

Though rice is the staple food of the people in the Taluka, as is the case in the whole of the Ratnagiri District, the poor cultivating classes have to live also on coarse grains like Nachani, Wari and Harik, which they grow in Warkas lands. As already stated, the total quantity of foodstuffs of all sorts produced in the Taluka during the course of

the year is hardly enough to maintain its population for four months. The people in the Taluka have, therefore, necessarily to depend upon their earnings other than those from their lands in order to satisfy their every-day needs during the remaining part of the year. This extra income mostly comes from the earnings in Bombay and other places, where some members of almost every family have to migrate to find some kind of employment. It will be seen that one person out of every five in this Taluka has to migrate in this way to distant places like Bombay in order to maintain himself and other members of the family who stay in the village.

Occupations

Next to cultivation of land, which occupies about 80 per cent of the population actually residing in the villages of this Taluka, another important industry is fishing, which is carried on by Kharvis (Hindus) and Daladis (Muslims) living in villages near the coast and in villages on the sides of creeks some miles away from the sea. According to the Census Report of 1921, there were about 3,000 people who lived on this industry. Next comes pottery, carried on by Kumbhars, who number about 2,000, the hand-loom industry which engages about 275 weavers in Kharavate and Juwathi, and shoe-making, which occupies about 1,500 Chambhars all over the Taluka. Though all these persons mainly depend upon their own trade for their living, most of them have lands which they cultivate as a secondary occupation.

Holdings

Out of the 185 villages which go to make up the Taluka, 41 are Government villages, 95 pure Khoti villages, 23 Dharekari, and Khoti Khichadi villages and 27 Inam villages. According to the Revision Settlement Report of 1929, the total number of occupants in Government villages was 58 per cent and the total number of occupancy tenants in Khoti villages was 13,224. More than 60 per cent of these occupants had each a holding of less than five acres. In a Taluka like Rajapur, where the soil is generally poor, and the population is too large, it is no wonder that such small, uneconomic holdings cannot support the cultivator for a greater part of the year. The produce of 52,500 acres of land, much of which is Warkas, can hardly be expected to feed a population of more than 1,72,000 souls for the whole year. It will thus be seen that the economic condition of a large majority of the people in the Taluka is extremely poor, and this is one of the chief factors that militate against the spread of education in villages.

CHAPTER III

THE PRESENT POSITION OF EDUCATION IN THE TALUKA

A Konkan Village

The characteristics of a Konkan village as regards the distribution of its population, stand in clear contrast to those obtaining in villages in other parts of the Province, particularly in the up-Ghat Districts. A village in Konkan consists of several hamlets or Wadis, the number of which varies from 2 to 12 in this Taluka, the average being 6 hamlets per village. Each hamlet is separated from others in the village by a distance which varies from 3 or 4 furlongs to 2 or 3 miles. The hamlets are also separated from one another by such natural features as hills, rocky plateaus, valleys, streams and rivulets, which make internal communication particularly difficult for young children, especially in the rainy season. Very few villages have roads going through them, and a zig-zag foot-path going up and down high hills and steep slopes, across streams and rivulets without bridges, is perhaps the only means of communication between one hamlet and another. In the up-Ghat villages, on the other hand, the whole population of the village is centered in one place, round about the village Chawadi or village Chowk. The houses in a Konkan village also present a similar contrast. Instead of standing in a group, all huddled together, like those in the up-Ghat districts, these houses in Konkan villages stand apart from one another, each house having its own compound and a separate shed for the cattle. Most of the houses belonging to the poor cultivating classes are built with mud-walls and thatched with hay. These are the conditions in a Konkan village which give rise to a new problem in the field of education.

Walking Distance

It is the peculiar structure of the Konkan village, described above, that creates a special problem so far as the education of its children is concerned. An important factor in determining the exact location and proper distribution of schools in Konkan villages is the maximum distance a child can be expected to walk daily to the school. A walking distance of $1\frac{1}{2}$ miles from the child's home to the school by the nearest route is generally regarded as an adequate standard. But the peculiar characteristics of a Konkan village described above hardly make this standard distance justifiable, particularly in the case of young children of 6 or 7 years. It is a general practice, which suits the habits of the inhabitants of Konkan, to hold the Primary schools in two sessions—in the morning from 7 to 10 a.m. and in the afternoon from 3 to 6 p.m. This makes it compulsory for all children of whatever age to go to

school twice, so that they have to walk the distance from home to school and back twice in the course of each day. Thus if $1\frac{1}{2}$ miles are regarded as the proper walking distance, a child will have to walk about 6 miles per day, which is a real hardship by itself. Besides, there are no good roads in villages and the lonely paths along which the child has to go to school are full of dangers and difficulties, especially in the rainy season.

Table No. 4 will serve to show that even a distance of 1 mile between the child's home and the school in a Konkan village prevents the children from taking as much advantage of the school as they ought to. Out of the total number of 17,127 children who are within the walking distance of 1 mile, i.e. 8 furlongs from existing schools, only 7,912, i.e. 46 per cent children attend the schools. This percentage is still lower in the case of children beyond the distance of one mile from the existing schools. The total number of children beyond the distance of 8 furlongs from school is 10,347, and of these only 510, i.e. about 5 per cent children go to school. A study of these figures from yet another point of view will be highly instructive. It will appear from the same table that out of the total number of 8,422 children attending the schools in the Taluka, as many as 7,912 children, i.e. about 94 per cent are within a walking distance of 8 furlongs from school, whereas hardly 6 per cent children walk to school a distance beyond 8 furlongs; and presumably most of them are attending the higher standards in upper Primary schools and are therefore naturally of a higher age.

Sample Table No. 2 which refers to four villages with schools, in one of the groups in the Taluka, will also serve to illustrate the point more clearly. Out of the total number of 149 children at school, 145 children come to school from a distance of 8 furlongs or less, whereas only 4 children are found to be willing to walk to school from a distance of 8 to 12 furlongs; and out of the 97 children of school-going age who live beyond a distance of 12 furlongs from school, none is inclined to avail himself of the facility provided by the schools in their own villages.

From all these facts and figures it will be clear that in order to secure voluntary attendance of young children at school in this Taluka, with all its peculiar physical features, care must be taken to see that the school is situated as near to the home of the child as possible. Here, again, a reference to Table No. 4 will point out the fact that distance of 4 furlongs from school comes in for a natural preference. But looking to the economics of schooling in a poor District like this, it is considered desirable for the purpose of this survey to fix the walking distance between the child's home and the school at 1 mile, i.e. 8 furlongs, so far as this Taluka is concerned. Compulsion or no compulsion, it

would indeed be a very great hardship to ask the young child to walk more than that distance for the sake of schooling.

Education Centres

Having thus determined the maximum walking distance which a child in a Konkan village may be expected to traverse from his home to the school every day we come to the next important question of the proper location and distribution of schools in Konkan villages. A revenue village in Konkan, consisting of several hamlets, separated often from one another by long distances of more than one mile, cannot be taken as a unit area for an education centre. Even if a revenue village of this type has one school in it, that can supply the educational needs of only that section of its population which comes within the radius of one mile from that school. The rest of the population in the village will have to go without a school, even when the revenue village claims to possess one or more schools. The following examples will serve to bear out the truth of this statement :—

- (1) The village Watul in this Taluka, with a total population of 1,291 souls, has a D.L.B. school, in one of its nine hamlets called 'Gaonwadi'. It has been found on inquiry that the present school serves only five of these hamlets, with a total population of about 780 persons, since all the 45 children that attend the school today come only from these five hamlets, which are within the radius of one mile from the school. It is interesting to note that though the total number of children of school-going age from these five hamlets, taken at 15 per cent of their population, comes to about 117, only 45 out of these, i.e. 38 per cent children actually attend the school. The reasons for this low percentage of attending children, even when school facilities are near at hand, which is a common feature almost throughout the whole Taluka, will have to be considered separately. It is enough for our purpose to note here that from the four remaining hamlets, which are beyond the radius of one mile from the school, not a single child turns up to avail himself of the school facility provided in a distant hamlet in the village. It would, therefore, be necessary to have a separate school or education centre for the remaining population of more than 500. The revenue village, Watul, must, therefore, have two schools or education centres—one for five hamlets and the other for the remaining four hamlets. Even when that is done, one of the hamlets called 'Goulwadi' with a population of 165, which is at a distance of 2 miles or more from any of the two education centres, may still have to go without school facilities

for its children, as it would not be an economic proposition to have a separate school for such a small population centre. Such outlying hamlets, which are not, however, many in number, have been carefully noted in the course of the present survey for special consideration. (*vide* Table No. 5).

- (2) The revenue village of Dhaulwalli in this Taluka has a total population of 2,641 persons, distributed over 9 hamlets. At present there are two schools in the village—one D.L.B. school and one Voluntary-Aided school. The D.L.B. school apparently caters for a group of four of the hamlets. But as it is not situated centrally even for these, it distinctly serves only two hamlets, viz. 'Bhabalewadi' and 'Bhatalewadi' with a population of about 950 persons. The remaining two hamlets in the group, which are at a distance of more than 12 furlongs from that school and contain a population of about 420 persons, cannot take full advantage of the school, since only 9 children from these hamlets attend the school, as against 40 children that come to school from the other two hamlets, which are nearer to the school. The voluntary school in the village caters for three hamlets, with a total population of about 560 persons, situated within the radius of one mile from that school. Thus the two existing schools together give educational facilities to children in 5 hamlets only. Taking into consideration the distance of the remaining four hamlets from one another, it would appear that two more schools or education centres are necessary, if educational facilities are to be provided for all the children in the revenue village of Dhaulwalli.
- (3) The revenue village of Panhale near Rajapur, which has a total population of 459 persons, contains one Urdu voluntary school. It naturally caters for the Muslim population of the village which is about 130, and only 11 children from that community attend that school at present. The remaining (Hindu) population of about 330 has to go without any school facility. The Urdu Voluntary School in this village is also useful to the Muslim population of about 240 in the two small neighbouring villages of Bag Abdulkadir and Bag Kazi Hussein, which are in fact like two hamlets and together send 8 or 10 children to that school. It is, therefore, necessary to have a separate school or education centre for the convenience of the remaining Hindu population; and the three revenue villages taken together will have two schools or education centres for a total population of 700 persons. If it is considered uneconomic to have two centres for such a small population, some other alternative arrange-

ments will have to be made in order to bring school facilities within the reach of all the children in the group of these 3 villages.

Examples like these can be multiplied to show that a revenue village in Konkan cannot and does not necessarily coincide with a unit area for an education centre.

CHAPTER IV

THE SURVEY

The examples given in the last chapter will serve to illustrate the peculiar condition of Konkan villages, so far as facilities for schools are concerned. Even if each revenue village were provided with one school—whether D.L.B. or Voluntary—the problem of providing adequate school facilities to all its children will not be satisfactorily solved. Some hamlets in almost each village will still remain without such facilities. Again, the proper situation of schools in villages is one of the most important factors in securing the attendance of children at school. For whatever reasons, many of the present schools seem to be placed in the villages in a haphazard way and are, therefore, unable to give the maximum benefit to the villagers concerned, even so far as they go. There are cases of schools where even a casual observer can see that a mere change of their position to a more convenient or central situation would secure a far better attendance of children than they do at present. It was therefore thought necessary, in the interest of the educational progress of this Taluka, to study all these conditions critically with reference to each of the 965 hamlets situated in 185 revenue villages in the Rajapur Taluka. Such a critical study alone would enable one to arrive at a correct estimate of the total number of schools or education centres that must be provided for giving adequate educational facilities to all the 965 hamlets, no school or education centre being more than one mile's walking distance from the residence of any child likely to attend it.

Procedure of the Survey

The choice of a typical Taluka in the Ratnagiri District for the purpose of carrying out such an elaborate and critical educational survey was most essential, and the Rajapur Taluka was preferred for that purpose for several reasons. In the first place, this Taluka is one of the two Talukas in the Ratnagiri District, which stretch from the Arabian sea right up to the Sahyadri mountains. It, therefore, fairly represents the geographical features and structural characteristics of the Konkan as a whole. Again, this Taluka is particularly noted for the predominance of Backward class communities such as the Tillori Kumbis,

the problem of whose education is now naturally coming to the forefront. It also contains a population of all castes, creeds and communities that are found in the Ratnagiri District, except perhaps the Indian Christians who are conspicuously absent. The Taluka has thus a fairly representative character from all points of view. Besides, the town of Rajapur has made a name in recent years by its various educational activities in the field of secondary and vocational education, not found elsewhere in the District. It was, therefore, possible to secure the voluntary services of persons interested in education and willing to give active co-operation in the work of carrying out such an elaborate survey. For all these reasons, it was decided to take up the Taluka of Rajapur for our educational survey in the first instance.

For the convenience of the inquiry, the 185 villages of the Taluka were divided into 20 *gats* or groups, including the town of Rajapur, which forms a *gat* or group by itself (*vide* Table No. 1). It is interesting to note here that this number of 20 *gats* or groups into which the whole Taluka was divided for the purpose of this survey, by a strange coincidence, tallies with the total number of circles (20) made in this Taluka for the purpose of 1941 census, though there is some variation so far as the number and names of villages contained in each group or circle are concerned. Each *gat* or group, excepting the town of Rajapur, was made up of 8 to 16 villages, according to their size and position. Maps of each such group, showing the location of villages and the position of existing Primary schools therein, were prepared for the use of the field-workers who were required to visit each village and obtain all the detailed information regarding the school and the several hamlets therein, and each of them had to spend more than a week or two in each group or *gat* for getting all the necessary information, spending on an average at least one day for each village. The field-workers were provided with letters of introduction from the Mamlatdar of the Taluka as also from the Administrative Officer of the Ratnagiri District School Board, which made it easy for them to secure a hearty co-operation of the village Kamgars like the Talathis and the Police Patil, as well as of schoolmasters, in getting the required information. The field-workers were also able to get a hearty co-operation of the villagers in obtaining the various kinds of information as shown in the forms. Two kinds of forms—one for general information about the village and the other for detailed information about existing schools—were printed for this purpose (*vide* Form No. 1 and Form No. 2 attached). Both the Administrative Officer and the Deputy Educational Inspector, Ratnagiri, were kind enough to supply the required information from time to time, which considerably helped the work of the present survey. When all the information, as shown in printed forms 1 and 2, was obtained by the field-workers, the results were tabulated after a full

discussion with them on points requiring further explanation or elucidation. The information was then consolidated in a number of tables for groups of villages as well as for individual villages. Five of these tables are appended herewith as sampling the items of information collected. These forms are called *Sample Tables* No. 1 to 5.

The information collected in all these numerous tables forms the basis of the final data for the survey. These data are given in seven tables appended herewith marked Table No. 1 to 7.

Summary of the Data Obtained

The Rajapur town (population 7,489) which forms the *gat* or group No. 1, has at present nine Primary schools—four Marathi schools for boys and one Marathi school for girls and three Urdu schools for Muslim boys and one Urdu school for Muslim girls. The total population, of school-going children comes to 1,122, of whom 1,040 actually attend school today. The existing number of schools seems to make adequate provision, both in quality and quantity, for the Primary education of children within the Municipal limits of Rajapur.

The remaining 19 *gats* or groups consist of 184 villages with a total population of 1,75,717. The total number of children of school-going age, calculated at 15 per cent of the population, therefore, comes to 26,358, of whom only 7,382 actually attend the existing schools, i.e. about 28 per cent of the total school-going age population. Taking these figures separately for boys and girls, it will appear that the total number of boys of school-going age comes to 12,252, of whom 5,938 actually attend school, while out of the total number of 14,100 girls of school-going age, only 1,444 girls are at school today. In the case of boys, the percentage of children actually at school to the total number of those of school-going age comes to 48 per cent, whereas in the case of girls it comes to only 10 per cent.

It would be interesting to know the extent of the population in these 19 groups, which has school facilities and which is without any of them, taking one mile as the normal walking distance from a child's home to the school. Out of the total population of 1,75,717 in these *gats* or groups, the existing schools seem to serve about 1,10,000 people that are situated within the radius of one mile from them, while more than 73,000 people, i.e. about 40 per cent of the total population, have no school facilities provided for them at present. Taking into consideration the number of revenue villages in the Taluka, it would appear that out of the total number of 184 villages in the Taluka, only 101 have school facilities provided for them at present, whereas the remaining 83 villages, i.e. 45 per cent have to go without any such facility. But, as has already been pointed out, a revenue village in Konkan can hardly be taken as a unit area

for one education centre, supplying the schooling needs of all the residents of the village. It is, therefore, necessary to take a count of the hamlets or Wadis in all the 184 villages in order to arrive at a correct estimate of the school facilities provided in the Taluka today. Out of the total number of 965 hamlets or Wadis in the Taluka, only 512 hamlets lie within a distance of one mile from the existing schools and may, therefore, be said to be in possession of school facilities for the children residing in them. But as many as 453 hamlets or Wadis, i.e. about 47 per cent have still to be provided with such facilities, if an adequate provision for the primary education of all the children of school-going age in the Taluka has to be made.

At present there are in all 136 primary schools—D.L.B. and Voluntary—in these 19 *gats* or groups. But a scrutiny of the facts and figures given in Table No. 3 will show that it is necessary to provide about 120 *more* schools or education centres in order to provide adequate facilities for the whole population in the 19 *gats* or groups. As the total number of children of school-going age in all these groups comes to 27,474, each of these schools or education centres will have, on an average, more than 105 pupils in attendance. At present the 136 schools in these 19 *gats* or groups have an average attendance of about 55 pupils each. In the scrutiny of the hamlets or Wadis, which are yet to be provided with school facilities (*vide* Table No. 5), it is found that there are about 17 hamlets that, either because of their small population or distance that far exceeds one mile, cannot be economically served with a separate school or education centre. The problem of education in these small population centres has to be tackled by providing some special kind of school facility such as travelling teacher or part-time schools, so that the arrangements, while serving the educational needs of these outlying hamlets, may not involve an extraordinary economic burden.

CHAPTER V.

CLASSES OR COMMUNITIES AND THEIR PROGRESS IN EDUCATION

Advanced Classes

The Advanced classes in this Taluka consist almost entirely of Brahmins and their population in the Taluka is 8,906—4,153 males and 4,753 females—forming about 5 per cent of the total population of the Taluka. Taking the children of school-going age at 15 per cent of the population, the total number of boys and girls of school-going age from the Advanced classes comes to 623 and 713 respectively. The total number of boys and girls actually attending the existing Primary schools

in the Taluka, however, comes to 619 and 479 respectively. This shows that almost all the boys from the Advanced classes, who are of school-going age, are at school today. The same is not, however, true in the case of girls; for, only about 67 per cent of these attend the schools at present. It is evident that the advanced communities are very keen on the education of their children, in general, and more particularly of their boys; and even if there is no school near their residence, they manage to send their boys to distant places and keep them with their relations for giving them the benefit of schooling. Though the Advanced classes seem to take advantage of a neighbouring school for educating their girls, they do not do so as invariably as in the case of the boys. A few instances, taken from the data of the present survey, will serve to illustrate this point:—

- (1) In the revenue village of Hasol under Soundal, where the D.L.B. school is within four furlongs from the locality of the Advanced communities (Brahmins), almost all the boys of school-going age are at school. But only 2 girls out of 8 of school-going age attend that school.
- (2) In the village of Mithgavane, which is a fairly populous village with a good percentage of Advanced communities, all the 12 boys of school-going age are at school, whereas out of the 15 girls of school-going age, only nine girls attend that school.
- (3) In the village of Oni, which is on the roadside, and where the school is less than 6 furlongs from the locality of the Advanced classes (Brahmins), all the 6 boys of school-going age attend the school, whereas only 1 girl out of 8 girls of school-going age is at school today.

It will thus be evident that even among the Advanced classes, which are so very particular regarding the education of their boys, the education of girls is not equally cared for, even when the school facilities are near at hand. This may, to a certain extent, be due to the fact that the existing Primary schools in villages are exclusively mixed schools.

Intermediate Classes

In this Taluka, the Intermediate classes mainly consist of Sonars, Vaishyas, Marathas, Bhandaris and artisan classes such as carpenters, potters and weavers. The total population of all these communities in the Taluka comes to 69,994, consisting of 31,768 males and 38,226 females, i.e. about 40 per cent of the total population. The total number of boys and girls of school-going age from these classes comes to 4,765 and 5,734 respectively. The total number of boys and girls actually attending the existing schools today comes to 3,566 and 971 respectively so that this percentage is 75 per cent in the case of boys and 17 per cent

in the case of girls. Taking the number of boys and girls together, the percentage comes to 43 as against 45 of the whole District. This shows that the Intermediate communities in the Taluka are not generally as keen on the education of their children as the Advanced communities and their greater indifference to the education of girls is clearly evinced by the great disparity between the percentages for boys and girls, viz. 75 and 17. The following instances, taken from the data of the present survey, as in the case of the Advanced classes, will serve to illustrate the attitude of the Intermediate classes towards the education of their girls :—

- (1) In the village of Dhaulvalli, near the coast, where the population contains a fairly large percentage of Intermediate classes, consisting of Bhandari and Teli communities, 29 boys out of 31 boys of school-going age attend the school, whereas only 3 girls out of 41 girls of school-going age are at school today. All these communities reside within a distance of 1 mile from the existing schools.
- (2) In the village of Borthade, where the population consists almost entirely of Marathas, every boy of school-going age attends the Registered school in that village, whereas out of the 38 girls of school-going age only 2 are attending school, even though the school is conveniently situated for them all.
- (3) In the village of Pachal, nearer the Sahyadri mountain, where there is a large percentage of Intermediate class population, consisting almost entirely of Vaishyas, it will be seen that while every boy out of the 66 boys of school-going age is attending either the D.L.B. School or the Voluntary school in the village, only 15 girls out of 78 girls of school-going age are found to be at school.

Backward Classes : (A) Scheduled Castes

The Scheduled Castes in this Taluka consist mostly of Mahars and Chambhars. Their total population comes to 12,132, consisting of 5,809 males and 6,323 females, i.e. about 7 per cent of the total population. The total number of boys and girls of school-going age from these classes comes to 871 and 948 respectively, of whom 371 boys and only 15 girls are actually attending the schools today. The percentage comes to 21 as against 24 for the whole District. It may be noted here that there was a time—not many years ago—when children from the Scheduled Castes hardly attended school either owing to their own indifference or owing to the social prejudices that formed a great barrier in the path of their social and educational progress. Recently, however, there has been an awakening in these classes and the progress

they have made in recent years is certainly encouraging, so far as their boys' primary education is concerned. But the very fact that only 15 girls from these communities from all over the Taluka, i.e. 1.6 per cent of those of school-going age, attend school today is enough to show that they are extremely backward so far as girls' education is concerned.

(B) Other Backward Classes

The other Backward classes in this Taluka mainly consist of Kunbis and such other allied communities as Bhavik Guravas, Dhangars and Katkaris, who are equally backward in education. Their total population in the Taluka comes to 71,400, comprising 32,548 males and 38,852 females, i.e. about 42 per cent of the total population, which exceeds the percentage of the Intermediate classes, mentioned above. The total number of boys and girls of school-going age from these classes, taken at 15 per cent of the total population, comes to 4,882 boys and 5,828 girls respectively, of whom 1,226 boys and only 28 girls actually attend school today. The percentage thus comes to 25 in the case of boys, whereas for girls it is less than .5. It will thus be clear that among the Hindu population of the Taluka, these Backward classes, particularly the Kunbis, which form the largest single community of the whole population, are the most backward in education at the present day. It is interesting to note that even though there were no social handicaps imposed upon these classes by custom or tradition, as in the case of the Scheduled Castes, they are comparatively more backward in education than the latter, both in respect of their boys' and girls' education, and occupy the last place in the Taluka as well as in the District, so far as educational progress is concerned. The Kunbi community which forms the bulk of these classes, is very backward, both from social and economic points of view. In recent years the attention of both Government and the public was drawn to the educational backwardness of the Scheduled Castes, and as a result of the active interest taken by them in their welfare, these classes seem to have made a definite advance in education. But while this was being done, the Kunbi class, as a whole, which was equally backward in education and deserved similar special encouragement, seems to have been entirely lost sight of. It was only when Government recently adopted the policy of encouraging the opening of Voluntary schools in villages through private agencies which brought education nearer home to them, that the Kunbi class began to show some signs of awakening and evinced some interest in the education of their boys. Most of these Voluntary schools were, in the first place, started in small villages where no school facilities were available before. Besides, persuasion on the part of the managers who were naturally interested in bringing more children to their schools, played its own part in securing some response from that community. This will be clear from the fact that

out of the total number of 1254 children from these classes that are at school in the Taluka today, 864, i.e. more than 70 per cent children are attending the Voluntary schools. The special efforts made by the Kunbi Seva Sangh of Ratnagiri for the promotion of education among the Kunbis by running a special Hostel, with free boarding and lodging, for the Kunbi children at Lanja, by starting or affiliating Voluntary schools in villages with a predominantly Kunbi population, and by giving scholarships to poor Kunbi children studying in primary schools, have materially accelerated the pace of progress. It is interesting to note that as a result of the efforts made by the promoters of the Kunbi Seva Sangh to enlist the special sympathies of Government towards the educational advancement of this Backward community, Government have recently been pleased to direct that the 'Tillori' Kunbis of Ratnagiri, who were hitherto regarded as belonging to the Intermediate classes, should be included among the 'other backward classes' for the purposes of education. [*vide* G.R. No. 9330 (General Department) dated 7th October 1940].

Muslims

The total population of Muslims in the Taluka is 10,979, 5,256 males and 5,723 females, which comes to about 6 per cent of the total population of the whole Taluka, the proportion being almost the same as that for the whole District. The total number of boys and girls of school-going age from this community, taken at 15 per cent of the total population, comes to 788 boys and 858 girls. The number of boys and girls actually attending School today stands at 814 and 333 respectively. The total number of boys from this community actually attending school seems to be slightly in excess of the number of boys of school-going age taken at 15 per cent ratio. It would thus appear that so far as this community is concerned, every boy of school-going age is availing himself of the school facility, which is adequately provided for, whereas only 39 per cent girls from this community are found to do the same. The total percentage of attending children to those of school-going age from this community in the Taluka comes to 70 per cent, which is almost the same as that for the whole District (71 per cent).

Other (Non-Hindu) Communities

The total population of all such communities in the Taluka comes to 374 and consists mostly of Jains. As already stated above, the Indian Christian community, which claims an appreciable number elsewhere in the District, is conspicuously absent in this Taluka. The Jains, as a whole, are an advanced community and are far better off than even some of the Intermediate classes, both economically and educationally. As their number is very small, no special note is taken of these in the present survey.

CHAPTER VI VOLUNTARY SCHOOLS

It is interesting to note the contribution made by the different types of Primary schools obtaining in the Taluka, towards the present progress of Primary education therein. There are three main types of Primary schools at present—those which are directly under the D.L.B. management, others which are registered by the D.L.B. for grant, and the rest—Voluntary schools—which are of a recent origin and under private management. It will be seen from Table No. 3 that there are at present 74 D.L.B. schools, 10 registered schools and 61 Voluntary schools in the Taluka. Since most of the D.L.B. and registered schools are old institutions and have been in existence for years, their share in the present progress of Primary education in the Taluka cannot be denied. But the part played by Voluntary schools in this respect in recent years deserves careful attention.

In the year 1937-38, i.e. soon after the assumption of power by the popular Government in this province, a great fillip was given to the spread of Primary Education in all parts of the Bombay Province by the opening of Voluntary schools by private agencies, under the scheme of Liquidation of Mass Illiteracy launched by Government. The movement gathered such strength and the response from the public to this scheme was so great, that within a year or two of the starting of this scheme, thousands of Voluntary schools were opened all over the Province and the number of children attending these newly opened schools had gone up to more than 30 per cent of the total number of children at school in the Province. As most of these Voluntary schools were opened in villages with a population of less than 700, the villagers who had never dreamt of having a school for their children so close at hand, hailed them with great enthusiasm and filled them with children. These Voluntary schools were, in some respects, people's schools and in many cases, the people of the village contributed to the expenditure of the school in various ways.

So far as this Taluka is concerned, the public response to this scheme seems to have been quite as enthusiastic as in other parts of the province. In the very first year, i.e. 1938-39, as many as 30 Voluntary schools were started in this Taluka. The number of these schools increased by leaps and bounds in the next two years, until it reached the maximum of 90 in the year 1941-42. Starting with a total grant of Rs. 3,859 in the year 1938-39, the amount of grant paid to these Voluntary schools in the Taluka reached the maximum of Rs. 14,000 in the year 1942-43. As regards the number of children attending these schools, it has not been possible to ascertain the exact figure from year to year. In the year 1944-

45, however, the total number of children attending the 67 Voluntary schools in the Taluka stood at 2,700 thus giving an average of 40 pupils per school. If the same average is taken for the 90 Voluntary schools that were in full swing in 1942-43, it will be seen that there were about 3,600 pupils attending the Voluntary schools in the Taluka in that year. The total number of D.L.B. and registered schools in the same year was 88 with a total attendance of about 6,500 children. It will thus be clear that in the year 1942-43 about 30 per cent of the total number of attending children in the Taluka attended the Voluntary schools, and although the number of these schools has now gone down for various reasons during the last two years, while that of the D.L.B. and registered schools has remained the same, the percentage of children attending the two main types of schools has been maintained at the same level (*vide* Table No. 6) to this day, owing perhaps to a slight fall in the number of children attending the D.L.B. schools.

The number of Voluntary schools in the Taluka had come down to 67 in the year 1944-45 and it will be seen from the figures given in Table No. 3 that 6 more of these schools have already closed down at the beginning of the year 1945-46. The fall in the number of these Voluntary schools during the last two or three years is evidently due to dearth of teachers, who left these village schools for far better prospects in the temporary war-time services, both Government and private. But the closing down of these schools has naturally resulted in the withdrawal of educational facilities from the large number of localities which needed them very badly, and efforts must be made to see that these schools are restored as early as possible in the best interests of the villagers concerned.

It will thus be clear that the Voluntary schools have, during the last 6 or 7 years, made a very substantial and unprecedented contribution to the spread of education in the villages, particularly among the Backward classes. Apart from their direct contribution to literacy in villages during all these years, they have also served as centres of enlightenment in rural areas, awakening in the villagers a new sense of appreciation of schooling and therefore the value of being literate. That these Voluntary schools have mainly benefited those communities in the Taluka that were backward in education will be clear from Table No. 6, which gives comparative figures of children from various classes or communities attending the D.L.B. and Voluntary schools today. Although, as is quite natural, all these classes or communities appeared to have availed themselves of the additional educational facilities provided by these Voluntary schools in their respective villages, the communities that have derived greater benefit from these are evidently the Scheduled Castes, i.e. Mahars and Chambhars, and more particularly the other Backward

communities like the Kunbis, the number of whose children in the Voluntary schools far exceeds that in the D.L.B. and registered schools. This means that the Voluntary schools have been able to attract many more children from these Backward classes during the brief period of their 5 or 6 years' existence than all the D.L.B. schools in the Taluka, which have been functioning for several years in the past. Again, these Voluntary schools are far more economic than the D.L.B. schools for, while the average cost of education per pupil in D.L.B. schools in the Ratnagiri District comes to Rs. 8-5, the average cost to Government per pupil in Voluntary Aided Schools comes only to Rs. 2-9. It is thus clear that the spread of Primary education in villages, especially among the Backward classes, which badly stand in need of it, has been managed by these Voluntary schools at about one-third of the cost otherwise required by the D.L.B. or Government. It is, of course, in evidence that all is not well with the Voluntary schools, as they are being run today, and it is quite necessary to devise ways and means to make these schools more efficient and put their working on a sounder basis, if real and substantial service is to be expected from them in the near future. The per capita grant which is paid to these schools will have to be substantially increased and attempts must be made to see that they are conducted through the agency of some private organised bodies, which should replace the present system of individual management followed in most of these schools. When that is done, there is no doubt that these Voluntary schools will continue to play a very important part in the system of Primary education in this District and go a long way in quickening the spread of education among the Backward classes, which form the bulk of the population in this Taluka.

An Analytical Table of the Survey

The main object of this Survey is to ascertain the exact number and location of additional schools or education centres required in order to provide educational facilities to all the children in the Taluka within the distance of not more than one mile from their residences. A special table has been prepared, giving details about these additional schools with their number and location together with other relevant information about each of the 185 villages. This table is printed at the end of the report under the heading "**An Analytical Table of the Survey**". This table, it will be seen, gives the result of the survey in a nutshell.

TABLE No. 1

Rajapur Taluka

Educational Survey

Statement showing the present position of

Primary Education in the Taluka

Name of Group	Total population of the Group	No. of Villages with Schools	No. of Villages without School with a population				Total No. of Villages in the Group
			Below 500	Between 500-1000	Above 1000	Total	
1. Rajapur (Town)	7,489	1	...	...	...	...	1
2. Rajapur Group	6,433	3	3	4	...	7	10
3. Oni "	11,026	5	2	2	1	5	10
4. Pachal "	7,276	6	1	2	...	3	9
5. Bhambed "	12,224	5	2	1	2	5	10
6. Vanked "	7,433	4	2	3	...	5	9
7. Lanja "	7,138	4	4	1	...	5	9
8. Satavali "	9,812	4	2	2	2	6	10
9. Kalasavli "	9,429	4	2	2	2	6	10
10. Kotapur "	7,897	5	3	1	1	5	10
11. Dhaulvalli "	16,575	8	...	...	...	...	8
12. Kasheli "	12,730	7	7	2	...	9	16
13. Jaitapur "	9,538	6	3	...	...	3	9
14. Anasure "	4,222	4	4	...	...	4	8
15. Sagave "	12,072	5	4	...	...	4	9
16. Juwathi "	7,265	7	1	1	...	2	9
17. Solye "	7,226	8	3	...	...	3	11
18. Talavade "	9,632	3	2	2	2	6	6
19. Dongar "	8,637	7	...	2	...	2	9
20. Tamhane "	9,152	6	2	1	...	3	9
	1,83,206	102	47	26	10	83	185

Total No. of existing Schools in the group			Total No. of Teachers in the existing schools			Total No. of children in the existing schools			Percentage of attending children to the total population
Marathi Schools	Urdu Schools	Total	Marathi Schools	Urdu Schools	Total No. of Teachers	Marathi Schools	Urdu Schools	Total No. of children	
5	4	9	16	9	25	718	322	1040	14
2	1	3	2	1	3	64	19	83	1.2
6	2	8	6	2	8	238	77	315	3
7	1	8	7	1	8	340	33	373	5
6	...	6	7	...	7	281	...	281	2.5
4	...	4	7	...	7	293	...	293	4
5	1	6	8	1	9	413	30	443	6
4	1	5	4	2	6	167	84	251	2.5
4	...	4	4	...	4	169	...	169	1.8
5	...	5	5	...	5	195	...	195	2.5
14	3	17	15	5	20	623	251	874	5
8	1	9	17	1	18	629	50	679	5
8	2	10	18	2	20	805	79	884	9
4	...	4	7	...	7	285	...	285	7
6	3	9	9	5	14	310	190	500	4
8	...	8	9	...	9	379	...	379	5
8	1	9	9	1	10	368	41	409	5
3	...	3	3	...	3	159	...	159	1.6
8	1	9	8	1	9	419	49	468	5.6
9	...	9	9	...	9	342	...	342	4
124	21	145	170	31	201	7197	1225	8422	4.5

TABLE No. 2

Rajapur Taluka

Statement showing the villages and population in each

Name of Group	No. of villages	Total Population			Children of School-going age @ 15% of population		
		Males.	Females.	Total.	Boys.	Girls.	Total.
1. Rajapur Town ...	1	3,718	3,771	7,489	558	564	1,122
2. Rajapur Group ...	10	3,009	3,424	6,433	451	514	965
3. Oni „ ...	10	5,173	5,853	11,026	775	878	1,653
4. Pachal „ ...	9	3,396	3,880	7,276	510	581	1,091
5. Bhambed „ ...	10	5,698	6,526	12,224	855	979	1,834
6. Vanked „ ...	9	3,610	3,823	7,433	541	573	1,114
7. Lanja „ ...	9	3,286	3,852	7,138	492	577	1,069
8. Satavali „ ...	10	4,530	5,282	9,812	650	792	1,442
9. Kalasavali „ ...	10	4,231	5,198	9,429	635	780	1,415
10. Kotapur „ ...	10	3,518	4,379	7,897	528	656	1,184
11. Dhaulvalli „ ...	8	7,441	9,134	16,575	1,116	1,370	2,486
12. Kasheli „ ...	16	5,742	6,988	12,730	861	1,048	1,909
13. Jaitapur „ ...	9	4,439	5,099	9,538	666	765	1,431
14. Anasure „ ...	8	1,935	2,287	4,222	292	342	634
15. Sagave „ ...	9	5,772	6,300	12,072	865	945	1,810
16. Juwathi „ ...	9	3,478	3,797	7,265	521	567	1,088
17. Solye „ ...	11	3,370	3,856	7,226	505	578	1,083
18. Talavade „ ...	9	4,628	5,004	9,632	694	751	1,445
19. Dongar „ ...	9	4,006	4,631	8,637	601	695	1,296
20. Tamhane „ ...	9	4,425	4,727	9,152	664	709	1,373
	185	85,405	97,801	1,83,206	12,810	14,664	27,474

Educational Survey

group and the percentage of school-going children.

Total No. of Schools	Total No. of children attending school			Percentage of attending children to those of school-going age			Percentage of attending children to total population		
	Boys.	Girls.	Total.	Boys.	Girls.	Total.	Boys.	Girls.	Total.
9	658	382	1040	118	68	92	16	10	14
3	66	17	83	15	3	9	2	.5	1.2
8	264	51	315	34	6	19	5.4	1	3
8	321	52	373	63	9	34	9.5	1.4	5
6	247	34	281	30	3.5	15	4	.5	2.5
4	218	75	293	40	13	26	6	2	4
6	363	80	443	75	14	42	12	2	6
5	177	74	251	26	9.5	17	4	1.5	2.5
4	135	34	169	20	4	12	3	.6	1.8
5	136	59	195	26	9	17	4	1	2.5
17	715	159	874	64	12	36	10	2	5
9	557	122	679	65	11.6	36	9	1.5	5
10	600	284	884	90	37	62	13	5.5	9
4	224	61	285	78	17	45	12	2.6	7
9	405	95	500	47	10	28	7	1.5	4
8	324	55	379	62	9	35	9	1.4	5
9	344	65	409	68	11	37	10	1.7	5.6
3	145	14	159	21	2	11	3	.3	1.6
9	395	73	468	66	10	36	10	1	5.6
9	302	40	342	46	6	25	7	.8	4
145	6,596	1,826	8,422	51	12.5	30	8	2	4.5

TABLE No. 3

Rajapur Taluka

Statement showing the hamlets and population served by existing schools and

Name of Group	Total No. of villages	Total No. of Hamlets	Total population of the group	Total No. of existing Schools				Hamlets within one mile from existing schools	
				D. L. B.	Reg.	Vol.	Total	No. of Hamlets	Their population
1. Rajapur Town ...	1	4	7,489	7	1	1	9	4	7,489
2. Rajapur group ...	10	47	6,433	2	...	1	3	15	1,409
3. Oni „ ...	10	70	11,026	3	...	5	8	33	5,757
4. Pachal „ ...	9	46	7,276	4	...	4	8	31	4,640
5. Bhambed „ ...	10	76	12,224	3	...	3	6	29	5,319
6. Vanked „ ...	9	39	7,433	2	1	1	4	15	4,122
7. Lanja „ ...	9	44	7,138	1	...	5	6	27	4,837
8. Satavali „ ...	10	65	9,812	4	...	1	5	23	4,318
9. Kalasavali „ ...	10	66	9,429	1	1	2	4	25	2,797
10. Kotapur „ ...	10	49	7,897	4	...	1	5	18	3,069
11. Dhaulvalli „ ...	8	54	16,575	8	3	6	17	37	11,571
12. Kasheli „ ...	16	32	12,730	7	...	2	9	22	9,380
13. Jaitapur „ ...	9	28	9,538	8	...	2	10	20	7,536
14. Anasure „ ...	8	17	4,222	1	...	3	4	9	2,666
15. Sagave „ ...	9	53	12,072	8	1	...	9	33	8,784
16. Juwathi „ ...	9	49	7,265	2	1	5	8	36	5,672
17. Solye „ ...	11	69	7,226	1	1	7	9	53	5,947
18. Talavade „ ...	9	60	9,632	2	...	1	3	16	2,205
19. Dongar „ ...	9	45	8,637	4	...	5	9	32	6,610
20. Tamhane „ ...	9	52	9,152	2	1	6	9	34	6,232
	185	965	1,83,206	74	10	61	145	512	1,10,360

Educational Survey

new Education Centres required for the remaining hamlets and population.

No. of children of school-going age that can attend existing schools within one mile	No. of children actually attending existing schools	Hamlets beyond one mile from existing schools		New Schools or Education Centres required for the Group		No. of children that can attend the new schools	Total education centres in the group		
		No. of Hamlets	Their population	No. of Schools	Location (No. of villages)		Old	New	Total
1,122	1,040	...	...	...	...	...	9	...	9
211	83	32	5,024	9	8	754	3	9	12
963	315	37	5,269	7	6	790	8	7	15
696	373	15	2,636	4	4	395	8	4	12
793	281	47	6,905	9	7	1,036	6	9	15
616	293	24	3,311	6	5	498	4	6	10
724	443	17	2,301	6	5	345	6	6	12
648	251	42	5,494	8	7	824	5	8	13
420	169	41	6,632	10	8	995	4	10	14
460	195	31	4,828	10	8	724	5	10	15
1,736	874	17	5,004	6	5	750	17	6	23
1,407	679	10	3,350	5	4	502	9	5	14
1,131	884	8	2,002	5	4	300	10	5	15
400	285	8	1,556	3	2	234	4	3	7
1,318	500	20	3,288	6	5	492	9	6	15
850	379	13	1,593	4	4	238	8	4	12
874	409	16	1,279	4	4	191	9	4	13
331	159	44	7,427	11	9	1,114	3	11	14
992	468	13	2,027	3	3	304	9	3	12
935	342	18	2,920	4	3	438	9	4	13
16,532	8,422	453	72,846	120	101	10,942	145	120	265

TABLE No. 4

Rajapur Taluka

Educational Survey

Statement showing the percentage of attending

children to children of school-going age

(according to distance

from school)

Name of group	No. of villages	No. of existing schools	Distance from school 0—4 furlongs			Distance from school 4—8 furlongs		
			Children of school-going age	Children at school	Percentage	Children of school-going age	Children at school	Percentage
1. Rajapur (Town) ...	1	9	952	930	98	170	110	65
2. Rajapur group ...	10	3	170	58	34	54	7	13
3. Oni „ ...	10	8	616	272	44	240	34	14
4. Pachal „ ...	9	8	580	311	54	187	40	21
5. Bhambed „ ...	10	6	706	228	32	121	6	5
6. Vanked „ ...	9	4	491	253	52	130	23	18
7. Lanja „ ...	9	6	439	300	68	226	87	39
8. Satavali „ ...	10	5	283	103	36	332	141	42
9. Kalasavali „ ...	10	4	251	101	40	182	44	24
10. Kotapur „ ...	10	5	531	153	29	223	16	7
11. Dhaulvalli „ ...	8	17	1,341	699	52	444	127	29
12. Kasheli „ ...	16	9	1,122	487	43	506	133	26
13. Jaitapur „ ...	9	10	945	759	80	163	87	53
14. Anasura „ ...	8	4	189	159	84	206	102	50
15. Sagave „ ...	9	9	1,079	382	35	356	101	28
16. Juwathi „ ...	9	8	775	335	43	62	25	38
17. Solye „ ...	11	9	712	342	48	159	46	29
18. Talavade „ ...	9	3	176	106	60	261	31	15
19. Dongar „ ...	9	9	760	398	52	212	54	26
20. Tamhane „ ...	9	9	662	285	43	173	37	21
Total ...	185	145	12,780	6,661	52	4,347	1,251	29

Distance from school 8—12 furlongs			Distance from school above 12 furlongs			Grand Total		
Children of school-going age	Children at school	Percentage	Children of school-going age	Children at school	Percentage	Children of school-going age	Children at school	Percentage
...	...	...	...	...	...	1,122	1,040	92
67	10	15	674	8	1	965	83	9
267	9	3	530	...	...	1,553	315	19
44	1	2	280	21	8	1,091	373	34
186	31	16	821	16	2	1,834	281	15
...	...	...	493	17	3	1,114	293	26
117	15	13	287	41	15	1,069	443	42
99	7	7	758	...	...	1,472	251	17
112	4	3.5	870	20	2	1,415	169	12
13	...	...	417	26	6	1,184	195	17
377	24	6	324	24	8	2,486	874	36
261	58	22	20	1	5	1,909	679	36
173	30	17	150	8	5	1,431	884	62
31	9	28	208	15	7	634	285	45
123	17	14	252	...	...	1,810	500	27
96	6	6	155	13	8	1,088	379	33
69	13	19	143	8	6	1,083	409	38
130	17	13	938	5	5	1,445	159	11
148	16	11	176	...	...	1,296	468	36
152	15	10	386	5	1	1,373	342	25
2,465	282	12	7,882	228	3	27,474	8,422	30.6

TABLE No. 6 **Rajapur Taluka**
Statement showing the number of D. L. B. and Registered Schools and

Kind of Schools	Total No. of Schools			Hindu children					
	Marathi	Urdu	Total	Advanced			Intermediate		
				Boys	Girls	Total	Boys	Girls	Total
D. L. B. & Registered Schools ...	72	12	84	472	385	857	2,696	759	3,455
Voluntary Aided Schools...	52	9	61	147	94	241	870	212	1,082
Total ...	124	21	145	619	479	1,098	3,566	971	4,537

TABLE No. 7 **Rajapur Taluka**
Statement showing the comparative progress in primary education

Name of Natural Division (with groups)	Distance from Sea. (Miles)	Total No. of Villages in the Division			Total population of the Division	Type and No. of existing schools					
		Village with schools	Villages without school	Total Villages		D. L. B. Schools			Registered Schls.		
						Marathi	Urdu	Total	Marathi	Urdu	Total
I. Khalati (1) Jaitapur (2) Anasure (3) Kasheli (4) Dhaulvalli (5) Satavali (6) Sagave (7) Kotapur	0-12	39	31	70	72,846	33	7	40	4	...	4
Rajapur (Town) ...	15	1	...	1	7,489	4	3	7	1	...	1
II. Middle Part (1) Rajapur group (2) Oni (3) Kalasavali (4) Lanja (5) Vanked (6) Juwathi (7) Dongar	12-24	34	32	66	57,361	14	1	15	3	...	3
III. Valati (1) Bhambed (2) Pachal (3) Solye (4) Tamhane (5) Talavade	24-36	28	20	48	45,510	11	1	12	2	...	2
Total ...		102	83	185	1,83,206	62	12	74	10	...	10

Educational Survey

Voluntary (Aided) Schools and the number of children (Class-wise) attending them.

attending the schools						Muslim children at School			Total No. of attending children		
Backward (scheduled)			Backward (others)			Boys	Girls	Total	Boys	Girls	Total
Boys	Girls	Total	Boys	Girls	Total						
201	10	211	362	14	376	564	255	819	4,295	1,423	5,718
170	5	175	864	14	878	250	78	328	2,301	403	2,704
371	15	386	1,226	28	1,254	814	333	1,147	6,596	1,826	8,422
									100%		

Educational Survey

in the three natural divisions of the Taluka.

in the Division				School-going population in the Division				Percentage of attending children to total population	New Schools or Education centres required			Total No. of Schools or Education Centres required
Voluntary Schools			Grand Total	Children of school-going age	Children actually attending school	Percentage	Marathi		Urdu	Total		
Marathi	Urdu	Total										
12	3	15	59	10,925	3,668	34%	5%	43	...	43	102	
...	1	1	9	1,122	1,040	92%	14%	...	...	...	9	
20	4	24	42	8,603	2,150	25%	3.6%	43	1	44	86	
20	1	21	35	6,824	1,564	22%	3%	31	2	33	63	
52	9	61	145	27,474	8,422	30%	4.5%	117	3	120	265	

TABLE No. 5.

Rajapur Taluka—Educational Survey.

Statement showing small villages and outlying hamlets that cannot be economically served with a separate school.

Name of Village.	Name of hamlet.	Population.	Distance from existing or new education centre (in furlongs).	Remarks.
1. Bag Abdul Kadir ...	Bag Abdul Kadir ...	177	6	Where Children can attend Urdu School in Panhale near Rajapur.
2. Bag Kazi Husen ...	Bag Kazi Husen ...	65	6	.
3. Kond Tivare ...	Kond Tivare ...	292	8	School in Tivari if conveniently situated.
4. Parule ...	(1) Waniwadi ... (2) Airavadi ...	119 39	12 12	
5. Vangule ...	Dhanagarwadi ...	59	20	
6. Dhundare ...	Dhundare ...	72	16	
7. Harche ...	(1) Kusumalwadi ... (2) Dhanagarwada ...	31 21	16 16	
8. Waghrao ...	Waghrao ...	132	12	A School in Jambalwadi in Mithgavane village may serve the village to some extent.
9. Tivarambi ...	Tivarambi ...	17	12	
10. Wadachivari ...	Wadachivari ...	136	10	A School in Nanar conveniently situated.
11. Gunjavane ...	(1) Gaonwadi ... (2) Khandachiwadi ...	97 58	10	
12. Thikan Kond ...	Kond ...	62	12	A School in Adayali conveniently situated.
13. Hurse ...	Hurse ...	141	12	A School in Niveli conveniently situated.
14. Watul ...	Gonlwadi ...	165	16	
Total ...	17	1,683	—	

TALUKA EDUCATIONAL SURVEY.

FORM I.

Table of Information to be collected from the Village.

1. Taluka
2. Name of the Group
3. Name of the village
4. Village administration—Khoti, Inamdar, Village holder:—
5. Distance between the village and cart or car road:—
6. Village Population—Males Females Total
7. Village population according to Wadi and caste (Males & females):—

Population according to Caste.

Name of the Wadi	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females

8. If the village has no school, whether it had one formerly? If the reply is in the affirmative for how many years the school existed. Give particulars as to why it had to be closed down.
9. How many children can be covered by the existing educational facilities? Whether these facilities are in the form of private tuition or neighbouring village school? Give particulars of these children on the basis of caste, age and standard. What distance these children walk over for schooling?

Name of the Child	Caste	Age	Standard	Educational facility	Distance

10. Number of the educated persons in the village (Males & females)
11. Number of literate persons in the village (Males & females)
12. Whether there is a post office in the village? If yes, how many villages are served by the post office? If not, which post office serves the village?
13. Whether there is a private or public Library? If yes, which newspapers and Magazines are available there? Give the total number of books in the Library.
14. If there is no Library in the village, how many persons purchase Newspapers or Magazines. Which newspapers or Magazines? How many persons have got books? Which books?
15. What trades (agriculture & others) are carried on? Total number of persons & families in every trade.
Trade. families. Males females. . Total.
16. Names of influential & respectable persons:—
17. Give the number of persons who migrated from the village for their maintenance and their trades. Give the names, trades and full addresses of persons who are financially and educationally advanced out of the persons who left the village.
18. Which is the convenient place from all points of view if it is intended to start a school in the village. Give the number (boys & girls) of children who can attend school (on the basis of 15% of the population) from the area of $1\frac{1}{2}$ miles radius of the place of the school.
19. If the village is wider and if there is a population beyond $1\frac{1}{2}$ miles radius and additional school will have to be started, give particulars as per clause 18 for the purpose.
20. If there is a school in the village, give particulars as per accompanying separate table.

TALUKA EDUCATIONAL SURVEY.**FORM II.**

1. Name of the village Taluka District
2. Establishment of the school (year)
3. Standards in the School
4. School Management Local Board—Municipal
Registered—Voluntary—Private
5. Principal Language in the School—Marathi/Urdu
6. Grant-in-aid to School

7. School Building (a) Area (b) Ownership
8. Playing Ground for School
9. Garden for the School
10. School Library Number of books in the Library
11. Teachers in the school Trained Untrained Total
12. Particulars of Students according to standard & caste :

Caste	Infant		First		Second		Third		Fourth		Fifth		Sixth		Seventh	
	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls

13. Particulars of students according to Wadi :

Name of the Wadi	Distance from the School	Total population in the Wadi			Children from the Wadi attending School			Children from the Wadi attending School in the neighbouring village		
		Male	Female	Total	Boys	Girls	Total	Boys	Girls	Total

14. Whether there is any likelihood of the increase in the number of children? If yes, how many?
Causes of non-attendance.
15. Number of Children who left school before completing their education—
Causes for leaving School
16. Number of Children who passed fourth standard.
Out of these, number of students who continued their Marathi education and the number of students who joined English schools.
17. Facility for adult education in the village.

SAMPLE TABLE No. 1

Rajapur Taluka

Statement showing information regarding existing schools

Name of Group

Name of Village	Total No. of Hamlets	Total population of Village	Total No. of existing Schools				Hamlets within one mile of existing schools		Total No. of Children of school-going age that can attend the existing schools
			D.L.B.	Reg.	Vol.	Total	No. of Hamlets	Population	
1. Kalasavali	10	1348	...	...	...	...	...	...	...
2. Kharavate	9	1293	...	...	1	1	6	575	86
3. Shivane Budruk	5	559	...	1	...	1	5	559	84
4. Kelavade	2	313	...	...	...	...	...	...	...
5. Vadavali	7	488	...	...	...	...	...	...	...
6. Vadod Hasol	5	1542	...	...	...	...	...	...	...
7. Mandrul	3	652	...	...	...	...	...	...	...
8. Kondivale	4	817	...	...	...	...	...	...	...
9. Pendkhale	15	1399	1	...	...	1	8	645	97
10. Kolvan Chuna	6	1018	...	...	*1	1	6	1018	153
Total	66	9429	1	1	2	4	25	2797	420

Educational Survey

and new schools or Education Centres required

KALASAVALI

No. of children actually attending existing schools	Hamlets beyond one mile from the existing schools		New Schools or Education Centres required for them		No. of children that can attend the new schools	Total No. of Education Centres in the Village			Remarks
	No. of Hamlets	Population	No. of Schools (New)	Location		Existing	New	Total	
...	10	1348	2	(1) Vani wadi (2) Madhali wadi	110 92	...	2	2	Vol. School closed owing to factions in the village.
37	3	718	1	Between Kond and Gaothan	108	1	1	2	.....
41	...	...	...	...	...	1	...	1	.....
...	2	313	1	Central place	47	...	1	1	.....
...	7	488	1	Gaovadi	73	...	1	1	.....
...	5	1542	2	(1) Palsamkar Wadi (2) Itye Wadi	146 85	...	2	2	Vol. School closed for want of a Teacher (1942).
...	3	652	1	Zarewadi	98	...	1	1	do.
*20	4	817	1	Kasarwadi	123	...	1	1	*20 children go to neighbouring school at Oni (1 Mile).
40	7	754	1	Sutarwadi	113	1	1	2	
31	...	...	...	...	...	1	...	1	*The School meets in a Temple. A special School Building in a more central place necessary.
169	41	6632	10	---	995	4	10	14	

SAMPLE TABLE NO. 2.

Rajapur Taluka—Educational Survey

Name of Group—KALASAVALI.

Statement showing the proportion of children at school to children of school-going age (according to distance from school).

Name of Village (with school)	Distance from School (furlongs)	Total No. of Children of school-going age			Total No. of Children at school		
		Boys	Girls	Total	Boys	Girls	Total
(1) Kharavate (Vol.)	0 - 4	19	25	44	17	2	19
	4 - 8	21	27	48	14	-	14
	8 - 12	16	20	36	4	-	4
	Above 12	29	34	63	-	-	-
	Total	85	106	191	35	2	37
(2) Shivane Budruk (Reg.)	0 - 4	38	45	83	25	16	41
	4 - 8	-	-	-	-	-	-
	8 - 12	-	-	-	-	-	-
	Above 12	-	-	-	-	-	-
	Total	38	45	83	25	16	41
(3) Pendkhale (D.L.B.)	0 - 4	17	20	37	8	6	14
	4 - 8	32	38	70	18	8	26
	8 - 12	35	41	76	-	-	-
	Above 12	15	19	34	-	-	-
	Total	99	118	217	26	14	40
(4) Kolawan Chuna (Vol.)	0 - 4	42	45	87	25	2	27
	4 - 8	31	33	64	4	-	4
	8 - 12	-	-	-	-	-	-
	Above 12	-	-	-	-	-	-
	Total	73	78	151	29	2	31

SUMMARY

Distance from School (in furlongs)	Total No. of Children of school-going age.			Total No. of Children at school.			Percentage.		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
0 - 4	116	135	251	75	26	101	65	19	40
4 - 8	84	98	182	36	8	44	43	8	24
8 - 12	51	61	112	4	-	4	8	-	3.5
Above 12	44	53	97	-	-	-	-	-	-
Total	295	347	642	115	34	149	40	10	23

Rajapur Taluka—Educational Survey

Statement showing the population of the Village (Class-wise and by hamlets)

Name of Group:—KALASAVALI Name of Village:—KHARAVATE.

Name of Hamlet	Hindu Population						Muslims		Others		Total population		Distance of hamlet from School (furlongs)
	Advanced	Inter-mediate	Backward (Scheduled)	Backward (others)	Total Hindus	Total	Males	Females	Males	Females	Males	Females	
1. Waniwadi	...	...	...	...	...	...	...	...	...	...	...	...	3
2. Koshtiawadi	...	...	...	...	...	...	...	...	...	...	...	...	4 Vol. 1
3. Guravwadi	...	...	...	...	...	...	...	...	...	...	...	...	2
4. Madhaliwadi	...	...	...	...	...	...	...	...	...	...	...	...	6
5. Matalwadi	...	...	...	...	...	...	...	...	...	...	...	...	4
6. Kondvi	...	...	...	...	...	...	...	...	...	...	...	...	4
7. Kond	...	...	...	...	...	...	...	...	...	...	...	...	16
8. Gaonthan	...	...	...	...	...	...	...	...	...	...	...	...	10
9. Maharwada	...	...	...	...	...	...	...	...	...	...	...	...	8
Total	5	6	11	66	74	140	19	26	45	19	25	45	
				483	607	1090	3	4	7	576	717	1293	

SAMPLE TABLE No. 4

Rajapur Taluka

Statement showing the number of attending children (by hamlets)

Name of Group:—KALASAVALI

Name of Hamlet	Advanced classes			Intermediate classes			Backward (Scheduled)			Backward (Others)			Total Hindu children		
	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total
1. Waniwadi ...	...	...	...	4	2	6	...	...	...	...	...	...	4	2	6
2. Koshtiwadi ...	...	...	...	2	...	2	...	...	...	...	...	...	2	...	2
3. Guravwadi ...	...	...	...	...	...	...	...	...	...	1	...	1	1	...	1
4. Madhaliwadi ...	...	...	...	3	...	3	...	...	...	7	...	7	10	...	10
5. Matalwadi ...	...	...	...	...	...	...	...	...	...	5	...	5	5	...	5
6. Kondvi ...	...	...	...	...	...	...	...	...	...	5	...	5	5	...	5
7. Kond ...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...
8. Gaonthan ...	...	...	...	...	...	...	...	...	...	4	...	4	4	...	4
9. Maharwada ...	...	...	...	...	...	...	4	...	4	...	...	...	4	...	4
Total ...	...	...	...	9	2	11	4	...	4	22	...	22	35	2	37

Educational Survey

and their proportion to children of school-going age in each hamlet.

Name of Village:—KHARAVATE.

No. of Hamlets—9.

Muslim children			Other children			Total children attending school			Total children of school-going age			Percentage of attending to school-going age-children	Distance from school (Furlongs)
Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total	Boys	Girls	Total		
...	...	...	...	...	...	4	2	6	5	6	11	55	3
...	...	...	...	...	...	2	...	2	4	5	9	2	1
...	...	...	...	...	...	1	...	1	2	3	5	20	2
...	...	...	...	...	...	10	...	10	19	22	41	25	6
...	...	...	...	...	...	5	...	5	4	6	10	50	4
...	...	...	...	...	...	5	...	5	4	6	10	50	4
...	...	...	...	...	...	...	...	...	29	35	64	0	16
...	...	...	...	...	...	4	...	4	16	21	37	10	10
...	...	...	...	...	...	4	...	4	3	4	7	57	8
...	...	...	...	...	...	35	2	37	86	108	194	19	

SAMPLE STATEMENT No. 5.

Rajapur Taluka—Educational Survey.

Detailed information about each group in the Rajapur Taluka.

THE KALASAVALI GROUP. (10 Villages).

- (1) This group of 10 villages lies in the Middle part of the Taluka between the Khalati or coast lands and the Valati or interior uplands. The group consists of the following 10 villages:—(1) Kalasavali (2) Kharavate (3) Shivane Budruk (4) Kolovade (5) Vadavali (6) Vadad Hasol (7) Mandrul (8) Kondivale (9) Pendkhale (10) Kolvan Chuna.

		males	females	total
(2) The total population of the group is	...	4,231	5,198	9,429
		boys	girls	total
(3) The total No. of school-going age population @ 15% of the total population comes to...	...	635	780	1,415
(4) The number of children actually at school	...	135	34	169
(5) Percentage of attending children to children of school-going age	...	20%	4%	12%
(6) Percentage of attending children to total population	...	3%	.6%	2%

(1) *Kalasavali*:—This village lies on the Oni—Satavali road maintained by the D. L. B. The village is almost flat and contains 10 hamlets, 3 or 4 of which are separated from others by a distance of more than one mile. The total population of the village is 1,348, consisting of 592 males and 756 females. It is distributed over the 10 hamlets as shown below:—

Name of hamlet.	Population.			Total No. of children of school-going age.		
	Males.	Females.	Total.	Boys.	Girls.	Total.
1. Brahminwadi	24	24	48	3	3	6
2. Peth-wadi	38	39	77	5	6	11
3. Wani-wadi	50	61	111	7	9	16
4. Taralwadi	82	107	189	12	16	28
5. Amatewadi	30	43	73	4	6	10
6. Maharwada	84	84	168	12	12	24
7. Nhavi-wadi	48	63	111	7	9	16
	356	421	777	50	61	111
8. Shedekar-wadi	116	173	299	17	25	42
9. Madhali-wadi	35	51	86	5	7	12
10. Koshti-wadi	85	111	196	12	17	29
	236	335	571	34	49	83

There was a Voluntary School in this village for some time. But it was closed down owing to factions and quarrels in the village with regard to "Manpan" matters relating to the local temple and deities therein. As the village is divided into two distinct parts as shown above, and as the distance between the hamlets is more than one mile, it is necessary to have two schools or Education Centres for this village. One of these centres may be located in the school-site near the road already in existence, and the other may be located in the Madhali-wadi at a place that would be convenient for all the three hamlets to be served by this centre.

- (i) There is no post-office in this village, which is served by the Oni Sub-post office.
- (ii) There is no reading room or library in the village. The only newspaper subscribed for in the village is "Kesari".
- (iii) The total No. of literates in the village is about 60.
- (iv) This village contains a good number of weaver families and more than 100 persons are engaged in weaving "Panchas" and "Lugadis" of a coarser variety on hand-looms.

AN EDUCATIONAL SURVEY OF THE "RAJAPUR" TALUKA in the RATNAGIRI DISTRICT.

123 QUARTERLY JOURNAL OF THE LOCAL SELF-GOVERNMENT INSTITUTE

AN ANALYTICAL TABLE OF THE SURVEY.

Statement showing information regarding existing Schools and No. of Pupils therein and the New Schools wanted for the Taluka.

No.	Name of village.	Total Population.	Existing Schools.				No. of pupils attending School.	Total No. of children of School-going age.	Population served by existing Schools.	Population still to be served.	No. of New Schools wanted and their location.
			D. L. B.	Reg.	Vol.	Total.					
1	2	3	4	5	6	7	8	9	10	11	12
1	Rajapur (Town)	7,489	7	1	1	9	1,010	1,122	7,489	...	1 Navare Kond.
2	Hardi	524	1	...	...	1	22	183	432	524	1 Mandavkar Wadi.
3	Kodavali	1,222	1	...	...	1	...	67	...	790	1 Varali Wadi.
4	Patharde	452	1	...	...	1	37	207	610	775	2 Tithavali & Kond.
5	Dhopeswar	1,385	1	...	1 (U)	1	19	69	125	334	1 Kunbi Wadi.
6	Panhale Tarf Rajapur	459	...	...	...	...	...	25	177	...	...
7	Bag Abdul Kadir	177	...	...	...	...	...	10	65	...	...
8	Bag Kazi Hussein	65	...	...	...	...	...	94	...	628	1 Near Temple.
9	Kondhon Tarf Rajapur	628	...	...	...	1	25	103	689	...	...
10	Unhale	689	...	...	...	1	...	125	...	832	1 Madke Tomb.
11	Sheel	832	...	...	...	1	...	275	560	1,278	1 Teli Wadi.
12	Oni	1,838	1	...	...	1	32	94	780	511	1 Tambat Wadi.
13	WATUL	1,291	1	...	...	1	45	67	...	447	1 Survey No. 1 Do.
14	Tiware	447	...	...	...	...	...	41	...	292	...
15	Kond Tiware	292	...	...	...	2	88	280	1,868	...	...
16	Soundal	1,868	1 (U)	...	...	...	...	82	...	546	1 Survey No. 105, Deva-rahati.
17	Khadi Kolavan	546	...	...	...	...	...	124	...	825	2 Marathi & Urdu.
18	Shiravali	825	...	...	...	...	...	204	...	1,370	...
19	Ozar	1,370	...	...	...	1	38	111	738	...	...
20	Chikhalgaon	738	...	...	3	3	112	272	1,811	...	...
21	Gothane Donivade	1,811	...	...	...	...	...	194	...	1,348	2 Wani Wadi & Madhali Wadi.
22	Kalasavli	1,318	...	...	...	...	...	193	575	718	1 Gaonhan & Kond.
23	Kharavate	1,293	...	...	1	1	37	...	...	...	...

PRIMARY EDUCATION IN RAJAPUR TALUKA

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24	Shivane Budruk	559	...	...	...	1	41	83	559	...	1 Patharda Village
25	Kelavade	313	...	...	...	...	...	47	...	313	1 Gaon-Wadi.
26	Vadavali	488	...	...	...	...	...	73	...	488	2 Palsamkar Wadi & Gitye-Wadi.
27	Vadad Hasol	1,542	...	...	...	...	...	227	...	1,542	1 Zarewadi.
28	Mandrud	652	...	...	...	...	...	98	...	652	1 Sutar-wadi.
29	Kondivale	817	...	...	...	1	...	122	645	754	1 Sutar-wadi.
30	Pondkhale	1,399	1	...	...	1	40	209	1,018	...	...
31	Kolwan Chuna	1,318	...	...	...	3	31	386	2,578	...	...
32	Lanja	2,956	1	...	...	1	284	112	751	...	...
33	Kondye Tarf Lanja	751	...	...	...	1	51	94	...	...	...
34	Majal	618	...	...	...	...	...	70	...	618	1 Madhali-Wadi.
35	Vivali	471	...	...	...	...	...	44	...	471	1 Village Temple.
36	Kolambe	291	...	...	...	...	...	70	...	291	1 Central place.
37	Kheravase	471	...	...	...	...	...	...	...	471	1 Between Rao-Wadi & Jadhav-Wadi.
38	Dhundare	72	...	...	...	...	...	10	...	72	No separate School.
39	Beni Khurd	498	...	...	...	...	...	73	498	...	...
40	Asage	1,010	...	...	...	1	40	150	1,010	...	...
41	Waked	1,381	1	...	...	1	60	207	1,381	...	...
42	Kuve	1,396	1	...	...	1	136	213	1,396	...	...
43	Vanagule	969	...	...	...	...	69	145	910	59	No separate school.
44	Panhale Tarf Lanja	946	...	...	...	...	37	142	...	946	1 Existing Building.
45	Padvan	394	...	...	...	...	...	59	394	...	1 Gaonkar Wadi.
46	Borthade	435	...	...	...	1	34	67	435	...	...
47	Niveshi	253	...	...	...	...	...	38	...	253	1 Near Temple.
48	Khavadi	820	...	...	...	...	...	123	...	820	1 Existing Building.
49	Indavati	845	...	...	...	...	...	126	...	845	1 Do.
50	Juvathi	1,447	...	...	...	...	51	222	1,487	...	...
51	Upalon	1,145	...	...	...	1	45	172	882	263	1 Karsinge wadi.
52	Prindavan	959	...	...	...	1	62	143	802	157	No separate school.
53	Bandivade	435	1	...	...	2	48	65	435	...	...
54	Valve	943	...	...	...	...	78	141	943	...	...
55	Shejavali	535	...	...	...	...	...	80	...	535	1 Madhali Wadi.
56	Gunjavane	655	...	...	...	...	...	23	...	155	1 Khandachi Wadi. (for a part of Panhale also).
57	Panhale Tarf Soundal	591	...	...	...	1	57	89	591	...	...
58	Kondye Tarf Soundal	1,015	...	...	...	1	35	152	532	483	1 Khalachi Wadi.
59	Dongar	1,473	1	...	...	1 (U)	124	220	1,473	...	...
60	Vilaye	1,774	...	...	...	...	61	265	1,200	574	1 Central place.
61	Padaven	1,667	...	...	...	...	115	160	1,067	...	...
62	Sakhar	1,402	...	...	...	...	48	210	1,402	...	...
63	Mahalunge	593	...	...	...	...	38	89	593	...	...
64	Vikhare Gothare	571	...	...	...	...	...	85	...	571	1 Central place.

No.	Name of village.	Total Population.	Existing Schools.				Total.	No. of pupils attending School.	Total No. of children of School-going age	Population served by existing Schools.	Population still to be served.	No. of New Schools wanted and their location.
			D. L. B.	Reg.	Vol.							
1	2	3	4	5	6	7	8	9				
65	Shodhe	568	...	...	...	...	...	85	...	568	...	1 Central place.
66	Kanheri	659	...	...	...	...	...	98	...	659	...	.....
67	Hativale	530	...	...	...	...	...	79	530	...	...	.....
68	Jaitapur	2,813	3	...	...	...	...	422	2,813	...	...	.....
69	Juve Jaitapur	721	1	...	...	...	...	108	721	...	...	.....
70	Dale	543	1	...	...	...	...	81	543	...	...	.....
71	Holi	397	...	...	...	...	...	60	...	397	...	1 Near Temple.
72	Kuveshi	1,569	1	...	...	...	...	235	1,569	...	...	.....
73	Sakhari	278	1	...	...	...	...	41	...	278	...	1 Central place.
74	Madban	1,287	1	...	...	...	...	188	592	695	...	1 Do.
75	Waghtran	132	...	...	...	...	...	20	...	132	...	No separate School.
76	Mithgavane	1,798	1	...	1 (U)	...	...	195	1,200	598	...	1 Jambalwadi.
77	Anasare	2,741	1	...	...	...	...	408	1,787	954	...	2 Bharade & Wakki.
78	Majare Bakale	226	...	...	...	...	...	34	...	226	...	1 For two villages.
79	Tivarambi	17	...	...	...	...	...	...	...	17	...	Do.
80	Hurse	141	...	...	...	...	...	21	...	141	...	No separate School.
81	Nivaeli	202	...	...	1	...	...	30	202	...	...	.....
82	Karel	218	...	...	...	...	...	33	...	218	...	No separate School.
83	Chavanwadi	296	...	...	...	...	...	45	296	...	...	.....
83A	Janashi	381	...	...	1	...	...	57	381	...	...	.....
84	Kasheli	2,713	1	...	1	...	...	407	2,353	360	...	1 Kombhewadi.
85	Gaonkhadi	2,997	1	...	1 (U)	...	...	450	2,312	685	...	1 Gurav-wadi.
86	Navedar	778	1	...	...	...	...	115	778	...	...	.....
87	Kondsar Budruk	846	...	...	...	...	...	126	...	846	...	1 Central place.
88	Rundhe	418	...	...	...	...	...	62	...	418	...	No separate School.
89	Wada Peth	846	...	...	...	...	...	126	...	846	...	1 Central place.
90	Kondsar Khurd	1,076	1	...	...	...	...	161	1,976	...	...	.....
91	Wadi Khurd	171	1	...	...	...	...	25	171	433	...	No separate School.
92	Kalkavadi	433	...	...	...	...	...	65	...	242	...	Do.
93	Kombhen	242	...	...	...	...	...	36	...	471	...	1 Thikan Bag.
94	Wada Tivare	471	...	...	...	...	...	70	...	...	...	.....

95	Wada Vetye	410	1	...	1	...	...	...	...	61	410	...	.....
96	Mogare	634	1	...	1	...	...	...	...	95	634	...	.....
97	Bharade	125	...	...	...	...	...	...	...	18	125	...	No separate School.
98	Rajawadi	473	...	...	...	...	...	...	...	70	...	473	1 Rajwadi.
99	Panare	97	...	...	...	...	...	...	...	15	...	97	No separate School.
100	Dhaulvalli	2,641	1	...	1	...	...	...	...	396	1,034	1,607	2 Khaichi Wadi Ambelkar Wadi.
101	Devache Gothane	4,116	2	1	2	...	...	...	...	617	2,969	1,147	1 Katali.
102	Solgaon	1,637	1	...	1	...	...	...	...	246	1,214	423	1 Gurav-Wadi.
103	Nate	5,497	3	...	1	...	...	...	...	824	4,433	1,064	1 Fanasewadi.
104	Barasu	373	...	1	...	...	...	...	...	56	373	...	.....
105	Goval	1,482	1	...	...	...	...	...	...	222	719	763	1 Varachi Wadi.
106	Shivane Khurd	566	...	...	1	...	...	...	...	85	566	...	.....
107	Ghera Yeshwantgad	263	...	1	...	...	...	...	...	39	263	...	.....
108	Satavali	1,458	2	...	...	...	...	...	...	218	1,458	...	.....
109	Run	1,160	...	...	...	...	...	...	...	174	...	1,160	1 Gondhawali.
110	Panore	456	...	...	...	...	...	...	...	68	...	456	1 Maryachi Wadi.
111	Gelavashi	765	...	...	...	...	...	...	...	114	...	765	1 Murgewadi.
112	Bapere	691	...	...	...	...	...	...	...	104	...	691	1 Gurav Wadi.
113	Ravari	438	...	...	...	...	...	...	...	66	...	438	1 Bramhin-Wadi.
114	Khanavali	1,416	...	...	...	...	...	...	...	212	...	1,416	2 Dale-Wadi & Chinch.
115	Harche	1,471	1	...	...	...	...	...	...	221	1,471	...	.....
116	Isavali	1,054	...	...	1	...	...	...	...	159	538	516	1 Kond-Wadi.
117	Beni Budruk	903	1	...	...	...	...	...	...	136	903	...	.....
118	SAGAVE	5,700	4	...	...	...	...	...	...	855	4,816	884	2 Vadapwadi & Katra-devil.
119	Kumlbhavade	2,253	1	...	...	...	...	...	...	338	1,239	1,014	1 Vaulvad-Tembli.
120	Taral	1,793	1	...	...	...	...	...	...	269	1,113	680	1 Dhurnal-wad.
121	Nanar	1,241	1	1	...	...	...	...	...	186	1,211	...	.....
122	Gothivare	375	1	...	1	...	...	...	...	56	375	...	.....
123	Wada Chivari	136	...	...	...	...	...	...	...	20	...	136	No separate School.
124	Chouke	259	...	...	...	...	...	...	...	39	...	259	1 Holiche Kate.
125	Vada Valye	315	...	...	...	...	...	...	...	47	...	315	1 Zariche Usen.
126	Tad Nanar	Uninha-bited.	...	...	...	...	...	...	...	...	...	...	.....
127	KOTAPUR	1,579	1	...	...	...	...	...	...	236	1,214	335	1 Khadkavali.
128	Bhalavali	1,847	1	...	...	...	...	...	...	277	798	1,049	2 Juvale & Gurav-Wadi.
129	Khingini	400	...	...	...	...	...	...	...	60	400	...	.....
130	Teravan	702	...	...	...	...	...	...	...	105	...	702	1 Brahmanwadi.
131	Bhun	1,001	1	...	...	...	...	...	...	150	412	589	1 Bhatawadi.
131	Dasur	541	1	...	...	...	...	...	...	81	215	326	1 Marathe Wadi.

No.	Name of village.	Total Population.	Existing Schools.			No. of pupils attending	Total No. of children of School-going age.	Population served by existing Schools.	Population still to be served.	No. of New Schools wanted and their location.	
1	2	3	D. L. B.	Reg.	Vol.	Total.	5	6	7	8	9
133	Kond-Dasur	268	...	...	...	...	...	40	...	268	No separate School.
134	Devi Hasol...	1,250	...	...	...	...	...	188	...	1,250	2 Zare-wadi & Ligam.
135	Chikhale	309	...	...	...	...	...	46	...	309	1 Petkar Wadi.
136	Majare Juve	Uninha-bited.	...	...	...	...	...	...	...	...	...
137	PACHAL	1,869	2	...	1	3	153	280	1,143	726	1 Gurav-wadi.
138	Parole	1,080	1	...	...	1	52	161	922	158	.....
139	Yelavan	743	...	...	1	1	43	111	743	...	.....
140	Haral	558	...	...	1	1	48	83	558	...	.....
141	Yerandav	568	...	...	1	1	44	85	568	...	.....
142	Zarye	706	1	...	1	1	33	106	706	...	.....
143	Kurang	630	...	...	...	...	...	94	...	630	1 Khalchi Wadi.
144	Dhamanape	328	...	...	...	...	...	49	...	328	1 Temple.
145	Karavali	794	...	...	...	...	...	120	...	794	1 Gaon-Wadi.
146	SOLYEN	498	...	...	1	1	28	75	498	...	.....
147	Donivade	956	...	...	1	1	40	143	956	...	.....
148	Pangare Budruk	659	...	...	1	1	55	99	659	...	.....
149	Shembavare	454	...	...	...	...	...	68	...	454	1 Madhali Wadi.
150	Sasale	622	...	...	1	1	29	93	622	...	.....
151	Hasol Tarf Soundal	983	1	...	...	...	36	147	983	...	.....
152	Jambhavali	283	...	...	...	...	...	42	...	283	1 Thikan Wad.
153	Phupere	678	...	...	1	1	50	102	678	...	.....
154	Adavali	736	...	...	1	1	45	110	505	231	1 Ghagwadi.
155	Thikan Kond	62	...	...	...	...	...	10	...	62	No separate School.
156	Talagaon	1,285	1	...	1 (U)	2	131	194	1,295	...	.....
157	TALAVADE	2,032	...	...	...	...	25	305	...	2,032	2 Navaladevi & Ambe-wadi.
158	Kayapatan	1,587	1	...	...	1	45	176	1,177	610	1 Gangan-Wadi.
159	Minand	810	...	...	...	...	...	122	...	810	1 Existing Site.
160	Moor	1,225	1	...	...	1	55	183	643	582	1 Varali Wadi.
161	Kolamb	780	...	...	1	1	29	116	780	...	.....
162	Valvad	496	...	...	...	...	...	75	...	496	1 Varali Wadi.
163	Karak	1,124	...	...	...	...	...	168	...	1,124	2 Near-Temple & Man-davkar Wadi.
164	Panagri Khurd	390	...	...	...	...	...	58	...	390	1 Existing building.
165	Kajurda	988	...	...	...	...	...	148	...	988	1 Existing Site.
166	TAMHANE	2,400	1	...	...	1	47	360	1,500	900	1 Central site.
167	Tulasavade...	752	...	...	1	1	30	112	752	...	.....
168	Kelavali	1,121	1	...	2	3	166	168	1,121	...	.....
169	Paratavali	585	...	1	...	1	41	87	585	...	.....
170	Math Khurd	183	...	...	...	...	...	27	...	183	No separate School.
171	Javalethar	405	...	...	1	1	55	69	405	...	.....
172	Hatade	775	...	...	...	...	...	116	...	775	1 Central site.
173	Savadav	377	...	...	...	...	...	56	...	377	1 Do.
174	Oshivale	1,048	...	...	1	1	33	157	1,048	...	.....
175	EHAMBED	1,667	1	...	1	2	84	250	1,222	445	1 Kole.
176	Ringane	1,577	1	...	...	1	43	236	1,216	361	1 Kondwadi.
177	Kondge	1,063	...	...	1	1	51	159	1,063	...	.....
178	Argaon	1,079	1	...	...	1	46	161	1,079	...	.....
179	Prabhanvalli	2,768	...	...	1	1	57	414	739	2,029	3 Nagarpahale, Sonar-Wadi.
180	Hardakhale	1,244	...	...	...	...	...	186	...	1,244	1 Gurav-Wadi.
181	Vel	1,077	...	...	...	...	...	161	...	1,077	1 Existing Site.
182	Vilavade	975	...	...	...	...	...	146	...	975	1 Holichi Payar.
183	Waghangaon	443	...	...	...	...	...	66	...	443	1 Sanchi Thikan.
184	Kudewadi	331	...	...	...	...	...	50	...	331	No separate school (Bhambad School).
TOTAL		1,83,206	74	10	61	145	8,422	27,474	1,10,360	72,846	120

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RURAL FINANCE IN BRITISH INDIA

STAGES OF DEVELOPMENT IN RELATION TO PROVINCIAL &
CENTRAL GOVERNMENTS UPTO 1930

By BIMALA KANTA SARKAR, M.A.

CHAPTER I

A RETROSPECT OF RURAL ORGANISATIONS

In India local finance preceded local organisations in the strict sense of the term. For present purposes we are not interested in the system of local self-government in Pre-British days when, it is said, there was a very healthy type of village self-government but not similar to what evolved in European countries. "The authority vested not in a representative body of inhabitants but in the Police-officers, tax gatherers and other officials of the sovereign."¹ In the nineteenth century although there were certain organisations in the Presidency towns and although an attempt was made towards municipal legislation in the interior towns in 1842, that was mainly for financing the Rural and Municipal Police. It was in connection with the policy of imposing local taxes that the problem of local organisation was tried seriously to be tackled in India. From the following narrative it would appear that local government grew by devolution of functions and was encouraged for (i) facilitating the imposition of taxes, (ii) for introducing economy in collection and yield and getting a good choice of taxes, and (iii) for fostering genuine growth of self-government.

In British India Local government grew by devolution of functions and was initially introduced for (i) facilitating imposition of local taxes, (ii) for introducing economy in collection, and (iii) for growth of genuine self-government.

(i) Sir John Lawrence was much in favour of imposing an education-tax in Bengal; he also, however, was "anxious that assent and concurrence of ratepayers should be secured both in the levy and the management of rates". The Duke of Argyll in his Despatch of 1870 emphatically stated that it would be most desirable if the local character of the rates could be "marked by committing both the assessing of them and the application of them to Local bodies" and that the local character of the tax should be made "direct, immediate and palpable".

Lord Mayo in connection with the N.-W.P. bill also said: "I cannot but think that when a man sees that the road is brought to his door;

¹Imperial Gazetteer, Vol. IV, p. 282.

that his family are protected from those outbursts of fever and other diseases which are unfortunately so prevalent; that when he sees the school-child growing into an educated man he will begin to think how and for what these levies are made and will understand the reason why."¹

(ii) A local organisation was again necessary for the purpose of economy. The economy spoken of, was threefold in character. First, it would relieve the government, of an increasing burden of work which could be managed by others, and, secondly, even in management there would be some absolute economy which could not be achieved otherwise. Thirdly, the nature of the taxes was such that they were likely to yield the best results financially if managed by local committees. The first point was very clearly brought home by Lord Ripon in his Resolution of the 18th May 1882—"As education advances it is not only a bad policy but sheer waste of power not to utilise the intelligent class of public-spirited men. . . . As administration becomes gradually onerous Governor-General considers it a sound means of relief". So far as the second is concerned it was apparent that the committees were thought to be highly helpful for administration—although originally they were utilised as only advisory bodies. "I would rather appoint a committee that never met than have no committee at all. I believe that if the necessity for these committees is recognised throughout the country . . . it will be found that this course will be attended with a success which few can possibly at this moment anticipate,"² undoubtedly because "Local interest, supervision and care are necessary to success in the management of funds".³ Sir Charles Trevelyn in his Financial Statement pointed out "Local agency and local resources which are as multifarious as they are inexhaustible must be increasingly drawn upon".⁴

(iii) Along with the question of administrative efficiency, the question of educating the people in self-government was emphasised. This is apparent from the speeches and Resolutions throughout the period extending from the sixties to the eighties. Mr. Laing in his Financial Statement of 1861, while proposing some devolution of functions to local authorities pointed out "The scheme would greatly foster the growth of municipal institutions and of what is still more important of the spirit of local self-help and self-guidance which is at the bottom of a nation's greatness." He had a vision of India when the people with expanding ideas and improving intelligence would be gradually trained in the management of their local affairs for those of a wide

area; "so that India may at length have what it has never yet had, a political life and at length be what it has never yet been a nation." The Duke of Argyll in the Despatch noted above also stated "Local rating. . . must become a powerful means of further educating the people in an intelligent management of their own affairs." This side of the question was also emphasised by Lord Mayo in the Resolution quoted above and by Lord Ripon when he advocated it as an instrument of political and popular education."

Organisation of Local authorities:—The unit selected so far as known was ordinarily the District Board except in Madras and Bombay—in the former the village or the union board and in the latter the Sub-divisional Board became the unit.

Allied with the question of organisation was the question of constitution which naturally covered the question of unit and internal composition. Originally in consonance with the purpose of introducing local organisations it was proposed that the unit should be as small as possible. This view was considerably emphasised in Bengal where a member of the Legislative Council pointed out that "a district in Bengal was much too large to be adopted as a unit for purposes of local rating"⁵ and the Government agreed to make it as small as possible. It is in Bengal only that provision for branch committees for Sub-divisions was made in the Road-cess bill. Although the committees would be nothing but advisory still the nature of the required unit was recognised in Bengal only. Subsequent to the promulgation of Lord Ripon's policy there was a considerable controversy regarding the unit of administration. In Circular letter No. 3513 dated the 10th October 1881, Government of India pointed out that it would be desirable to concentrate all local administration in the hands of one committee for each District having ancillary sub-committees for each Tahsil or Sub-division. The Government of Bengal was of opinion, that the District Board should not be a suitable unit, for the affairs of the District could not be managed by a body of men meeting six to eight times at the Head quarters and even sub-committee management could not be supposed to do away with the defect and hence a Sub-divisional local board should be the unit.⁶ The Government of India acceded to this proposal and in the resolution of 1882 in modification of the previous opinion stated that the Sub-division or the Tahsil should ordinarily form the maximum area to be placed under a local board.⁷ This led to some difference in the selection of units in the respective Provinces. Along with this question, the Government of Bengal pressed for the constitution of a Central Board, which although not conceded to, by the Gov-

¹Legislative Assembly Debates, 1871.

²Lord Mayo—Legislative Assembly Debates, 1871.

³Resolution No. 3334 dated 14-12-1870.

⁴Financial Statement, 1864.

⁵Resolution of 1882.

⁶Mr. Digambar Mitra—Bengal Council Debates, 1871.

⁷Letter No. 9215 dated the 8th April 1882.

⁸Resolution No. 17,747-59 dated the 18th May 1882.

ernment of India for several reasons in the beginning, was sanctioned on the general ground of giving as much scope for free action on the part of the Local Government as possible.¹⁰ The Secretary of State in Council for India refused to sanction the Central Board¹¹ inasmuch as it suggested complete absence of control of the District committee by local officers and thought as was done in the new C.P. Act that it would be better if the power of control had been exercised by the District committee with the District Magistrate as Chairman; this however did not affect the case of Local Boards which could be working for the most part independently but supplemented by District Councils for fixing the rates of land-cess¹² and other purposes.

In Bombay, the Taluk became the territorial unit and was entitled to send one or more representatives from their members to the District Council which comprised the above members and members sent by each Municipal District within the District and other nominated members; members of the Taluk Board were partly elected by each Municipal District within the area and grouped villages and partly nominated (secs. 6 & 7 of Act I, 1884). In Madras the village or the union became the unit controlled by a Panchayat elected or nominated by the taxpayers, the Headman being always a member. The members of the Taluk were partly elected from the Panchayat and partly nominated—the District Board being in turn elected from the Taluk Board and partly nominated (secs. 11, 16 of Act V, 1884). The Revenue-officers of the District and the Taluk were ex-officio Presidents. Initially the principle of election was introduced in the case of the District Board only.¹³ In Bengal the Local Board was nothing but an agent of the District Board (sec. 101) but was empowered to elect one-half of the members to the District Board which was really the unit of administration (sec. 7, Act III of 1885). The Union Committee (which by the way was not introduced till 1895-96 and did not prove successful) was in turn nothing but an agent of the Local Board (sec. 104). Members of Local Boards were partly elected (2nd statutorily fixed—sec. 1) but not by members of Union Committees invariably—qualifications for Local Board election were definitely laid down. In Bengal there was provision for election of the President although he was generally nominated (sec. 22). In N.-W.P. there were Sub-district Boards which were partly nominated and partly elected provided the nominated members were never to be more than one-fourth—the District Board was to comprise all the elected Local Board Members or a certain number of them along with a certain number of the nominated members. The Chair-

¹⁰ Letters No. 1253 dated 22nd August 1882 and of February 1883.

¹¹ Despatch No. 68 dated 5-7-1883.

¹² Letter of Government of India to Government of Bengal, No. 832 dated 31-5-1881.

¹³ Resolution No. 18-37 dated the 20th August 1897.

man of the Local Board was to be an elected member—the Chairman of the District Board being elected or nominated according to the opinion of the Board (sec. 14) the decision to be effective if made by a majority of three-fourths. In the Punjab (Act XX of 1883) Local Boards or District Boards were to be established as decided by the Local Government (sec. 10) and the Chairman might be elected or nominated as the Government directed. In C.P. (Act I of 1883) villages were to be aggregated into Circles (sec. 3) and a Local Board was constituted by a group of Circles and consisted of representatives of each circle and class e.g. nominated classes or professions and also nominated members, the District Council in turn consisting of members partly elected by the Local Boards from their members and partly nominated (sec. 6). In Assam and Burma there were no Local Boards.

The Royal Commission on Decentralisation made some important recommendations regarding organisation and function of Rural Boards. So far as the unit of administration was concerned, the Commissioners suggested that Sub-District Boards should form an essential part in the scheme of Local self-government, that they should have adequate resources and a large measure of independence and that their jurisdiction should be so limited in area as to ensure both local knowledge and interest on the part of the members and be at the same time a unit well-known to the people and it was suggested that the Sub-district board area should ordinarily be the Taluk or Tahsil. In such a scheme the District Boards would be merely councils of delegates for the sub-district boards for matters of common interest.

Composition of local authorities:—(i) Recommendations.

So far as the electorate and composition of the Boards were concerned, it was recommended that the village Panchayat should furnish a proper electorate, that there should be special representatives of Mahomedans and other minorities and that there should be a large preponderance of non-official members in the rural boards that the nominated element should not exceed the strength sufficient to secure the due representation of minorities and official opinion and that District Boards should contain an elective majority but that in the "circumstances the Collector should remain President of the District Board" otherwise his removal might dissociate him from the general interests of the District. No substantial scheme of practical reforms was however elaborated till the announcement of the Montagu-Chelmsford proposals in which the position of the local authorities was made highly important and it was announced in the scheme that "there should be as far as possible a complete popular control in local bodies and the largest possible independence for them of outside control." The system of nomination was intended to be retained only "to secure the necessary representation of

minorities, and the presence of a few officials as expert advisers without a vote". No change was recommended regarding the unit of administration but some stress was laid upon the Panchayat system which was expected "to be endowed with civil and criminal jurisdiction in petty cases and some administrative powers as regards sanitation and education, and permissive power of imposing a local rate." The comprehensive Resolution that was published in 1918, does not appear to have made any specific suggestion regarding the unit of administration but so far as composition was concerned, it was pointed out that franchise should be made so low as to secure real representation of rate-payers; representation of minorities should be procured not by communal voting but by nomination and that so far as the Chairman was concerned, he should as far as possible be an elected non-official Chairman but when nomination was necessary the nominated Chairman should be a non-official.

(ii) Actual construction.

In pursuance of this Resolution new laws were enacted in most of the Provinces although all of them did not promulgate uniform and similar principles. So far as the electorate was concerned, communal electorates were provided in the U.P. (weighted separate representation of Mahomedans—Backward and depressed classes also had separate elective representation—sec. 10) Bombay (special provision for Mahomedan constituency—sec. 5) and Assam (communal electorate—sec. 4/2).

The composition¹⁴ of the District councils was mostly elective in all the Provinces and the method of election mostly indirect through the Local Boards and the franchise as low as possible.¹⁵ The Presidents

¹⁴I have dealt in this chapter with the situation as it existed in 1929-30 or so, in non-municipal areas.

¹⁵Bombay and Madras—Election through Taluk Boards. No direct election to District Boards. The elector was roughly an Inamdar or Pattidar having land of the annual rent-value of Rs. 10—in Bombay and Rs. 8 to Rs. 32—in Madras (?). (Cf., Act VI of 1923 and Local Boards Act of 1920). 3/4ths of the members must be elected. Bengal—Not less than 1/2 of District Board members and not less than 2/3rds of Local Board members should be elected. The electorate was what was meant for the Bengal Village Self-Government Act although in certain cases when the Act was not in force, provision was made for special qualifications. The qualification was roughly the payment of a rupee as rate.

U.P.:—Direct election obtained here. All except two were elected. Qualification of the electorate was payment of rent (?) of Rs. 25 for tenants in permanent settlement areas and Rs. 50 for others. There was no Taluk Board here (Cf., Act X of 1922).

Punjab:—75% should be elected—not more than 1/2 or six members whichever number was less could be salaried Government servants. Interest in land or payment of a tax formed the basis of franchise. There was no Taluk or Local Board here. (Cf., Act X of 1922.)

Bihar & Orissa:—3/4ths of the total number were to be elected. Qualification of election was based on holding an estate or paying rent of a minimum sum or cess of R 1-8a and also certain educational or professional qualifications as well. (Cf., Act I of 1923 ?)

[Contd. on next page.]

of Local and District Boards were either legally or in practice elected everywhere except in the Punjab and the Chotanagpur Division of Bihar and Orissa where the decision regarding appointment or election rested with the Local Government.¹⁶

Continuance of District Boards along with Village Union and Local Boards
(with improved conditions) advocated.

So far as known, the Local Boards¹⁷ were not found successful in their working. The Decentralisation Commission, as far as known, was in favour of developing them and working them on a sound basis.¹⁸ The Taxation Enquiry Committee, I believe, went so far as to recommend for making units of local self-government very small (for special assessments) and deprecating the areas of the District Boards. In practice, the State did not appear to have any effective policy¹⁹ for abolition of either of the boards. In my humble opinion under the general principles of local finance as well as the experience of history, there is ample scope for working the District Boards with advantage, if not as co-ordinating authorities, at least as higher units of local self-government, specially from the point of view of financial administration. Undoubtedly so far as area is concerned, the districts²⁰ are rather large in comparison with any unit of local self-government in England and Wales but if we remember that from the fiscal point of view, a unit should have such revenues as will be adequate for its services and will be such that the base of a tax system should be satisfactory and that it (tax system) can be efficiently worked,²¹ the District cannot be con-

[Contd. from previous page.]

C. P.:—2/3rds were to be elected by Local Board members and 1/6th to be co-opted. Qualification of voters for Local Boards was holding land assessed to land revenue of Rs. 50 a year or payment of some minimum rent or possession of some minimum income or payment of a school-rate. (Cf., Act of 1920.)

Burma:—Circle Boards were established and members were elected to the Boards by groups of villages. Circle Boards in turn elected members of District Councils but members had power of co-opting specified Government Officials. Electoral qualification was payment of land-revenue, capitation tax, thadameda tax u.s. 26, etc. Qualification for membership was a little higher than this.

Assam:—There were no District Councils in Assam. No less than 4/5ths of the members were to be elected. Qualification for membership was payment of a minimum tax varying from R 1-8a to Rs. 3 or income-tax or ownership of some assessable value or liability to a local rate; besides, some other persons, e.g. planters and retired pensioners could be members. (Cf., Acts of 1915, & Act I of 1923.)

¹⁶Memorandum by Government of India to Simon Commission, Vol. IV.

¹⁷There were Local Boards in Bengal, Madras, Bombay, Bihar & Orissa and C. P., but their functions were not the same everywhere; there were no such in U. P. and the Punjab worth the name. In Assam there was no District Board.

¹⁸The Indian Year Book, 1919 (Editor Mr. Reed).

¹⁹Till probably about 1929-30.

²⁰"The average size of a district is 4,430 sq. miles or three fourths the size of Yorkshire" (Cf., Report of the Indian Constitutional Reforms 1918). So far as I can ascertain the average size of a country in England is probably a little less than 1,000 sq. miles. The County, I believe, although not a rating authority is a higher unit of self-government.

²¹Prof. Seligman—Essays in Taxation—Chapter XXI.

sidered unsuitable. The present rural tax system²² is intimately connected with the District Civil Administration and from the point of view of efficient working its advantage cannot be gainsaid. From the point of view of the extent of the base as well as adequacy of revenues, it can be said that the larger the area, with the growth of business activity and personality, the more suitable it is for the introduction of a tax on ability, that the heavier the burden of services which do gradually devolve on the local authorities, the larger should be the scope of finding out the revenues and finally considering the nature of the tax (the cesses)²³ it is more likely to be productive, stable, uniform and regular if the area of assessment is comparatively large; the poverty of one part may be made good by the others, the occurrence of famines, pestilence, etc. in one area may be cured by better conditions in the remaining ones, specially in times of settlement in non-permanent short-term settlement areas with assessments on annual value. Village unions are gradually becoming local self-government units and their utility, I believe, is admitted on all hands. Be it said, that the existence of Local Boards is not deprecated but if they are to succeed and to prove useful, they may be given independent sources of revenue by apportionment by Provincial Governments or otherwise, and should be tentatively charged with a limited number of suitable services.²⁴

²² & ²³ (cf., The District Tauzi Roll and the method of cess collection).—This is not the place to discuss the nature of the tax but (if we do not take into account any recent amendments) it is for practical purposes a real property tax. If any attempt is made to make it consistent with the principles of ability, because of the consequential provisions of differentiation, graduation, exemption, etc. a large area is likely to be suitable.

²⁴ Cf., an article in July number of the Cal. Review 1932 regarding the utility of Local Boards in Madras.

N.B.—This is not the proper place to acknowledge my indebtedness to various persons and institutions in preparing the thesis. I should, however, be failing in my duty if I do not express my thanks to Prof. Dr. Gyanchand for suggestions made from time to time and to the Government of Bengal for granting me leave while in active service and hence facilitating the use of libraries which are not easily available. A gentleman, among many others not named here, was good enough to go through the book; he also made a few corrections here and there. The book, it may be said, owes its genesis completely to the present writer unequivocally.

CHAPTER II

LOCAL FINANCE IN MAKING

The term "local" can be most usefully interpreted in a liberal manner so far as Public Finance in India is concerned. We had finances in India for specific localities long before any local organisation came into being. It is true that so far as towns are concerned, some local authorities had been organised even since 1850 (Act XXVI) and in principal towns of the Presidencies even before that date, but this did not refer to most parts of the provinces. Really speaking, it is in connection with rural finance that problems of local taxation had to be tackled in India. In this chapter, we shall try to give a brief outline of this local finance as it existed without any local organisation. So far as municipal finance is concerned, it had been organised since 1850 and greater impetus was given in 1854 for financing municipal Police. So, an account of the growth of such finance will come under our purview in its proper place regarding Municipal Finance. The respective Provincial administrations had separate local funds of their own, long before 1871, and consisted of various funds too numerous to mention. These also included municipal funds but we are excluding them for the time being. The funds were intended to be utilised for a particular locality or some specific purposes, e.g. Endowment or Trust Funds. We are not concerned with the latter funds. The funds that were raised for the localities were intended to be spent on the same locality where they were raised. This principle, however, was not always followed and the Provincial Governments allotted funds according to the necessity of particular districts. These funds consisted mainly of tolls on roads and ferries, pound receipts, cesses collected along with the land revenue, not according to any law but agreed upon during the respective settlements or under executive orders. In Bengal, there was an amalgamated District Road Fund for this purpose and was divided into two parts, i.e. (i) Local Fund, and (ii) General Fund. The Local Fund consisted of tolls at ferries and roads, convict labour fund, receipts for Fisheries re-transferred to the Imperial Government from 1865 and 1 per cent road cess on land revenue in Shahabad. The proceeds of these funds were utilised for repair of roads in general. If there had been any surplus, it was carried to the General Fund and in case of necessity, grants were received from the General Fund. The General Fund consisted of surplus collection of Naddea river and Calcutta Canal tolls from 1854-55 and ferry fund balances from 1840. The General Fund was mainly utilised for Railway Feeder Roads. The collection of ferry tolls was made according to Regulation VI of 1819, and other regulations. The tolls on Imperial Roads were abolished in

1864 and there was a tendency for tolls to decrease on District Roads as well.

It may be noted in this connection, that besides the 1 per cent road cess in Shahabad which was extended to newly settled districts also, there was another fund consisting of cesses collected for Zemindars, farmers, etc. for maintenance of the rural postal system (Zemindari Dak Fund).

In Madras, the District Road Fund consisted mainly of tolls levied for navigating Cochrane's Canal and on carts and ferry-boats, Devastanand and Chaultry receipts and in certain cases, of pound-receipts. This method was found very inconvenient and hence in 1866 (Act III), the District Road Cess Act was passed by which a rate not exceeding 6 Pies in every Rupee of the annual rent value of all occupied lands was raised to replace the cumbrous fund.

In Bombay, it appears, there were tolls on roads, ferries and also pound-receipts which were credited to the District Local Fund. The tolls were originally levied to cover the interest of the expenditure upon public works and the cost of their maintenance²⁵ but subsequently more than was necessary was collected. Besides these, there was a cess for Roads and Education imposed from 1863, by executive order. This was subsequently legalised by Act III of 1869. It was a cess of one anna in the rupee of land revenue or on the money payable to Government by a farmer of land or payer of revenue. Two-thirds were reserved for expenditure on roads.²⁶ In the Central Provinces, there were miscellaneous receipts, e.g. tolls on roads and ferries, market dues, pound receipts, and such other minor fees. The cesses were raised mainly upon agreement at the time of settlements and were three in number—one was raised for roads and varied from one to three per cent on the Government demand of land revenue, then a cess collected at the same rate and in the same way for schools and a $\frac{1}{2}$ per cent rate cess for district post. In certain cases when village police could not be regularly maintained by the villagers Government stepped in and a small rate on land revenue was raised for maintaining the village police. Besides these cesses, there were other taxes, e.g. the Pandhri tax, octroi, house tax and a Patwari Cess. The Pandhri tax was an old Mahratta tax imposed as an Income-tax on non-agricultural classes, and included incomes down to Rs. 75 per annum, subsequently raised to Rs. 100. This was originally, an Imperial tax but in 1870-71 was transferred to the Provincial Government. The Patwari tax was levied for the maintenance of village accountants as a rate of 5 per cent on land revenues.

²⁵ Evidence of Dadabhoy Naoroji—*Select Committee on Indian Finance*, Vol. 12, 1873.

²⁶ Evidence of Harrison—*Select Committee on Indian Finance*, 1873.

In the Punjab, at the time of settlement cesses at 1 per cent for roads and on occasions another one per cent for education had been raised since 1849. Subsequently the 1 per cent rate was doubled and an additional cess of half per cent was added for District Post.

In Burma, there were receipts from ferries which were utilised later for Municipal and District Road purposes. Besides this, there was a 5 per cent rate leviable as a surcharge on land tax, fisheries, net, temple banks and palm trees. This was divided into several accounts viz. roads, village Choukidari, Education and District Daks. In the North-Western Province also, there was a cess levied before 1857 at a rate of $2\frac{1}{4}$ per cent on the revenue both for permanently and temporarily settled districts and was utilized for road, schools and district Dak; subsequently, however, in pursuance of the policy of paying village police in cash, instead of by service-lands, an additional municipal rate of $2\frac{3}{4}$ per cent was initially levied under executive orders but subsequently it was raised to $7\frac{3}{4}$ per cent and legalised by Act II of 1865. A house tax was tried to be imposed under the same Act but could not be enforced. In temporarily settled districts, there was a 10 per cent rate on land revenue but in permanently settled districts the policy of converting the service-lands could not be completely enforced and the old rate continued. Besides this cess, there was a Patwari cess by which landowners were required to pay a sum amounting to 5 or 6 per cent from out of the land revenue into a Tahsil or district fund from which the Patwari salaries were paid by the revenue officials of the district.

In Oudh, under Government orders from 1861 a cess of $2\frac{1}{2}$ per cent on Land Revenue used to be imposed. This was subsequently legalised by Act XVII of 1871. 1 per cent each went for Roads and School Funds and $\frac{1}{4}$ per cent each for District Dak and Margin Funds. "There was no strict appropriation to the district in which it was raised but the principle of approximating in proportion to the sum contributed by each district was kept in view."²⁷ Besides this, however, the village Police when not dependent on service-lands specially set apart, was financed by landlords making cash payments of Rs. 36 a year but these never entered into Government accounts. There were tolls collected at ferries but these were primarily meant for maintenance and repair of the ferries. Miscellaneous receipts besides tolls on ferries, consisted of certain (Municipal) Crown properties (Regulation 19 of 1810)—property of the former rulers of the country, comprising lands, ships, gardens, etc.²⁸

The next step taken towards development of local finance appears to have been fraught with several difficulties. We cannot find, for

²⁷ Minutes of Harrison—*Select Committee*, 1871.

²⁸ Vide Table 1.

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example, at the time, (i) any scheme establishing the fundamental nature of local finance, viz. separation of purposes to which local funds were to be applied and responsibility for spending the funds; (ii) introduction of Lord Mayo's scheme of decentralisation again, made the condition of things in this connection, difficult.

Initially, it was not the intention of the Court of Directors that any separate tax (which at that time could not be supposed to be any other than a separate cess on land), should be imposed for local purposes. The reasons were primarily that local agriculturists were supposed to look after the internal communications for themselves and such a tax would naturally release them from any responsibility with regard to that and at the same time the Government would have to face the entire obligations regarding these purposes. Besides this, there was the fear of introducing confusion into the accounts, and possibility of exactions.²⁰ Gradually, however, it was felt that local taxation was necessary. Lord Stanley in his Education Despatch of 1859 laid stress on the necessity of imposing a special rate for repaying expense of schools for rural populations.

In 1861, certain cesses were attempted to be imposed in Khandesh in Bombay for Roads and Education but the road tax was not imposed as it was thought necessary to take legal sanction and the education cess of half anna in the rupee only was introduced. The state of the Imperial (Central) finance was such (as can be evident from the financial statements of 1861 to 1870) that local taxation was considered urgently necessary if any progress in local amenities and education was to be made. The Resolution of the Government of India No. 2245, dated 31st August 1864, although it primarily referred to the maintenance of Police, indicated that the Imperial (Central) Government should be concerned only with general control and guidance and induce the people to administer as much of the Public services by self-taxation as possible. Regarding the introduction of local taxation, there was a great tussle of the Government of India with the Government of Bengal, and this reveals the fact that many people were of opinion that no separate local taxation was necessary, and the needs spoken of, should be met from Imperial revenues. The Government of Bengal²¹ held the view that the Province of Bengal paid for its own administration entirely from taxation proper, e.g. Abkaree, Assessed Taxes, Salt and Stamps. Taxation was already higher under these heads in Bengal than anywhere else. "While the rates of taxation are thus higher in Bengal than anywhere else, the proceeds are still more in its favour". Hence, if any tax was to be imposed it ought to be Imperial and not

Provincial. So far as any special cess for education was concerned, it was considered proper that grants should be given from General revenues and any Education cess was considered impolitic, because the yield could not be sufficient to replace the indigenous schools. Because of the special circumstances in Bengal, specially regarding the popularity and number of indigenous schools it was considered proper in 1859 by the Governor-General, as opined by Sir F. Halliday (Lt.-Governor of Bengal)²² that a cess for the encouragement of education should not be imposed in Bengal. The Government of India, however, pointed out subsequently, it appears, during this period of deliberation, that as a matter of fact the State never undertook to provide funds for the education of the mass of the people, and separate taxation was necessary. The cesses in other provinces were nothing but taxes²³ and were imposed for local purposes including education. The contention of the Government of Bengal that the cesses in other provinces were really rent and not taxes, because there was no permanent settlement and because value of land rose very greatly without any expenditure of labour and capital, and the profits of the soil could not be held to have belonged to any particular persons and could have been equitably appropriated by the Government, was not accepted by the Government. The contention was set at rest by the Duke of Argyll's Despatch of 1870, in which it was pointed out that "General revenues are not sufficient to meet even the demands of general Civil and Military expenditure; there is much absolutely requiring to be done if the condition of the people is to be improved which the Government cannot overtake out of Imperial funds; Vernacular Education and Sanitary Improvements could not be afforded by Imperial Revenue and must be met by the help of rates imposed for the purpose". It was also pointed out that the cesses were really taxes in other Provinces and so, by necessity and precedent local taxation was justifiable. From this account, it will be evident that local taxation was thought extremely necessary for meeting local needs. The original purpose of such taxes was not to conduce to any relief of the Imperial Exchequer. In Bengal specially the nature of the new taxes was thoroughly brought home by the Proclamation issued by the Lieutenant Governor in 1870 when he definitely pointed out that the new taxes were to be spent only for local purposes. In fact, the Scotch Committee appointed to draft the Road Cess Bill calculated the amount of taxation necessary on the basis of a statement prepared by Mr. Leonard,²⁴ Officiating Secretary to the Government of Bengal, P.W.D. The statement was primarily concerned with the needs of the local roads and had nothing to do with Imperial roads. The rate of cess and all the necessary computation was made according

²⁰ Referred to in Sir Charles Wood's Despatch, 1861—(Education).

²¹ No. 176 A of April 1869.

²² No. 1020 of 17th May 1859.

²³ No. 5876 of 28-10-1867.

²⁴ No. 1494 of 3-3-1868.

to the immediate requirements of the Province so far as local roads were concerned. The Lieutenant-Governor of Bengal speaking in connection with the District Road Cess Bill in 1871 said that he would like to produce a budget distinct from and independent of, the arrangement for local cesses and which he might call the Provincial Budget so as to distinguish taxation from the question of local cesses, that it should be quite understood that any proposal of local rating would be in good faith for really local objects and subject to effective local administration. Now that it was definitely settled that local taxation was necessary for local needs the next question that came up for discussion was how it was to be raised. No additional taxation of the land was considered proper. Sir J. Lawrence²⁴ in a Despatch to the Secretary of State in 1867 in connection with the Government of Bombay's proposal of imposing a cess of one anna upon every rupee of land revenue, pointed out that it was improper to introduce the cess in any place where it was not introduced at the time of settlement or where no reservation of the right to levy it was made at the time, and that the nature of any such cess although it might be meant for local purposes would not be generally understood by the people and the purpose of the imposition would make no essential difference in their minds and the tax would be looked upon as an addition to the land tax, and as such a breach of faith on the part of Government with reference to the settlement agreement. The Governor-General²⁵ however, subsequently in the case of Bengal proposed a local cess on the Zemindars on the ground that the burden of local requirements was always thrown on the Zemindars, that Article VII of Permanent Settlement Regulations actually anticipated such a cess and hence it would be quite proper to levy a cess on land for local purposes on the Zemindars, and would not lead to any breach of faith. The Government of Bengal²⁶ voicing the Zemindars and landholders pointed out that in Bengal, the land revenue was a fixed rent, that if any additional cess was to be imposed to take a part of the growing economic rent the present Zemindars never enjoyed the economic rent for they being not original Zemindars had to buy the estates and had to pay the capitalised value; in most cases it was enjoyed by intermediate landlords) it would lead to a breach of faith and hence should be considered a tax and adjudged by the general principles of equality of taxation. Sir Barnes Peacock appeared to have held the same view in connection with the proposal of imposing an Income-tax. The whole question was set at rest by the Duke of Argyll's Despatch of 1870 when it was pointed out that there would be no going back upon the Permanent Settlement if the Cess

was imposed not simply upon Zemindars but all other accessible properties.

In pursuance of the policy, either new local taxes were introduced or the previous cess was increased in all the Provinces except C.P.²⁷ The nature of the tax was, however, merely a cess on the annual value of lands which was generally based on the land-revenue except in Bengal, where the annual value was assessed on the estimated annual rent value. Personal property or income was not taxed except in Bombay, which was not very successful (Act II of 1871). This short history would indicate the purpose for which and the manner in which the local taxes were to be raised and the way in which they were intended to be disbursed. The principles, however, could not possibly be observed strictly in practice under the circumstances of the situation.

(ii) The decentralisation scheme was opposed and denounced by many people as being responsible for unnecessary and extra expenditure. As against this, Sir John Strachey²⁸ was of opinion that the name given to the particular scheme (decentralisation) was a misnomer, and that the powers of control were in fact increased; consequently, it appears, there was possibly no room for extra expenditure. The taxes that were imposed would have been imposed whether there was any such scheme or not. Whether it was Imperial taxation or Provincial, there was no way out of it, if the needs were to be met. So far, Sir John Strachey appeared to have been quite correct. The difficulties of the situation regarding the finding out of the taxes and spending them with the problems of local self-government still unsolved looming in the background were nonetheless real and very great. In the circumstances, the Imperial Government had to remain satisfied only with its own economy and in effect it said, to borrow Laing's words, "Take what we are able to give you and for the residue take certain powers of Local taxation and raise it yourselves".

The 'Local' funds of the several (Provincial) Governments before the Decentralisation scheme were the concern of individual administrations. These were not shown with the general revenue and expenditure of the Government of India but found their place in the balance

²⁴ The object of the Regulation (Permanent Settlement) was to put an end to the practice of all former Governments of altering and raising the land tax from time to time. "The Public Demand was to be fixed and permanent". What was true of the Income-tax was equally true of all land cess, viz. that neither of the taxes was "an increase of the Public Demand levied upon the Zemindars in consequence of the improvement of the Estates."

²⁵ Madras — 1 anna cess on value of all occupied lands (Local Rates Act 1871) and a house tax.

Bombay — 1 anna cess — Cess Act of 1869.

Bengal — 1/2 anna cess on annual value — Act of 1871.

N.-W.P. & Oudh — 5% on annual value which was double the land revenue.

²⁸ Legislative Assembly Debates, 1871, in connection with Oudh Local Rates Bill.

²⁴ Revenue Despatch No. 9 of 1867.

²⁵ No. 17 of 1869 to S. of State and No. 5876 of 28-10-1867 to Government of Bengal.

²⁶ No. 1763 A of 30th April 1869.

sheet of total receipts and disbursements under the headings of "Debt" and "Expenditure". This sheet showed the abstract total of the general revenue and expenditure as well as debts and other receipts and disbursements. Before Lord Canning's Government (1855) there was no system of accounting regarding these local funds. Since 1863 it was decided that the annual Local Fund Estimate should be prepared by each Government according to the same rules as the budget estimate of "Public Income and Expenditure". This was not meant to interfere with the actions of the several (Provincial) Governments but to keep the Government of India informed about the progress of income and expenditure for financial and other general purposes. The principle of balancing the annual budget was not necessary in this case and balances of one year could be carried over to the next.⁴⁰

When the Provincial Services Scheme was introduced the Imperial allotments made to the Provincial Governments were in the same category as the Local Funds. In the Imperial accounts a lump allotment under "Provincial services" was shown and the accounts of the respective Provincial Governments were shown under the head "Advances and Deposits recovered" and "Advances Made". In the beginning, most of the Governments showed in the accounts, the total local income and expenditure but subsequently they were asked to show them separately, that is to say, the subsidiary incomes of the spending departments transferred and Imperial allotments were shown separately from their really Local income and expenditure. Due to the introduction of the Provincial Services Scheme by which a large responsibility was thrown on the Provincial Governments, it was feared that it would lead to serious aggravation of the burdens of the people.⁴¹ As a safeguard against such apprehension, it was laid down that Provincial budgets would be appended to Imperial budgets, but as before, the administration of Local funds of Provincial Governments was not interfered with. From this, it will appear that the Provincial Governments had unfettered discretion regarding the disbursements of the newly-created taxes. The difference between these taxes and the Provincial Service funds lay in the fact that the latter funds were meted out in such a way that the utmost economy was to be effected. The Imperial Government was no doubt responsible to the Secretary of State for India and ultimately to the Parliament for all disbursements but, as averred hereinbefore, not directly interested in the local fund. Consequently in absence of definitely laid down principles regarding establishment of local self-government the augmentation of local funds was responsible for augmentation of difficulties regarding manipulation in correct lines.

⁴⁰ Financial Statements, 1863-1871.

⁴¹ Sir Richard Temple's Financial Statement.

This type of difficulties in local finance went up to Lord Ripon's regime. Lord Ripon tried to effect the separation of local finance in the sense that the funds raised originally for or the nature of which was suitable for local improvement should be devoted only for such purposes and not used for Imperial needs and that to effect it thoroughly the agencies entrusted with the administration of the funds should be bodies responsible to the people from whom the taxes were collected and should be as much independent financially as possible of the Imperial finance. To this question of separation of local finance we shall next advert.

The new taxes which were originally intended to be local came in the confusion, to be utilised for Imperial purposes in two ways. Some of the receipts, as in N.W.P. and Oudh were directly taken and utilised for meeting the provincial deficit caused by the Decentralisation scheme and in others, as in Bengal and Madras, some of the services were considered to be local and thrown on the local taxes or financed by them, although the administration rested with the Provincial Governments, the justification being that there was no real difference between Local and Provincial finance.⁴²

Lord Ripon on the eve of the Provincial Contract of 1882 initiated a new policy by which he tried to effect a separation of local finance. In Resolution No. 3353 dated 30th September 1881, it was stated, "The Provincial Agreements should no longer exclude from all considerations the mass of taxation under Local and Municipal management together with the similar resources still retained in Provincial control and ignore the question of Local self-government. The Provincial Government while being largely endowed from Imperial sources may well in their turn hand over to Local self-government considerable revenues at present kept in their own hand but similar in kind to many which have been long locally managed with success by committees. At the same time such items should be made local as the people are most likely to be able to understand the use of and administer well." In Letter No. 3513 dated 10-10-1881 to the Government of Bengal it was pointed out that all expenditure "now charged as local but not locally administered should be considered in detail. It should also be considered whether any and what further expenditure on sanitation, drainage, water-supply and Public Works, might be made local."

The purpose behind this was (1) to effect a real economy in Imperial expenditure so that no service Imperial in nature might be thrown on the new taxes, and (2) to effect a growth of self-government and local finance, so that local needs might be well looked after. The local services were not to be arbitrarily classified and thrust on the local bodies

⁴² Cf. Tables IV & V. (On pages 27 & 28.)

but those which are most suitable for such purposes were to be given over for local administration. The administration was to be carried on by a body which should be thoroughly responsible to the tax-payer and as much autonomous as possible. Although originally it was intended that some power of increasing the local rates should be given to the local bodies it was subsequently abandoned. It was settled that there should be no extra taxation for the services that were transferred to the local bodies but equivalent resources should be given over (*vide* Resolution of 30th September 1881). "Nothing could be farther from the intention of the Government of India than that the development of self-government which they desired to promote should be used as an engine for imposing additional burden upon the people." "On the other hand, it was equally the intention of the Government of India not to allow additional expense to fall on the Provincial Revenues." The project was primarily intended to bring about changes in the administration of some functions—this might lead to "transfers and exchanges" between Provincial and Local heads. "The administration and financial arrangements thus made in pursuance of the policy of de-provincialisation will not, however, affect the assignment to be made from Imperial revenue" (*vide* Resolution No. 318 dated 17th January 1882). It was thus simply a question of transfer of certain services to a different administration for purposes which have already been noted above. The result, if thoroughly effected, could be supposed to be a complete separation of local finance in which local bodies would administer certain services transferred to their charge but as they had no power of taxation, and as it was not thought equitable to introduce taxation either, certain equivalent revenues were to be transferred from the Provincial Government. As the project stood, there was, therefore, no scope for grants-in-aid except in cases where the balance of revenues transferred fell short of the charge of the services transferred for which, as in Bengal, provision was made for "equilibrium grants".

In pursuance of this policy, Mr. Westland submitted a memorandum to the Finance Committee in 1886. From this Memorandum two points could be noticed: (1) If the cost of the services which could be considered local both according to Lord Ripon's policy and what actually obtained in other countries as for example, cost of local Civil Works, Hospitals and Dispensaries, grants-in-aid for Elementary Schools and General Grants for local purposes, and for which the Provincial Governments were spending from their general Provincial Funds had been taken into account, it would be apparent that the Governments were spending much more than what had been received from the cesses. C. P. was spending Rs. 13,86,000, Burma Rs. 22,79,000, Assam

⁴⁵ Governor-General's reply to Bombay Government on 4-10-1882.

⁴⁶ Referred to in Secretary of State's Despatch No. 191, dated 5th July 1883.

Rs. 13,54,000. Bengal Rs. 14,15,000, N.-W.P. Rs. 22,56,000, Punjab Rs. 21,62,000, Madras Rs. 36,87,000, and Bombay Rs. 53,13,000, over and above what they derived from the cesses utilised for Provincial purposes.⁴⁵ Hence they were perfectly justified in taking over the cesses for the above purposes specially in Bengal where the land revenue was much lower than in any other province. (2) On the other hand, if a comparison was to be made with the pre-decentralisation period, it could be easily argued that the services used actually to be met and ought to have been met purely from the Imperial revenues, whether local in character or not and therefore the cesses, for example Rs. 2,40,000 in Central Provinces, Rs. 36,97,000 in Bengal, Rs. 16,55,000 in N.-W.P., and Rs. 4,81,000 in the Punjab ought to have been given over to local committees⁴⁶ for local expenditure after deducting for the net cost of provincial railways partly for which some of the cesses were increased or added in 1878.⁴⁷

Be that as it may, the purpose of Lord Ripon's policy was the change of administration of certain services and as such improving the nature of the distribution of the taxes and other receipts. According to this policy, as we have said, the charges noted above, which were being met from the Provincial revenues, were to be administered by the local bodies and the cesses which were being utilised by the Provincial Governments but which, due to historical circumstances and other reasons, were local in nature, were also to devolve on these local bodies. Naturally, this separation would mean that grants would only be given so far as to lead to the equilibrium of receipts and charges of the local bodies and no more. The type of separation aimed at, was more or less similar to the separation of local finance that was advocated in England in the eighties by Lord Farrer, Mr. Gladstone and other politicians, who were always vehemently against grants-in-aid, which, according to them, were nothing but "transfers from the shoulders of property and accumulated wealth to the shoulders of poverty and industry."

⁴⁵ Cf. Table II. (On page 24.)

⁴⁶ Cf. Table III. (On page 25.)

⁴⁷ In 1874-75, Lord Northbrook said that famines could not be looked upon as occurrences of an extraordinary character. In 1877, it was proposed that famine charges should be considered as ordinary expenditure and at the same time a dictum was laid down that except under special circumstances and for the necessary protection of great Imperial interests, no money should be borrowed for any works in respect of which it could not be said with certainty that the direct receipts would at the very best cover the interest on capital expenditure. A novel method was found out to meet the contingency. There were two classes of extraordinary Public Works, Imperial and Provincial. Although the two classes ran into one another, yet the distinction was considered a real one. It was proposed that responsibility should be laid on the Provinces for works of Provincial utility and thereby the Imperial Government would be able to make a net saving of not less than £1,500,000. The Local Governments would be responsible for making good to the Imperial Treasury every year the interest on the whole capital expended

The policy of the Government of India regarding grants-in-aid was more or less manifest from the fact that the Government did not like to introduce any extra expenditure in the Provincial budget due to the new self-government policy. This was more clearly laid down in subsequent letters and resolutions. In their Letter No. 5362 dated 2nd October 1888, to the Government of Burma, the Government of India said that municipal expenditure should be met from local revenues and should be independent of any contribution from the general revenues. According to Resolution No. 3531A, dated 11th August 1897, the Government of India reserved the right of issuing instructions regarding the disbursement of revenues placed at the disposal of the Provincial Government. "Within the limitations which they postulate the Government of India have no desire to interfere with the discretion vested in the Local Governments in respect of the utilisation of the surplus balances which they accumulate under the Provincial system. At the same time, the financial powers conferred on Local Governments are subject to the general supervision and control of the Government of India and under this power, the Government of India laid down certain principles in respect of grants-in-aid to local bodies for the execution of sanitary and other projects."⁴ The principles were as follows, (1) that the entire cost of such undertakings should, as a general rule, be borne by the rate-payers who benefit thereby and that in settling the terms of Provincial settlements expenditure in aid of such works should always be excluded from the standard figures; (2) that the assistance of Government when required, should usually be given in the form of loans; and (3) that when the cost was too heavy to be wholly borne by a particular local body, and the work was nevertheless too important and useful to be postponed, a grant, in aid of a portion of the cost might be given by a (Provincial) Government from its accumulated surplus if it had such a surplus. When there was no surplus, previous sanction was necessary to be obtained from the Government of India in each case and the necessity of the grant in each case shown to their satisfaction before the grants in question were made. This view was a little modified by another letter when it was laid down that the "Government of India do not desire that the Local Government should refrain entirely from assisting Local bodies in the execution of undertakings designed to benefit

plus the sum of £20,000; to meet these charges Local Government would receive the whole of the net revenue from the Works except that portion which was credited to land revenue. For this purpose, Public Works Cess Act in Bengal, Act II of 1877 and Local Rates Acts of 1878 in U.P., C.P., and Punjab, were passed. In Bengal, the cess was an addition of 6 pies to the already existing Road cess and in the other Provinces 'further rates' of 1 per cent on annual value were imposed. It was considered wiser to adhere to systems understood by the people rather than adopt innovations which might cause dissatisfaction and apprehension and might lead to oppression through the creation of the new collecting and assessing machinery. (Vide Sir John Strachey's Speech in the Legislative Assembly 1877).

⁴Letter No. 158 dated 20th August 1902 to Government of Madras.

the inhabitants of local areas. They admit that there are cases in which it is impossible for a Municipality to undertake large and urgent projects from its own resources and that in such cases it may reasonably look to the Provincial Government for assistance but at the same time the Governor-General-in-Council considers it important that the definite principle laid down which should regulate the grant of such assistance should be carefully borne in mind."⁵ When the Quasi-permanent Settlement of 1904 was agreed upon with the Provincial Government, the Government of Madras suggested that in a permanent financial settlement some provision should be made for occasional grants to Municipalities. The Government of India demurred that such a proposition could not be accepted and grants should be regulated by the principles already laid down.⁶ The action of the Madras Government in giving a grant of Rs. 1½ lakhs for plague to the Municipality of Madras was not approved of, because so far from "the Government of Madras having any surplus it was necessary for the Government of India to make a large Imperial contribution in aid of the Provincial revenues to avoid a deficit in the estimates and to restore the provincial closing balance to the prescribed minimum." These principles were primarily meant for economy of Imperial expenditure; in case of necessity, however they were intended to aid services mainly local to be tentatively abolished when resources available were sufficient to meet them. This strengthened the view that complete separation was aimed at, for when the principal of grants-in-aid is recognised in any system of local finance, it is meant to aid semi-national services and not services purely local.

Neither of the two purposes, namely to transfer local cesses to local authorities, and to transfer local services to local administration, without any additional grants except what was required for attaining the equilibrium based on the computation of expenditure in a particular year, could be achieved. Not only had the cesses which were more directly taken over by the Provincial Government for Provincial purposes, continued to be so utilised but as the local bodies were not really made autonomous, and responsible, some of the Provincial Public Works continued to be thrown on the other part of the local cesses, namely those which were actually being administered by the local committees. On the other hand, grants which had to be given for the services augmented as they were, by the non-transference of the Provincial cesses, continued to be given gradually in a larger scale than anticipated at the time of making the separation. When the Decentralisation Commission was appointed, it was found that about half of the cesses went to the Government of Bengal for Provincial Public Works, one-third of the cesses went to the Government of U.P. for village Police,

⁵Letter No. 154 dated 14th August 1902 to Government of Burma.

⁶Letter No. 1863-A dated 19-3-04.

How these difficulties were tried to be tackled we shall next consider.

TABLE I
Local Funds in 1871 in Rupees

[illegible]

³⁵ In pursuance of this policy of separation, method of accounting also underwent some changes in 1908-9, when it was decided to exclude the accounts of District and Local boards from the Imperial budget, in as much as the funds were spent by Local authorities and Government had nothing to do except exercising some control. Before this, the incorporated Local funds and the most important of which was the District Fund, used to be shown in the accounts of the Government of India because the Local Boards had very little financial administrative power. This, however, gradually changed, and the Imperial system of classification was not well suited to the accounts (*Financial Statement, 1908-9*).

⁶⁴Cf. Table VII. (On page 30.)

TABLE II

(In 000 Rupees)

—	C. P.	BURMA	ASSAM	BENGAL	N.W.P.	PUNJAB	MADRAS	BOMBAY
Public Works:— Provincial Rysretarnings	5,57	8,22	—61	11,57	2,57	24	...	...
Interest (Cost for Prov. Funds)	3,72	9,92	...	17,15	1,51	1,81	...	...
Net Cost	—1,85	1,70	61	5,58	—1,06	1,57	...	...
Net Cost of Civil Works deducting Receipts	13,49	15,96	5,75	17,54	21,28	22,58	28,06	33,82
Schools and Grants-in-aid	3,68	1,51	84	21,22	...	3,33	6,34	8,96
Hospitals, Dispensaries and Vaccination	82	14	35	4,24	78	...	1,97	6,43
Grants to Local Funds	12	—12	5,99	2,54	18,11	—1,05	50	3,92
Total Provincial Expenditure of a Local Character	16,26	22,79	13,54	51,12	39,11	26,43	36,87	53,13
Provincial Rates for Provincial Purposes...	2,40	...	...	36,97	16,55	4,81	...	...
Total Expense from General Revenues	1,386	22,79	13,54	14,15	22,56	21,62	36,87	53,13

TABLE III

Revenue from Cesses classed as Provincial Rates

[In 000 Rupees.]

	Total Provincial Rates.	Charges for Collection.		District Post.		Village Service.	Village Police (Local).	Wards, Rates, etc., Provincial.	Immigration Cess and Special fund.	Total Special Appropriation.	Revenue for general purposes.		
		Provin- cial.	Local.	Provin- cial.	Local.						Provin- cial.	Local.	Total.
Central Provinces ...	6,48	...	...	35	...	2,16	...	...	...	2,51	2,40	1,57	3,97
Burma	8,40	...	46	...	60	...	3,33	...	...	4,39	...	4,01	4,01
Assam	4,26	...	5	...	26	...	...	...	...	...	3,95	...	3,95
Bengal	76,69	...	2,34	...	3,16	...	...	68	...	6,18	36,97	33,54	70,51
N. W. P.	65,49	6	...	...	1,94	...	23,60	...	...	25,60	16,55	23,34	39,89
Punjab	33,60	34	1,28	...	82	7,75	...	...	...	10,19	4,81	18,60	23,41
Madras	61,34	...	...	...	...	21,32	...	...	45	21,77	...	39,57	39,57
Bombay	22,13	...	53	...	...	...	...	...	...	53	...	21,60	21,60

Deduct special Appropriations.

TABLE IV
Year 1884-85
Before the inauguration of the Self-Government Policy the situation was what is stated below :
(In 000 Rupees)

	C.P.	BURMA	ASSAM	BENGAL	N.W.P.	PUNJAB	MADRAS	BOMBAY
REVENUE								
Provincial Rates	157	3,89	3,95	33,35	23,32	18,60	39,49	21,50
Miscellaneous	1,41	74	2	2,20	1,33	85	3,52	3,49
Contribution from Provincial	12	...	5,99	2,54	18,11	...	50	3,92
TOTAL ...	3,10	4,63	9,96	38,09	42,76	19,45	43,51	28,91
EXPENDITURE (Net)								
Public Works	2,03	2,84	8,11	36,14	25,41	8,98	26,37	14,74
Education	25	72	1,31	...	12,95	4,75	5,72	10,06
Medical	12	22	8	...	3,30	2,58	5,31	1,54
Gardens, Agriculture, etc.	42	7	3	...	20	96	...	1,04
Miscellaneous	28	66	43	1,95	90	1,13	6,11	1,53
Contribution to Provincial	...	12	...	...	...	1,05	...	...
TOTAL ...	3,10	4,63	9,96	38,09	42,76	19,45	43,51	28,91

[For Explanation see next page]

Explanation :—It should be noted that in Bengal 'Provincial Rates' refers to the Road Cess only and not Provincial Public Works Cess. The contributions made in some of the Provinces to local funds were meant, in many cases, for Provincial Works only and the local committees thus acted as their agents only. This was specially so in the cases of Assam and N.-W.P. The contributions made to the local funds were of a permanent and contractual nature just as was the relation between Imperial and Provincial finances with respect to grants. In Bengal, after the P. W. Cess Act was passed, the Cess derived from that was meant to meet the interest of capital cost of Provincial Public Works, e.g. Irrigation and Railways. This did not affect the previous contract with the Imperial Government. The Road committees used to collect the Cess along with the Road Cess and given remuneration for it. The District Road Committees were paid the grants in the following way :—

Payment to Road Cess Committees for collection and P. W. Cess ..	56(000)
Payment to the Committees of 1½% of collection from Government estates (10% of Land revenue in Government estates was set aside for local purposes, 1½% going to Road Fund) ..	42(000)
Contribution to District Road Account in deficit districts (where the Road Cess Act was not thoroughly operative), e.g. Chittagong Hill Tracts, Santhal Parganas, Singubhum ..	54(000)
Grants for 'Special Public Works' (i.e. Provincial Works done through the agencies of the District Cess Committees) ..	102(000)
	254(000)

In Bombay, grants were made in exchange of Abkari Revenue (one anna Cess) —1,55,000—grants for Primary Schools (2,17,000) and some amount for local dispensaries. The grant was augmented by Rs. 85,000 by way of compensation for taking over charge of the pounds from the Local Fund Committees and was about Rs. 4,85,000.

TABLE V

[In 000 Rupees.]

	B—Land Revenue.	A—Provincial Rates (net of local fund portion).	B—Police Pounds.	B—Education	E—Medical.	F—Minor Departments.	B—Interest.	C—Miscellaneous Rates.	B—Others.	C—Irrigation	C—Civil Works.	Total Revenue.	Contribution from Provincial.	Assets.
Central Provinces ...	1	1,57	1,63	1	14	13	1	50	31	1	73	5,02	12	5,14
Burma ...	4	4,01	32	4	1	1	1	72	42	1	62	6,13	5	6,23
Assam ...	1	3,95	1	1	1	1	1	74	2	1	1,33	5,44	5,99	11,43
Bengal ...	1	33,54	1	1	1	1	47	1	1,73	13	2	35,89	2,54	38,43
N. W. P. ...	1	23,34	1	86	1,07	2	26	1	1,07	1	44	27,06	18,11	45,17
Punjab ...	1	18,60	1	1	1	1	1	15	85	1	1	19,61	1	19,61
Madras ...	89	39,57	1	89	20	1	48	2,80	2,15	1	5,01	51,99	2,36	54,35
Bombay ...	1,10	21,60	1,94	2,64	1	8	13	5	93	...	3,96	32,44	4,52	36,96

N.B.—Table IV really explains the situation. The present table (Table V) is affixed with the purpose of modifying the figures under Assets in Table IV so that they may be in keeping with the figures in Table III and may appertain to the same year as those in the said Table.

TABLE VI

	Opening balance	Provincial Rates	Police Receipts	Education including school fees	Medical	Miscellaneous	Other items	Civil Works	Contribution (Provincial) from other boards	Total	Debts	Total income including opening balance	Incidence of income per head of population
Madras ...	20,69,864	53,34,338	...	2,27,111	6,05,112	1,61,386	10,18,848	3,25,832	...	...	3,92,875	86,54,875	0 4 5
Bombay ...	25,38,829	28,73,769	1,89,675	1,59,484	38,763	13,148	50,000	6,12,837	10,60,592	...	63,695	50,80,437	0 4 8
Bengal ...	17,32,181	36,27,056	4,15,947	53,836	24,489	1,81,023	58,048	10,89,183	5,10,907	...	8,08,115	67,70,896	0 1 9
N. W. P. ...	...	18,90,528	1,73,475	2,20,291	1,45,111	32,892	84,894	2,686	11,29,911	...	...	37,84,420	0 1 4
Punjab ...	10,07,218	23,11,133	59,234	84,378	28,481	38,872	1,76,604	2,80,378	75,116	...	58,296	31,16,433	0 2 8
C. P. ...	3,03,527	4,01,582	1,73,043	9,224	7,767	25,628	2,780	78,436	1,14,101	...	94,875	9,08,744	0 1 6
Assam ...	1,79,054	6,47,031	63,214	343	...	16,648	...	1,10,431	2,10,492	...	1,74,855	12,22,411	0 3 11

N.B.—The grand total, I think, has been mainly struck up for fixing the incidence; it, I believe, includes some other figures, which have not been shown.

TABLE VII—First Part
(Year 1929-30)

	Service-Income					Remunerative Enterprises					
	Tolls	Ferries	Pounds	Miscellaneous	Total	Land Development	Motor Service	Market	Railways	Miscellaneous	Total
1	2	3	4	5	6	7	8	9	10	11	12
BENGAL ...	...	6,38,775	2,74,977	6,60,911	...	...	...	...	1,46,719	...	...
MADRAS ...	45,15,030	3,57,104	...	48,85,661	...	1,27,016	51,923	4,82,465	37,31,177	5,79,576	...
BOMBAY ...	...	6,39,627	4,94,355	16,55,212	...	...	...	...	...	...	...
UNITED PROVINCES ...	...	6,41,788	7,92,326	15,21,195	29,55,369	...	...	15,777	...	...	...
PUNJAB ...	...	2,66,742	1,80,989	22,71,576	27,19,367	...	...	...	...	...	...
CENTRAL PROVINCES ...	...	82,954	9,23,978	4,23,047	...	...	...	...	...	...	...
BIHAR AND ORISSA ...	...	3,60,613	29,75,085	8,08,865	14,67,663	...	...	...	21,033	...	21,033
ASSAM ...	...	1,76,680	1,30,327	3,49,650	6,56,657	...	...	...	...	...	...
BURMA ...	...	3,59,341-5-6	69,320-8-3	5,34,708-11-1	9,63,370-8-10	...	...	8,11,505-11-0	...	5,659-10-0	8,17,165-8-0

TABLE VII—Second Part

Cess	Taxation		Special Account				Grants			Grand Total	Debits	Grand Total with Debits
	Other Taxes	Total	Special Taxes	Miscellaneous	Total	Government Grants	Special Grants	Total	Miscellaneous			
13	14	15	16	17	18	19	20	21	22	23	24	25
80,08,090	...	...	...	...	...	42,52,168	...	...	1,12,271	1,40,93,914	...	...
93,78,710	3,35,908	...	14,07,288	3,92,817	...	48,25,261	64,77,118	...	25,13,130	4,00,61,184	...	...
48,40,169	9,070	...	...	...	...	1,24,91,496	...	...	1,37,007	2,02,67,536	...	...
73,82,400	2,95,986	76,78,386	...	...	...	...	...	...	...	...	...	...
59,04,703	2,21,937	61,26,690	...	...	...	1,15,35,824	...	...	3,38,654	2,07,20,475	...	...
18,94,120	4,11,671	...	2,33,025	...	...	26,32,431	...	...	1,84,971	67,86,197	...	...
72,70,954	88,437	73,59,391	...	...	...	42,48,569	...	42,48,569	57,778	1,31,53,834	...	...
11,06,730	...	...	...	...	...	17,21,146	...	...	8,713	34,93,246	...	...
24,82,120 9-9	6,929-4-0	24,89,110-13-9	...	...	...	43,32,785-11-0	...	...	66,848-8-9	86,69,281-2-4	...	...

N.B.—Tables I to VII have been prepared from books and papers mentioned in the body of the book.

CHAPTER III

SEPARATION OF REVENUES

We have seen that Lord Ripon's Government tried to bring about separation of local finance, meaning thereby independence of local authorities in matters financial in relation to the Central Government. It is needless to say, that separation of local finance takes for granted separation of revenues in some form or other. We are not speaking of separation of revenues in any technical way, but meaning by it interdependence of funds.⁵⁵ If we study the situation we may find, that the funds proposed to be placed with the local bodies were not simply the local cesses which were imposed when the Decentralisation Scheme was introduced but certain other resources which were not in the nature of taxes, but were more or less akin to Municipal trading. I have divided these funds into two categories: (1) Service-income, and (2) Income from remunerative enterprises. Although it is difficult to find out any fundamental difference between the two, still the distinction is real. Under the first head, would come the income from certain resources which are by their nature, Public-service utilities and managed by some corporations quite keen about the interests of the public and are seldom controlled by any private individual or company, and hence, the purpose of such management is not, really, so much gain as service to the public. Under this head, would come Cattle-pound receipts, tolls on roads and ferries, education-fees at primary or secondary schools, fees realised for use of Dak Bungalows, rent on lands and buildings, receipts from fairs and festivals, demonstration farms, roadside trees, arboriculture and so forth. Under remunerative enterprises would come those business enterprises which although might not have been resorted to, for gain in certain countries, were really utilised in India by the local authorities fundamentals for profit and their nature is such, that they can be controlled or managed as well, by private companies or individuals without any prejudice to the present regime of society. Under such enterprises would come Land Development Schemes, markets, motor-services and so forth. If we analyse the situation, we would see that although there was no local finance in the strict sense of the term, still, in some of the Provinces, the local needs used to be met, not simply from local cesses but from other service-incomes ever since Lord Canning reshuffled the 'Local funds' and specially since Local committees were introduced in 1871 for looking after the local needs; it is, however, since Lord Ripon's policy was promulgated, that some of the incomes (which were in their nature, local and which

were considered proper to be given over to the local committees) were transferred, as a part of that policy, to the local bodies and in many cases, sanctioned by Statutes.

Under Section 36(iii), Act IV of 1871 (Madras), local committees were empowered to levy tolls upon carriages, carts and animals passing along roads, rates being defined in the Schedule with the proviso that the net proceeds of all tolls were to be applied to construction, repair and maintenance of roads and communications. In the Central Provinces, there was no enactment organising local bodies before 1883 but tolls and other revenues were utilised for meeting local needs. In Bombay also, as we have already noticed, previously, the tolls were utilised for local purposes but there was no enactment transferring the funds to the local bodies. So far as cattle-pound-receipts are concerned, the Cattle Trespass Act of 1871 authorised the imposition of fines and the receipts were meant to be utilised only for local needs. Such receipts were given over for meeting local needs in C.P., Burma and Bombay, but before the inauguration of Lord Ripon's policy there was no legal enactment for transference of funds to the local bodies specifically; thus, the Cattle Trespass Act III of 1857 provided that surplus fines and unclaimed proceeds were to be utilised for construction of roads and bridges and works of a like nature and Act I of 1871 empowered the District Magistrate to apply the funds to any purpose of public utilities.⁵⁶ Besides these, however, in those provinces where the local committees were managing local services generally, e.g. education, medical, etc., the fees accruing under such services naturally vested in such committees. This was specially the case in Madras, Bombay, and N.W.P.;⁵⁷ although administration of schools was really controlled by the Education Department, the committees were entitled to spend a part of their revenues on education and had some hand in the management of schools; thus for example, in U.P. (N.W.P. and Oudh being amalgamated in 1877),⁵⁸ the committees could appoint teachers in Middle Vernacular and Lower Primary schools. In Madras, also the committees had power of fixing the fees and course of studies and some powers regarding grants-in-aid. In Bombay local committees exercised considerable influence in the management of schools and it is said, the committees were more independent than anywhere else.

In Bengal, the local committees were absolutely functional and they could not spend anything on Education and therefore there was no receipt under this head. In pursuance of Lord Ripon's policy the acts that were passed, transferred the service-incomes more or less local in nature to the local bodies. These mainly consisted of tolls on roads and

⁵⁵ Cf. 'A Comparative Study on National and Local Finance' by N. K. Sarkar, p. 124. In the present case, 'separation' was presumed to be more literal.

⁵⁶ Indian Legislative Assembly Debates—1871 & Act I of 1871 (Sec. 18).

⁵⁷ Report of Education Commission, 1882.

⁵⁸ Bombay Act VII, 1873; Madras Act III, 1873; Oudh Local Rates Act, 1878.

ferries where they existed, cattle-pound receipts, market receipts and also fees and subsidiary incomes accruing from the services transferred to local bodies. In Bengal, tolls were leviable under Act VIII of 1851 but were subsequently abolished. In 1890, in connection with the question of increasing the resources of District Boards, Sir H. Cotton prepared a 'Memorandum on Local Taxation' and suggested the imposition of tolls on roads but this was never accepted by the Government of India. In fact, except in Madras tolls on roads were not introduced in any other Province by the Acts passed in the eighties. In Madras under section 57 of Act V of 1884 local boards were empowered to levy tolls on carts, carriages and animals passing along roads within the District not exceeding rates laid down in the Schedule. In all the other provinces, tolls realised, really referred to the amounts collected at the ferries. In the United Provinces, however, the tolls were not made over to the Local Boards.¹⁹ The tolls on ferries became a source of income of the local boards in Bombay under section 44(c) of Act I of 1884. [There was no bar to a toll on roads as authorised by sec. 44(d)] in C.P., under section 23(d) of the C.P. Act I of 1883 read with section 7-A of the Northern Indian Ferries Act, 1878, in Bengal, under section 52(4) of Act III of 1885 read with Bengal Ferries Act of 1885 and in the Punjab under section 7-A of the Northern Indian Ferries Act of 1878 read with section 78 of the Punjab Act XX of 1883 by which the Local Government could direct that any public ferry could be transferred to the Local Board within the jurisdiction of which it was plied. Madras was the only province in which the cattle-trespass receipts were not made over to the Local Boards²⁰ and excepting the Acts passed for Madras, Bombay, and Assam, all the Acts imposed upon Local Boards, the duty of maintaining the pounds and the exercise of such other functions with regard to them as were given over to the said authorities [e.g. Act XIV of 1883 U.P., sec. 38(3), Act I of 1883 (C.P.) sec. 23(c)]. The various Acts also made provisions for the Local Boards being empowered to construct and maintain markets, rest-houses and other public works. There were also special provisions for special provinces regarding some special functions, thus in Bombay [sec. 30-h of Act I of 1884 and section 44(h) of the same Act], local boards were empowered to establish model farms and resort to measures for promoting agricultural improvement. In Bengal, U.P. and the Punjab, provision was made for holding agricultural fairs and exhibitions [100(3) of Bengal Act III of 1885].

These were naturally expected to yield some subsidiary income though, as we have said, the primary purpose was in certain cases, not profit but promotion of social welfare.

¹⁹ Resolution of Government of India, No. 18-37, dated 20th August 1897.

²⁰ Resolution of 1897 referred to before.

It is not the place to go into details as to which services (local in nature) were transferred to local bodies but we should note here, that in pursuance of Lord Ripon's policy and the recommendation of the Education Commission the Government of India decided that "when municipal and local boards exist, the regulation, supervision and encouragement of indigenous elementary schools, whether aided or unaided, should be entrusted to such boards"; hence, in all the Acts the separate school committees were superseded by the District Boards. The school fees, therefore, and similar other fees levied in connection with other services such as 'medical' and 'sanitation' became vested in the Local Boards [e.g. sec. 52(5) of Bengal Act III of 1885].

Tolls on roads continued to be levied in Madras alone (sec. 104 of Act XIV of 1920) and in no other province. In Bengal, tolls as we have said were leviable under Act VIII of 1851 but due to the policy of the then Lieutenant-Governor of Bengal and Sir Ashley Eden's determined action, they were abolished in 1879-80. In 1908, secs. 86-A to 86-M were introduced in the Self-Government Act and District Boards were empowered to establish toll-bars on bridges, footways, etc. and impose tolls at the gates; but as tolls were considered repugnant to economic principles, they were never encouraged in Bengal. Reimposition of tolls was likely to be a retrograde measure and obstructive to trade. In Act X of 1922 as amended by Act III of 1930 in U.P. there was provision for raising tolls on bridges (sec. 148).

Tolls on ferries were levied in all the Provinces and were a source of income to the District Boards (*Vide* Table VII). Provision was made in the respective Acts for directing the transference by the Local Government of tolls on roads and bridges to the District Boards. In practice, this source of income was mostly given over to the Local Authorities. [C.P. Act IV of 1920, sec. 54(c) read with sec. 7-A of the Northern Indian Ferries Act 1878, U.P. Act X of 1922 sec. 91(i) and so forth].

Receipts under Cattle Trespass Act were a large source of income of all the District Boards in all the provinces (except Madras).

So far as remunerative enterprises are concerned, Railways were a source of income in Madras, Bengal and much later, from its separation from Bengal, in Bihar and Orissa. It was a most potent source of income in Madras.²¹ The movement began in Tanjore in 1880, when land cess, till then levied at 9 pies in the rupee of land assessment, was raised to one anna to provide a guarantee fund for construction of Railway-lines. The first line was opened for traffic in 1894 from Mayavaram and was originally the joint-property of the Government and the District Board but the latter gradually acquired sole owner-

²¹ Resolution reviewing the work of District Boards, specially 1914-16.

ship by arrangement with the Government. Gradually Railway enterprise was extended to other Districts and in addition to the land cess, a special cess at the rate of three pies in the rupee of assessment was reserved solely for the construction of Railways in Arcot, Coimbatore, Guntur, Kistna, Madras, Salem, Tinnevely and so forth. The cess was imposed under section 57 of the Madras Act V of 1884. In Tanjore, one fourth of the receipts was reserved for railway operations. There was a special Railway guarantee fund for this purpose. The Tanjore District Board Railway was taken over by Government in April 1929.

The Bengal Act also empowered Local Boards to construct and maintain or guarantee, local Railways and Tramways (secs. 81 and 82) and for that purpose, the District Board was authorized to subscribe to any debenture-loans raised by the Government of India or by any Municipal Authority or Local Authority. Railways were worked in Bengal also, by companies under the guarantee system.

Omnibus services and Land-development schemes were introduced in Madras only and nowhere else.

So far as Markets are concerned, it appears, the Madras Act made special provision for levying fees for temporary use of cart-stands and markets, market sites, village-sites and other similar public places (sec. 57-V) and receipts from markets proved to be one of the important receipts of the District Boards. In Burma and U.P. also, receipts from markets gradually became one of the important resources of Local Boards but this was not brought about during the period, immediately following Lord Ripon's Viceroyalty. We have noticed, that in all the Acts, provision was made for the maintenance of markets but there was no such regulation for imposition of fees and in none of the Provinces, so far as Local Boards are concerned, did market receipts prove a source of considerable revenue. Receipts under this head were most prominent in Madras, amounting to about five lakhs in 1929-30. We should note here, that formerly, the receipts went to the Taluk Local Boards but under the amendment—Act XI of 1930, these vested in the village panchayats. Markets could be either 'Public' or 'Private', according as they were maintained by the 'Local Fund' or 'Private Persons'. In the former case, fees could be levied for use of such markets as for example, exposing of goods for sale, use of shops, fees on vehicles carrying goods to the markets and so forth [sec. 168(2)]. In the latter case, no private person was allowed to open a market without a licence from the local authority, and when such persons were allowed to levy fees they had to pay a fee not exceeding 15 per cent of the gross income of the previous year (sec. 174). Similar provision was also made in the C.P. Act (secs. 23 and 25).

CHAPTER IV

TAXATION

So far as tax-receipts are concerned, Lord Ripon's policy did not provide for any new sources for local authorities. He tried to allocate a part of the 'Excise Duty' and the 'Licence Tax' to local authorities but the Board of Revenue (Bengal) pointed out that none of the taxes could be handed over to them, for, (i) so far as fees from 'outstills' were concerned (which were specially referred to) the transfer would seriously affect the Provincial revenues, and (ii) the Excise revenue itself, would suffer very seriously, if the administration were left to local authorities. The 'Licence Tax' also was likely to suffer without supervision and supervision was likely to be resented and to lead to constant friction.²² There was a proposal also, regarding the determination of the rate of the cess by the Local Boards but this too, could only be partially effected.

While the tax-receipts could not be augmented except in certain cases, the local authorities were provided funds legally and got really budgets of their own, instead of depending on funds arbitrarily allotted from provincial budgets. In Bengal, Bombay, and Madras, the road-cess vested in the local committees even from 1871, but in other provinces it was only since 1885 that the Boards became entitled to a part of the local cesses legally. Thus in the Punjab, it was laid down that 4/5ths of the net proceeds (sec. 9) would be allotted to District Boards and even a part of the remaining fifth might be given to them according to the discretion of the Government. In N.W.P. not less than nine-tenths of the cess were to be utilised for local needs and given over to District Boards (secs. 11 and 38 of Act XIV of 1883). In Oudh 4/9ths could be utilised for famine purposes but the rest was to be given to the Boards. In C.P., Act I of 1883 introduced local committees for the first time and the Boards were entitled to the cesses that still continued to be levied only by agreement during settlements (generally 6 pies in the rupee of land revenue).

In the Punjab only, by Act XX of 1883, the statutory limit of eight pies was increased to one anna and in Madras, a rate not exceeding 2 annas could be imposed in Malabar, South Canara and Nilgiris. We must not forget, however, that in 1878 due to the famine-policy inaugu-

²² Letter No. 533-A, dated the 14th August 1882, from the Board of Revenue to the Secretary, Government of Bengal.

rated, the cesses were increased in U.P., C.P., Punjab and Bengal.⁶¹ The purpose, for which, these cesses were imposed, has been related in another chapter and the increase of cesses did not contribute to the increase of income of District Boards. Not only did this famine-policy not increase the income, but at least, in the case of Bengal, lead to the abolition of the house-tax which was levied by the Cess Act of 1871. The Public Works cess that was imposed in 1878 was primarily meant for initiating a new famine-policy and as due to the policy of non-interference with trade, agriculturists, traders and commercial classes gained most by famines in other parts of the country and as in other unfavourable times they were the people who were expected to gain most, the additional tax was intended to be imposed on these classes. The P.W. cess hence, was imposed on agriculturists and landholders and a licence tax was imposed on traders and artisans, part of which was to be given to the Imperial Government in compliance with the newly inaugurated famine policy. The existing house-tax would primarily affect these very classes ; moreover, it was also unpopular both with the officials and non-officials specially because it yielded very unsatisfactory revenue.⁶² Hence this tax was abolished.

So far as the rates are concerned, no modification worth the name was made for a long time. In 1905, however, due to the surplus in the Imperial Exchequer, the "further" or famine cesses were abolished and some changes made in the taxation system in the United Provinces. By the Local and Police Rates Act of 1906, the Patwari-rate (which was reintroduced in 1889) was abolished and the rural police of Oudh was financed by a special rate of 3 per cent of annual value of land and kept in a separate account, thus relieving the ordinary district rate. The General District rate was further increased to 2½ per cent of annual

⁶¹ N.-W.P.:—There was a cess of 5% of annual value (double land-revenue) and in case of permanently settled lands, a rate of 2 as. per acre under cultivation. Local Rates Act of 1878 imposed an additional rate of 1% in the former case and ½ anna in the latter.

Oudh:—The statutory limit was increased to 2½%, i.e. an increase of 1%.

C. P.:—Act X of 1878: 1% of annual value (in case of land subject to revision, annual value would mean double land revenue, in other cases, double of an approximately assessable land-revenue.

Punjab:—Statutory limit was increased to eight pies and a part of the rates not exceeding ¼th of the total proceeds could be utilised for Provincial purposes.

⁶² Cf., Sir John Strachey—Legislative Assembly Debates, 1878.

N.B.—In Bengal, the P. W. Cess and the Road Cess were consolidated by the Cess Act of 1880. Both the cesses were leviable on annual value of lands and annual net-profit of mines and quarries, Railways and other immovable property, provided that Railways and tramways owned and guaranteed by the Government, would not pay any cess. The maximum rate for each, was half an anna in the rupee. Road cess being fixed by the District Committee and the P. W. Cess by the Lieutenant-Governor (Secs. 35 & 39). The balance of the Road Cess after payment of the expenses required by the Collector for any expenditure regarding valuation or other ancillary work or any cost or damage together with any sums assigned as contributed for assessing and collecting the cess jointly, was placed at the disposal of District Boards by Act III of 1885.

value. In pursuance of the recommendations of the Decentralisation Commission, the Provincial Governments were asked in 1913 to transfer the cesses that were still utilised for Provincial purposes to the District Boards. Accordingly, the P.W. cess in Bengal and other similar cesses were given over to District Boards.⁶³

We should digress a little here, to consider the nature of this cess. We have noticed, that the original intention in 1871 was to introduce a local tax more or less in conformity with the principle of ability and not on 'real property' alone ; we should now try to adjudge the character of the tax.

It could not be said to be an indirect assessment on income. In the Provinces, where there was no Permanent Settlement, the landholders paid the cess direct and the cess was tacked to land revenue. Annual value of land could be supposed to be an indirect index of 'ability', if the annual value had not been fixed for the period, for which there was no revision of land revenue, and if the rate had not been a flat one but graduated. In Bengal, it is very difficult to say what the nature of the tax really was ; some were of opinion that it should be considered a beneficial rate and the zemindars should be exempted as they were merely annuitants receiving fixed revenue from intermediate landlords and would not derive any definite benefit for improvement of roads.⁶⁴ From the nature of the tax and the discussions that were made while introducing the rate in 1871, it would, however, appear that it was really a tax on real property with provision for shifting a part of the burden to tenants and occupiers. Originally, it was intended that ¾ths of the rate on annual value should be paid by the tenants but subsequently, it was agreed that the raiyats should pay half of the total rate and the landlords the other half, but they should get one-half of the declared value as deduction for collection of the rates on behalf of the Government.⁶⁵

I am persuaded to believe the Tax was a real property tax. In case of Land Revenue, there was and probably there is divergence of opinion regarding its nature, some holding that the state is the owner of land and therefore the Land Revenue that is paid is really rent ; others hold different view.⁶⁶ In the case of the Cess, it was declared, it may be

⁶³ Financial Statement, 1912.

N.B.—In the Punjab, 20% of the cesses was utilised by the Provincial Government. In U. P., in 1914, the Police Rates were abolished in non-permanent-settlement Districts, a rate not exceeding 5% of annual value was imposed and all the proceeds were credited to the District Fund (Sec. 5). In other areas, a rate not exceeding 2 as. per acre of the area of cultivation was imposed provision being made for differential assessment regarding nature and value of crops grown.

⁶⁴ Report of the Scatch Committee 1871.

⁶⁵ Ibid.

⁶⁶ Cf. Bastable—'Public Finance'.

deduced to be a tax in the whole of India.⁶ From the Report of the Scotch Committee, 1871, we come to know that at least in Bengal it was intended that Tax-payers should "contribute according to the value of their interest in the property and not according to their expectation of benefits to be derived from that to which the tax is to be applied".⁷ It is a fact that the cess was in some way or other connected with property—it may be annual value on areas; consequently, there is no denying the fact that the object of taxation was real property. Real property and along with personality comes to play an important role in assessment of ability but no such consideration appears to have been directly under contemplation. This is not the place to deal with the justice of such imposition; we may, however, hold with Professor Bastable that "it is not easy to bring the numerous public charges, and the equally numerous functions whose cost they defray to the test of a common calculation" and that if equality of taxation is to be achieved in the whole financial system there may be inequalities here and there. In practice, it is a fact that real property taxes are imposed in most countries severally and not always along with personality for assessment of ability.⁸ The question of equality and justice in this connection is fraught

⁶ Cf. Duke of Argyle's Despatch of 1870 referred to, in Chapter II.

⁷ The working of the Tax (Cess) may be illustrated thus:—

Four crores were the Land Revenue paid by the Zemindars in Bengal and twelve crores were taken approximately as the annual value of lands. A rate of $\frac{1}{2}$ anna was expected to bring in, about Rs. 25 lacs. (Probably this takes into account non-realisation of a certain amount?) Of this, Raiyats were to pay $\frac{1}{2}$, viz. Rs. 12½ lacs and the superior landlords $\frac{1}{2}$. But due to the concession given for collecting the rate, they would get a remission of $\frac{1}{2}$ of the declared rate on land-revenue, i.e. ($\frac{1}{2} \times \frac{1}{2}$) annas of four crores or Rs. 6.25 lacs and the whole of this amount meant so much loss to the Government. Out of about 18.75 lacs Rs. 12.50 lacs were to be paid by Raiyats and Rs. 6.25 lacs by superior landlords. The distribution between intermediate landlords and Zemindars was made according to the formula $V \times R - \frac{R}{2G}$ where V = Annual Value, R = Rate of Cess and G = the revenue paid to the superior landlord. [This formula was thus illustrated by the present writer in a contribution to the *Modern Review* in the February issue of 1930:—Thus in the case of an estate the revenue of which is Rs. 200, if it be leased out to a Patnidar at an annual rent of Rs. 500 and the Raiyats pay Rs. 300 as rent to the tenureholder the cess would be realised thus:

The annual value should be taken at Rs. 500; the estateholder would pay to Government if the rate had been $\frac{1}{2}$ anna in the rupee ($500 \times \frac{1}{2}$) a — $\frac{1}{2 \times 2} (200) = 200$ as. Of this the Raiyats would pay $300 \times \frac{1}{2 \times 2} = 75$ as. to the tenureholder who together with the collected Raiyats' share would pay ($500 \times \frac{1}{2}$) a — $\frac{1}{2 \times 2} \times 500 = 125$ as. i.e. $125 - 75 = 50$ as. on his own account. The estateholder would get 125 as. from the Patnidar and pay $\frac{500}{2} - a - \frac{200}{2 \times 2} a = 200$ as. to the Government and thus himself would pay $200 - 125 = 75$ as.]

⁸ Cf. A comparative study on National and National Finance by the present writer regarding Principles of Taxation—Appendix II. Pigon in his 'A Study in Public Finance' refers to the tax on what can be called unimproved site-value and says 'it works like a poll tax' and unless the object changes hands several times may prove severe from distributional aspect. Sir E. Hamilton in the Minority Report of the Royal Commission on Local Taxation spoke of this land tax as a

with the greatest difficulties; and it may not be expected in an historical outline like this, to adjudge its merits in the light of the technicalities of public finance.

(1) It will be apparent from the above account that the differences in the sources from which the income of Local Boards was drawn were far less marked than in the case of Municipal revenues. The reasons were that prior to 1882 Municipal Self-Government had already developed on certain lines widely divergent according to peculiar circumstances of different Provinces and when the principles regarding development of Local Government promulgated by the Government of India, were incorporated in the laws, they were done with due regard to special conditions in each province. With Local Boards it was different; local taxation was the direct outcome of the Decentralisation policy and the sources of revenue open to Local Boards were extremely circumscribed. In the case of Municipalities, it was the intention of the Government that they should be allowed to devise as many and as diverse forms of taxation as possible. In fact, in their circular letter, Home Department, No. 2-96 to 103 dated 28th September 1877 the Government expressed the disapproval of want of fertility in devising new forms of taxation and discouraged the inclination evinced to copy the imperial Income-tax and introduce it for municipal purposes. In the case of Local Boards, the cess was the only source of substantial revenue.

(2) The other characteristic was, that in the Local Self-Government policy, the Government expected that the revenues assigned to local boards would prove very elastic but the reverse proved to be the case. The services transferred, proved to be more elastic and required greater and greater expenditure whereas the revenues proved to be extremely inelastic.

The result was great financial stringency of the boards and need for greater funds. This was initially tried to be tackled in most of the provinces by measures other than taxation; the reason why taxation was tried to be avoided, and how it failed and how extra taxation became necessary, will now be dealt with.

The cess was always collected with Land Revenue through Governmental agency. It was considered improper, to give the Rural Boards powers of taxation without the responsibility of collection. Besides, the Rural Boards were not fully representative. It goes against all

rent charge and a portion of the 'poor rate' rent charge and hereditary burden. Prof. Seligman also referred to the Capitalistic Theory and believed that such a tax could be assumed to cease to be a tax on the owner and become a rent-charge in favour of the state. Dr. Dalton, if I am correct, does not believe that 'an old tax is no tax' and probably holds that as 'all taxes are paid by persons and not by things' therefore, such a land tax, if it is allowed to exist, should come under the proper category of taxes falling on persons.

canons of taxation that the taxing authorities should be given power to impose a tax at the same time not become responsible to the taxpayers. Before the Reforms, any enactment to raise the taxing powers required the sanction of the Government of India and as in certain cases, the Boards were indebted to Government it was considered proper, that proposals for change should be considered on their own merits although, within the limits set down by legislation, boards might be allowed to vary the taxes.* The policy was justified by another reason, as later history showed, viz. the inability and unwillingness of the boards to impose taxes and to utilise their resources to the best of their capacity. If we study the financial condition of the local boards in the Pre-Reforms period, it will be found that most of them had some common characteristic features. We are not taking into account the case of Assam and Burma. Assam had no real local boards and local budget before 1915 and Burma before 1922. In most of the other provinces, the boards were suffering (a) from an over-abundance of closing balances much above the fixed minima, and (b) hence in some of them, e.g. Bombay, because of the huge amount of closing balances, individual members were unwilling to impose any further local taxation.

The huge closing balances in Bombay and Bihar and Orissa (where a good amount of the balances was invested in war loans) cannot conceal the fact, that the financial condition of the boards was far from being very solvent. The explanation of the huge closing balances is probably (1) that the boards had little administrative experience and their method of budgetting was extremely defective. The closing balances were hence most illusory and not real. In most cases, it was due to non-completion of the budgetted programme of works for some reason or other; (2) again, at the time of framing the budgets they could not anticipate the proceeds of the resources which were in certain cases far in excess of the estimated yield (Resolution P. 52 Bombay, 18-9-1925); or probably we can express it in another way and say that their normal income used to be under-estimated; (3) moreover, in certain other cases, the revenue of the succeeding year was received before the close of the year (*ibid*); (4) another reason for the largeness of the closing balances was very aptly furnished by the Boards of Bihar and Orissa where, due to the depression in the coal-trade, the yield of cesses from collieries in certain districts, e.g. Manbhum and Hazarigah gradually dwindled far below the normal yield; hence they had to build up a reserve, against possible decreases. With the introduction of new factors in the situation, it was considered impolitic to encourage the confining of the closing balances to the minimum prescribed, because (a) introduction of popular control rendered a board's policy liable to periodical changes and popular policies involved recurring expenditure, which in turn

* Resolution of Government of India (55-57) of 1915 & 41 of 1918.

was an argument for accumulation of substantial reserves; (b) the ministers were sensitive to popular feeling and grants were likely to vary from year to year, and consequently reserves for lean years were most required (Resolution No. 106854 L.S.G. dated 20-11-1928—Bihar and Orissa). These explanations are sufficient to show that closing balances were no indication of the financial solvency of the Boards. The measures advocated or adopted, for meeting the situation and improving the finances of the Boards, varied in different provinces. They however were in most cases of the following types: (1) Provision for capital works out of loan funds instead of, from current revenues. In most Provinces, capital works were financed from current revenues. The Financial Relations Committee, Madras, 1920, recommended that capital expenditure should be financed ordinarily out of Loan Funds. In Bengal, as we shall see later, a practical scheme was evolved in 1928 to induce the Boards to resort to borrowing for capital works.

(2) Devolution of such functions, to Village and Union Committees, as could be properly discharged by local representatives of the area which would be mainly benefited by them. The District Boards were expected to assist by subsidies and insist, by supervision, on a higher standard of performances (Bihar and Orissa Resolution of 1924-25). In Bengal too, it was pointed out that the remedy lay in the organisation of local resources, for which ample scope was provided by the Union Boards. They were created with the express purpose of dealing with sanitation, rural water supply and similar village problems.

(3) Carefully rationing available funds so that no particular department should receive unduly favourable treatment at the expense of other departments of the Boards. Defective budgetting and method of distribution of the resources are often responsible for causing financial stringency. This was pointed out by the conference of representatives of District Boards, Punjab in December 1923. The Assam District Boards were suffering from this defect to a very great extent. To guard against such contingencies, provision has been made in some Provinces for completely earmarking funds. In Madras G.C. No. 3372 L. & M. dated No. 27 1924, definitely laid down that local boards and municipal councils should not divert the earmarked funds, even temporarily, for other purposes without the previous sanction of the Government. Receipts, charges and balances of each earmarked fund are kept distinct. The question of having separate banking accounts for all funds was considered, but shelved owing to the possibility of additional work that might be involved thereby. To facilitate this, certain further measures were adopted in 1924, for providing local bodies with sufficient funds for general expenditure, throughout the year, so that there could be no occasion for encroaching upon the earmarked funds. These measures were mainly, providing the local boards every month

diverted to non-agricultural purposes, but not payable on any land lying within municipal limits. Besides, an additional cess of $6\frac{1}{4}$ per cent for maintenance of schools or roads or any other purpose could be imposed under section 49 of the Act; under section 50, an additional school-rate for people not taxed under section 48 or 49 except in case of non-agricultural property, might be imposed on persons occupying houses, buildings or lands within the limits of any village or group of villages—the rate being the same as specified in Act II of 1920 (Village Sanitation and Public Management Act). Above all under section 51, the District Council could impose any other tax, toll or rate. Under these powers a tax on ginning and pressing cotton and a terminal tax were imposed. Greater use, however, was made of the right of levying fees and tolls and of control in any market vesting in District Councils under section 23 of the Act and also fees for granting licences for private markets under sections 26 and 30.⁷⁶ The special school rate on non-agricultural classes, was highly successful in Berar and there was ample justification for extending it to the Central Provinces proper. A terminal tax on rail-borne trade could not yield good result, because of the failure to make suitable arrangements with the Railway companies. A terminal tax on 'bidi' and 'bidi' leaves in the Bhandura District yielded a comparatively large income.

Under the United Provinces Act X of 1922, the Boards were empowered to levy a tax on circumstances and property with reference to non-agricultural incomes (secs. 108 and 114) and to enhance the percentage of the cess to $6\frac{1}{2}$ per cent of annual value of lands instead of 5 per cent. In the case of permanently settled districts of Benares the maximum limit of the acreage rate was enhanced and fixed at 2 annas and 6 pies per acre. The Circumstances and Property Tax was incorporated in the law for making the non-agricultural classes bear a portion of the burden. The maximum rate was 4 pies in the rupee and the taxable income was not less than two hundred rupees per annum. The maximum amount of tax imposed was to be prescribed by rules. The Circumstances and Property Tax was unpopular and by 1929-30 only 16 districts had imposed it yielding an income of about 3 lakhs, as against an income from local rates of about 74 lakhs. The assessment and collection of the tax were comparatively difficult and unduly expensive.

In Madras, the Local Boards Act of 1920 gave certain additional powers of taxation; as the Taluk boards had separate funds of their own and the nature of the taxes was complicated, provision was made for differentiation of incomes and for avoidance of double taxation. The taxes that could be imposed by District Boards were defined in sec. 75 and were the land cess, the tax on companies, the profession tax,

the tax on houses and tolls on carriages, carts, palanquins and animals. The District Board had power of taxation but Taluk and Union Boards had no such power. Within the limits the Act postulated, a District Board decided as to which taxes should be levied in Taluk and Union Boards. The receipts for credit to the District fund were fully defined in Schedule V of the Act (Rule 5). Besides the receipts specified, other receipts arising out of, or received for expenditure on, services looked after by District, Taluk or Union Boards (Rule 6) could be credited to the statutory funds of the respective Boards.

The receipts to be credited to the District fund were the land-cess, tolls, fees for licences issued under the Act, fees for travellers—bungalows, rest houses, and other miscellaneous funds. The land-cess must be one anna in the rupee of annual rent value and might comprise another 3 pies in the rupee for District Boards and 3 pies for the Taluk Boards so that when the full rate was assessed, both the District Boards and the Taluk Boards would get 9 pies in the rupee (sec. 78).

The annual rent value of ryotwari lands held direct from the Government, was the assessment, lease amount royalty or other sum payable to Government together with any water rate payable for its irrigation. Under the old Act a railway cess of 3 pies in the rupee under section 57 of the Madras Local Boards Act, 1884, was levied in certain local areas as a tax for construction of tramways or rail roads. That cess was abolished but District Boards could construct railways with the previous sanction of the Government of India (sec. 113) and the old cess fund could be utilised for these purposes or for construction of new roads and bridges (sec. 236). There was great increase of receipts under land cess due to the imposition of the additional cess of 3 pies in the rupee, total income, including those of Taluk Boards, rising by 20 lakhs under this head.⁷⁷ Tolls were levied on carriages, carts, palanquins, etc. and with the sanction of the Local Government on foot passengers going over a public bridge (sec. 104) the rates being laid down in Schedule IV of the Act, income under this head has also much increased due to increase of road traffic.

In Bombay so far as the cess was concerned the rate was not determined by the District Boards, but the Government levied a cess of one anna in the rupee which could be increased to two annas on an application by the District Board of every sum payable to the Government as Land Revenue⁷⁸ (sec. 93). Besides, the Government might levy a cess not exceeding 2 annas on every rupee of water rate, leviable under the provision of the Bombay Irrigation Act (sec. 95). Under section

⁷⁶ Resolution of 1928-29 regarding working of District Boards.

⁷⁷ Memorandum submitted to the Simon Commission by the Government of India.

⁷⁸ Bombay Local Boards Act VI of 1923.

99, the Boards were empowered to levy any tax not repugnant to the Scheduled Taxes Rules subject to the sanction of the Commissioner of the Division.⁷⁷ The granting of such powers of taxation was not of any use in Bombay. Boards were unwilling to impose any tax but there was some increase of receipts under local rates due to the enhancement of rates and larger realisation of the irrigation cess. In one district alone, the cess was doubled and octroi was introduced in Ratnagiri and a tax on profession in Kanara.

In Assam (cf. Act I of 1915, Acts VI and VIII of 1926 and Act I of 1928) for every subdivision (for here there were no District Boards others being a local board for every sub-division) there was a local fund for each board to which were credited, proceeds of rates under the Assam Local Rates Regulation, 1897, tolls on roads, receipts from ferries, fees, penalties and other taxes under section 37 and all contributions. The Local Government levied (sec. 3, Assam Regulation, 1897), a cess not exceeding 1 anna 4 pies for every rupee of annual value where annual value means land revenue if periodically resettled but twice the land revenue if compounded, released or assigned. In permanently settled areas, the rate was Rs. 2 per acre of land. Every local board had an option of imposing a rate, besides the aforementioned rate, not exceeding three pies for every rupee of the annual value for the purpose of the construction of any railway and tramway. By Act I of 1928, Local Boards were empowered (sec. 52-D) with the previous sanction of the Local Government to impose within the local limits of its jurisdictions any tax included in Schedule II of the Scheduled Taxes, Rules, and according to Act VIII of 1926 (sec. 52-A), they could impose a licence fee on carriages or carts.

The only steps taken, to improve the finances were the imposition of the carriage and cart-taxes which became universal. The question of imposing other taxes and the raising of the local rate received scant attention from the boards.⁷⁸ The Dhubri Local Board only raised the local rates, by one pice. In the tea-districts, however, under section 3-A of Act VI of 1926, an additional cess was levied at a rate which, when added to the ordinary local cess, would make the total rate eight annas an acre. The proceeds were credited to a Road-fund to be administered under the orders of the Government for improvement of road communications in the districts where such rates were levied. This fund also administered by a separate board highly represented by the planting members.

In Burma, the Burma Rural Self-Government Act of 1921 introduced real local self-government in the province. Before that, District

funds in upper Burma and District cess funds in Lower Burma were administered by the Deputy Commissioners. Even now, there was no cess or for the matter of that, any real local taxation in Upper Burma. In Upper Burma, the District fund consisted of resources mostly of the nature of fees or income derived from the exercise of functions of the District councils (No. 127 V-25—Ministry, Local Government—1925).

(But under Act IV of 1920, the Local Government might direct that a portion of the land revenue be given over to the District Boards.) Besides taxes which we are to consider later, these funds consisted in both Upper and Lower Burma, of cattle-pound receipts (C.T. Act of 1871), fees and fines realised under Burma Ferries Act, 1898, licence fees for Pawn-shops (sec. 20-A of Act VI of 1907). The whole of the cess levied under Act II of 1880 (Burma District Cesses and Rural Police Act of 1880) was given over to the District councils in Lower Burma.

The cess was levied on all lands assessed to land revenue at the rate of ten per cent on the amount of such revenue. Under section 26, a District council could levy a tax on circumstances and property—the rate being such as not to exceed Rs. 8 and not to be less than Rs. 2 per annum. Under sub-section (4), however, a capitation-tax for Lower Burma (sec. 34 of Land and Revenue Act II of 1876) or Thathamada tax for Upper Burma (sec. 22 of the Upper Burma Land and Revenue Regulation III 1889) could be levied where this circumstances-and-property tax was imposed. This would necessitate a financial adjustment between the local authorities and Provincial Government. Hence, pending such adjustment, no action could be taken under this section. Neither was any cess imposed under section 27, for Railway or tramway purposes. Rents and premium derived from town and village lands, were not at the time, assigned under section 33(1) G.

In Bengal, Bihar and Orissa, the only change made, regarding the increase of the legal resources of the Boards since 1885, had been the insertion of secs. 86-A to 86-M in the Bengal Self-Government Amendment Act of 1908. By this Act, the District Boards were empowered to establish a toll-bar on any bridge, roadway or footway of a railway bridge or at any place in the district, where tolls might be conveniently levied. The financial stringency of the Boards continued to be acute. Various methods of increasing the resources, were considered and it was the decided opinion of the Government that this stringency could not be mitigated, unless District Boards were inclined to impose new taxation. The several conferences of representatives of District Boards held for considering the question, were not in favour of imposing any direct taxation but agreed to levy a tax on carriages including motor vehicles and upon persons, attending *melas* as well as upon the owners of such *melas* and also to empower them to levy licence fees of Private Markets.

⁷⁷ N.B.—The Cess income used to go to the Taluk Boards in Bombay.

⁷⁸ 2408 L.S.G. 21-12-1929 Circular letter (?).

Bills were brought forward in 1923 but none of them could be passed. In Bihar and Orissa, also, no new provision had at the time been made regarding increasing the resources of the Boards. The Bihar and Orissa Self-Government Act of 1923 did not introduce any new resources.

Finances of Taluk or Local Boards

A few words should here be noted regarding the finances of the smaller Rural Boards. In Bengal, ever since 1870, there had been Branch Cess Committees for sub-divisions, for looking after the local needs and what was considered more necessary at the time, to make the local nature of the cess direct and palpable. There were no such local committees in any other Provinces. They had, however, no funds of their own, and their duties were limited to what was delegated by the District Road Cess Committees and their resources were what were given by the District Road Committees for proper discharge of their duties. In the Acts that followed Lord Ripon's promulgation of Local Self-Government policy, the position became different in different provinces. U.P., Assam and Burma could be left out of account, for our purposes. In none of them, was there any intermediate board. There were no Local Boards in Assam and Burma, nor were there any local budgets before 1915 and 1922 respectively.

Consequently, the position of the intermediate Boards was different in different Provinces. It might be safely said, however, that it was only in Madras and Bombay, that they had financial resources legally provided for, in the Acts, that in all other Provinces they served, more or less, as electoral Colleges and as agents of District Boards. In C.P., under section 41 of Act IV of 1920, a Local Board could be declared independent, whereby it would have the same powers including raising of funds for its purposes within its area as a District Council under the Act, and would cease to be under the control of the District Council; otherwise, here also, the Local Boards (*vide* secs. 26 and 37 of Act IV of 1920) were nothing but agents of District Boards and their financial powers and duties were thoroughly controlled by the District Councils. They had no separate sources of revenues except what was granted by the District Councils for meeting the estimated expenditure as submitted in a statement under section 37(a).

New complications had arisen in C.P., regarding relation of District Councils with intermediate Boards. Local Boards resented interference with their work which they considered improper and undue, and in absence of any provision in law, for defining their relations, the Government advised the councils to frame bye-laws for definitely laying down their mutual relations (1929) and bye-laws were accordingly framed. In Assam, there were no intermediate Boards, the unit of Local

Self-Government there, being the Sub-divisional Board. In the United Provinces, there was no intermediate Board, but under section 62 of the Act of 1922 there was a Tahsil-committee for each Tahsil of the District Board for assisting, in the administration of the affairs of the Tahsil and had such powers and performed such duties as were delegated by the (District) Boards. District Boards, as a whole, did not desire any devolution of functions. They had generally a nominal existence. In the Punjab, Bengal, Bihar and Orissa, Local Boards (i.e. intermediate boards) were nothing but agents of the District Boards. Under section 212(2) of the Punjab Act, the Local Boards were the agents of the District Boards for specified matters transferred to their control. The financial dependence of the 'local boards' made it impossible for them to exercise any real function of local self-government. The Local Boards in the Punjab were not very successful. It was considered more proper that the personnel of the Local Boards should act as sub-committees of the District Boards to consider local needs and supervise all the activities of the District Boards within that area (Review of the working of the Boards, 1911-12). The tendency here (as we will see when considering the question of Village Boards) had been to establish village panchayats for looking after the sanitation of the villages. In Bengal, Bihar and Orissa, also, the intermediate Local Boards had no funds of their own and acted as agents of the District Boards under sections 101 and 102 of the Bengal Local Self-Government Act of 1885. In Bengal, also, Local Boards failed in the purposes. With the introduction of the Bengal Village Self-Government Act, it was thought that the new functions of the Local Boards as supervisory authorities, would infuse new life into their activities but gradually, it was found that they were a fifth wheel in the coach. Little use was made of section 101 and few Boards had important duties and responsibilities, delegated to them and the income they handled was extremely small. These boards maintained generally village roads and were responsible for village sanitation while various functions gradually devolved on Village Unions. They were, generally (though not universally), in charge of the management of pounds and (except those situated within the boundaries of a union committee) ferries.

In Bombay, Taluk Boards had no separate sources of income but there was provision in law, for sharing the income with the District Boards. Under section 76 of Act VI of 1923, the funds available for Taluk Boards were the balance of local funds under the Acts of 1865 and 1869, the balances of the cess income under sections 93 and 95 which were adverted to, hereinbefore, all rents and profits accruing from property, placed by the Government under the management of a local board or allowed to vest in a local board, funds, fees, fines and penalties levied in the district under the Poisons Act of 1919, as the Government

might direct, receipts under the Cattle Trespass Act of 1871, fees levied in the District under Bombay Land Revenue Code 1879, for permission to remove sand or to quarry, and sums contributed by private persons, after necessary deduction for provision made for educational purposes under section 80 and for such charges as are payable by the District Boards under sections 78 and 81 as the said Boards would deem equitable. The wording of the section was extremely deceptive. Thus disbursement for these charges was essential and consumed the major portion of the expenses of the Boards. Sec. 80 said that at least 1/3rd of this cess-income [75(b) and (c)] must be spent for maintenance of primary schools including stipends for teachers when necessary and other educational purposes.

Moreover, under the method of sharing and calculation as provided in secs. 78 and 81 provision used to be made for construction, maintenance and repair of main roads, and other means of through communications, maintenance of any building that devolved on it and such large works as were beyond the capacity of Local Boards and the most important of all charges, salaries of officers and servants and similar necessary establishment charges. The result was that when deduction was made for all the charges payable by the District Local Boards, the amount left to the Taluk Boards was extremely meagre. The amount of resources available for Taluk Local Boards, ranged from 4 to 5 lakhs, whereas the funds that were spent by the District Local Boards in 1928-29 were Rs. 196,59,304, excluding the opening balance and Rs. 262,18,120 including opening balances and loans.

The difference of Bombay Taluk Boards from those enumerated before, lay in the fact that under section 81(2) if a difference of opinion arose between a District Board and a Taluk Local Board regarding any charges, work, institutional services, etc. the decision of the issue would rest on the Divisional Commissioner and hence in getting a share of the total income available, the Taluk Boards had a greater voice than in other cases where the intermediate Boards were mere agents, specially because under section 85(2) the former were entitled to know how the share of income available to them had been arrived at. Because of this, returns of income and expenditure of the Bombay Taluk Boards had been shown separately since 1912-13.

In Madras, the status and function and resources of Taluk Boards were legally recognised and were thus, different from those of intermediate Boards in other Provinces. The jurisdiction of a Taluk Board here, was not co-terminous with the Revenue Taluk and might extend over one or more 'revenue taluks.' Before the Local Boards Act, 1920, due to the fact, that Revenue Divisional Officers were *ex-officio* Presidents of the Taluk Local Boards, the recommendation of the Decentra-

lisation Commission, that the Taluk and Tahsil would be the best jurisdictional unit for Sub-District Boards could not be completely carried out. Now, however, since the passing of the Madras Local Boards Act of 1920, which did not require the Revenue Officers to be *ex-officio* Presidents, the Government of Madras agreed to the splitting up of Taluk Boards when it was found conducive to the interest of administration and the number, accordingly, increased. Under the New Act, each class of boards had an independent status, funds and functions although the District and Taluk Boards had power and control over Taluk Boards and Union Boards respectively.

Taluk Boards in Madras had separate 'funds' of their own (sec. 3) and Rule 5-B of Schedule V defined which receipts should be credited to the 'funds'. The Taluk Boards, however, had no power of taxation. If, however, the District Boards imposed any tax provided in the Act, the Taluk Boards would get the receipts if so provided, in the said Schedule. Such receipts comprised of one half of the land cess mentioned beforehand, an additional 3 pies cess imposed in the same way if the Taluk Boards consented to such imposition within their area [sec. 78-b(ii)] proceeds of the tax on companies (u.s. 92) and those of a tax on profession (u.s. 93) and a pilgrim tax (u.s. 110) in non-union areas. Besides these purely tax receipts, a Taluk Board was also entitled to get fees for use of cart stands, markets and slaughter-houses constructed from taluk funds, fines levied for commission of nuisances and offences under Places of Public Resort Act, 1888 committed in non-union areas. There was a third class of receipts which went to the Taluk or District Boards. These were fees for use of Choultries and travellers' bungalows, receipts from schools, ferries, sale-proceeds of sweepings, tools, etc., income from and sale of building lands and other properties. It might be noted in this connection, that Taluk Boards were entitled to get direct contributions from Government, or other Local Boards or Municipalities for institutions or services maintained or financed from taluk funds under Rule 12 of Schedule V.

The companies tax was a half-yearly tax on the paid-up capital of a company, as registered under the Indian Companies Act, 1913, or incorporated by an Act of Parliament or by the Governor-General-in-Council or by Royal Charter and Letters Patent and payable according to the scale shown in Schedule IV, if in any half-year it had transacted business for sixty days in any local area (sec. 96). To avoid its proving hard on losing concerns, provision had been made that if in the year immediately preceding the year of taxation its income had not exceeded certain specified sums (Schedule IV, Rule 8) it could pay the tax under a reduced scale.

A profession tax was payable by every person not liable to the companies tax if he had been engaged (after a notification was issued

by the President) in a profession, art, trade or calling or was in receipt of any income from moneylending or any source other than houses and lands inside the local limits and resided in the area for sixty days in the aggregate in a half-year (sec. 96). The Pilgrim tax under section 110, was also leviable in non-union areas, if the President, District Board, so desired, but the receipts went to the Taluk Board Fund. The tax was leviable on persons leaving by railway a local area which was resorted to, by pilgrims and was collected as a surcharge on the tickets of all passengers travelling by rail from any one of the railway stations in or near the local area to any other railway station more than a specified distance therefrom. The surcharge was leviable for a specified period if pilgrimages took place once or twice a year, but might be levied throughout the year, if the place was one of perennial resort, and if so desired by the Local Government. The maximum and minimum limits of the rates were specified in section 110 of the Act. From this account, it will be apparent that Taluk Boards played a very important role in Madras. In fact, out of a total revenue of Rs. 552,26,475 of all Local Boards in Madras, in 1929-30, about Rs. 3½ crores went to the Taluk Board Funds and Rs. 2 crores to the District Local Fund. Although the amount of funds handled by these intermediate Boards was very large, it might be noted that the receipts from the taxes newly authorised by the Madras Local Boards Act were very small. The profession tax was introduced in all the Taluk Boards of Cudappah, South Kanada, Ramnad and Trichinopoly and in about 18 other Taluk Boards and the yield was Rs. 1,94,310 in 1929-30.

The Companies-tax was introduced in all Taluk Boards of South Kanada and Malabar and in about 11 other Taluk Boards and the yield was Rs. 19,873 in the same year. The pilgrim tax was introduced in only three Taluk Boards, in Chittoor, Tanjore and Vizagapatnam District one in each and the yield was Rs. 12,105. If we take into account only the ordinary receipts and omit the receipts under Debts, Deposits and Advances, the total receipts for the year would be Rs. 255,87 lacs. Of this Rs. 100,11 lacs came from taxation and miscellaneous receipts comprising cess and other tax revenues. One of the reasons why the receipts under the new taxes did not increase under the intermediate boards was that the union boards were entitled to the proceeds of the Companies and Profession taxes in their own areas. From this, it would be apparent that the yield of the 'union' taxes bore a very small proportion to the total yield of taxes of 'local boards' in the Provinces. Although Taluk Boards played such an important role in the Madras Presidency, there, too, it was believed that because of the inability of some Taluk Boards to provide adequate funds for services and abnormal increase in the number of Boards resulting in increase of separate administrative charges and also because of unnecessary conflict with District Boards it

was considered advisable that some of the duties of the District Local Board should be discharged by sub-committees, instead of, by separate Taluk Boards and that the Taluk Boards should be dispensed with.

In Burma, under Section 5 of the Burma Rural Self-Government Act, a Circle Board was appointed for a circle which comprised several groups of 'village tracts'—a 'village tract' being the area under the jurisdiction of a headman covering a village or group of villages and adjacent lands (Burma Act VI of 1907). The only real functions of the Circle Board was the submission of a statement of its requirements and an estimate of its expenditure for the coming financial year and accounts of its receipts and expenditure under Section 43 of the Act. It also acted as an electoral College for returning members to the District Council. Under section 53 of the Act, a District Council might delegate some of its functions with adequate funds for administration.

A Circle Board was thus an agent of the District Council in the fullest sense of the term. For meeting the expenses of the functions delegated, there was a circle-fund under section 37 of the Act, consisting of the resources transferred to such boards. However, there has not been much delegation of such functions, mainly because of paucity of funds of District Councils, difficulty of communications with Sub-Treasuries, want of a manual of accounts in Burmese and want of proper responsible officers, employed under the Boards. They were in most cases, thus, merely advisory bodies and members were employed for inspection of 'bazaars', cattle pounds and public works, collection of certain revenues, issuing market and other licences, conducting auction sales of unclaimed cattle (1925-27), and in some cases disbursing the pay of school teachers. In practice, however, no circle funds were generally established. Out of a total receipt of about Rs. 43 lacs in 1924-25 of the District councils, the Circle Boards were made responsible for expenditure of about 1½ lacs and most of this, was spent on clerical services and travelling allowances of members. The expenditure incurred, was not justified and supervision of cattle pounds, markets, slaughter houses, etc. might be gradually done by village committees.

Village Finance

Village Government originated in most of the Provinces, in making provision for financing the local police. Act XX of 1856 was the original Bengal Act which was introduced in some of the other Provinces for this purpose. The panchayat under the Act was appointed by the Magistrate and their only functions were to prepare an assessment and impose a rate upon the several persons liable to be assessed or rated within the area for which the Panchayat was constituted. The area could be a town or district but not an agricultural village. With the

growth of Local Self-Government and provincialisation of municipal police, the necessity of this act was gradually less felt. In Bengal so far as village police was concerned it was regulated by the Choukidari Act of 1870 and this was extended to Assam except Sylhet and Cachar where the Cachar Police Regulation of 1883 was introduced. Village police began to be financed by a separate Chaukidari rate. In the Punjab, under the Local Self-Government Act of the year, the Local Government might direct that the Act should cease to apply and that the Panchayat for the purpose should be dissolved. So, before the Panchayat Act of 1921, there does not appear to have been any other form of village government excepting what the 'choukidari act' wherever in force, might possibly create. There was a nebulous form of 'village panchayat' under the Village Patrol Act of 1918, by which the whole body of the village headman or some or other persons were constituted as the village panchayat who would not have any other functions except providing for night patrol of villages without any remuneration. In the United Provinces, the appointment of the village police was made by the Zemindar of the village (Act XVI of 1873) and although provision was made under Acts II and III of 1892 for village sanitation and village administration of justice for minor litigations, there was no real village government or village finance before the Village Panchayat Act was introduced in 1920. The Village Sanitation Act of 1892 and Village Courts Act of the same year provided for improvement of sanitation in villages and administration of justice for village feuds. There was, however, no organisation and the Collector was empowered to do the needful including the appointment of the village munsif with the village court. The village police was financed prior to 1906 from the general cess and after the passing of the Village Police Rates Act, 1906 from separate rates. Since 1914, these separate rates, too, have been abolished. In Burma, the District Cesses and Rural Police Act of 1880, provided for maintenance of village police from the cess and the Burma Village Act VI of 1907 provided for appointment of headmen for minor village litigations but there does not appear to have been any village organisation for ordinary administrative duties before the Burma Rural Self-Government Act of 1921 introduced the village committee under section 25. In 1924, the Burma Village Act of 1907 was amended and provision was made for appointment of committees which were advisory bodies to headman but did not have all the functions of the headmen. These committees were substituted for the village committees created under section 25 of the Rural Self-Government Act. The result was absence of co-ordination between the financial and administrative powers of the authorities created by the Rural Self-Government Act and the executive duties and powers of the village headman. The headman was absolutely independent of any

Government organisation under the Act. This disharmony was not of any serious consequence, only because the village committees were not functioning in respect of administrative matters at all. Under section 25(2) of the Act the village committees were probably nothing but agents of Circle Boards which might direct that any matter placed under the administration of the Circle Board might be transferred to the village committee with provision for adequate funds for the purpose. The Circle Boards themselves, were the weakest part in the rural self-government edifice, and they had no real functions or funds delegated to them, which they might transfer to the village committees. The question of village finance in Burma can be easily left out of account for our purpose. In Bombay, too, before the passing of the Bombay Village Panchayat Act, there was no real village government. The village police required no separate organisation here. The Revenue-patel was generally the police-patel and if any separate appointment had to be made, the Magistrate was to make it (*vide* section 5 of Bombay Village Police Act VIII of 1867). The Village Sanitation Act of 1889 provided for certain village organisations, e.g. sanitary committees and sanitary boards constituted by the Collector and consisting of the police-patels and three or more people resident within the area.

The finances at the disposal of such bodies were extremely meagre. Under section 17 of the Act, they were allowed to raise any money by voluntary subscription for supply of potable water, cleansing streets and open spaces and removing offensive and obnoxious matters. If the inhabitants refused to make any voluntary subscription, the Collector could impose a rate for the purpose in consultation with the sanitary committee. It was also entitled to utilise the voluntary labour of the inhabitants of the village and the services of the 'village servants' placed at the disposal of the committee under section 42 of the Act. It was in Madras only that the village union became the unit of administration under the Act of 1884. A union was a revenue village or a grant of villages and a Panchayat was constituted for each such Union. The Panchayat in turn, was entitled to elect members to the Taluk Board under section 16 of the Act, and when there were no Taluk Boards, to the District Board under section 11 of the Act, the Taluk Boards, in turn, being eligible to elect members to the District Boards.

The 'unions' were entitled to some funds for discharging the functions devolving on them. All roads, tanks, public places, etc. vested in them, unless excepted by the Taluk Boards, and they had the control and administration of lighting of roads, cleansing of roads, drains, tanks, etc. and the establishment and maintenance of hospitals. The funds were the proceeds of the house tax and fees for licences and erection of pandals and other structures not exceeding 3 pies a day for every square yard [sec. 57 (V & VI)]. The Chairman of the District Board

was required to notify the introduction of the house tax and the rates were laid down in Schedule A, varying from 4 annas to Rs. 10 per year, according to the nature of the class of the house. If any specific functions were to be transferred to the village union, the Taluk Boards had to make sufficient provisions of funds for the purpose (section 142). They were a link in the chain of local self-government authorities and were considered as agents of and completely subservient to the Taluk Board (S. 128). In case of default, the Taluk Board could have a duty executed, and charged the expenditure to the accounts of the Union Panchayat. The Taluk Boards could also appoint Inspectors to watch the working of these unions.

In Bengal, village finance was really introduced by the Act of 1885, but it never proved successful except in some parts of Eastern Bengal after the annulment of the 'partition'. The Choukidari Act of 1870 provided for imposing a choukidari rate and some organisation in the shape of the panchayat but it was really no self-government for other administrative purposes. Up till 1919, however, excepting the union committees in some parts of the Province, provided for in the Act of 1885, this 'choukidari panchayat' was practically the only village organisation in the interior.

In some parts of Bengal, e.g. in Serampore, this type of organisation was often utilised by zealous inhabitants for ameliorating the sanitary conditions of the villages by voluntary subscription or labour. It is because of this, that the Taxation Enquiry Committee was in favour of continuing the choukidari rate, if for nothing else, at least for providing a type of village organisation. Now about the union committee; in the original Act of 1885, provision was made for establishing union committees by election of members among groups of villages, declared unions by the Lieutenant-Governor. Unlike in Madras, the union committees could not be said to be the unit of administration; it had no function in the constitution of the higher boards. Gradually the tendency was to make it co-terminous with the choukidari union and also to make the choukidari panchayat members of such union committees. The union committee, however, was completely an agent of the Local Board and since 1908 of the District Board. Its functions were the maintenance and repair of village roads, village dispensaries and schools and pounds within the union and such other functions as the Local Boards, and since 1908 the District Board, might delegate with sufficient funds for the purpose (S. 110). It had to submit returns and accounts to the District Board. The funds at its disposal were the pound receipts under Section 31 of the Cattle Trespass Act, 1871, and other sums contributed by the Government or the District Board as the case might be. The greatest defect of the institution was that the funds at its disposal were very meagre and because of the choukidari Panchayats existing side by

side, the scope of further taxation for village improvement purposes was limited. Nevertheless, by the Local Self-Government Amending Act of 1908, the Union Committees were allowed to impose a separate assessment on owners of buildings, tanks, wells or occupiers of buildings, provided the amount to be assessed was not to exceed Rs. 5 per mensem, the manner of assessment or collection was to be the same as was provided in the Village Choukidari Act of 1870 (Sec. 118). Besides the separate rate, however, the Union committees were allowed powers to cleanse villages and recover from the occupiers of holdings such portion of the cost of such cleansing as was approved by the sanitation committees. It was only a few years before the introduction of the Village Self-Government Scheme of 1919, that the growth of the Union Committees became marked. In 1914-15, the number of such committees was only 65, mostly in Western Bengal, and mainly in Birbhum and the amount levied by self taxation was only Rs. 14,606; in 1918-19, the number rose to 269 the total amount of funds at the disposal being about 1½ lacs of which Rs. 58,000 was obtained by self taxation under Section 118 C. The venue of activity was changed and Dacca played a most prominent part, 49 out of 105 committees imposing taxes, being in the Dacca District.

The above account indicates the nature of the institutions that had been existent before the Decentralisation Commission was appointed. The Decentralisation Commission rightly found that there was a type of village organisation in embryo, in most of the 'provinces' which was the spontaneous outgrowth of the ancient Panchayat system and suggested a development of the institutions. It, however, was not in favour of the introduction of such democratic principles as election of members or Presidents but preferred only, to develop the corporate life of the individual villages and to give the villagers some interest in, and some control over local village affairs. Naturally, it was suggested that in those provinces, where the ancient feeling of community was still to be found the village headman should be the *ex-officio* chairman and the guiding brain of the institutions. In some provinces, e.g. Bengal, due to a different system of land revenue administration there was probably no necessity of the formal recognition of a headman. This institution, therefore, did not have any lawful place in the Governmental system and except in an obscure form, was almost extinct. In many other places, the headman often served as the revenue officer and logically, it was recommended that he should be placed under the district authorities for discharging certain functions, administrative and judicial, viz. sanitation, education and administration of civil and criminal justice regarding petty villages' cases. The methods advocated, were just in keeping with the purposes for which development was considered necessary.

The Resolutions of the Government of India of 1915 and 1918, however, indicated certain principles of policy regarding development of village government which appear to be a little conflicting. In the former Resolution, it was said that the relation of the Panchayats with District or Sub-district Boards should be defined and that there could be no objection to some supervision by such Boards. In the latter Resolution, it was said that such defining was unnecessary, that it was rather proper, that they should be under the control and inspection of the administrative District Staff; at the same time, it was laid down, that the headman should not of necessity be the president and that it was not intended to prevent the establishment of Unions or Circles for local self-government in cases, where it was found impossible or premature to establish a village Panchayat system. Reference here, appears to have been made, not to such artificial and functional committees as *choukidari* Panchayat or school committees but to some democratic institutions to replace the activities of higher boards in smaller areas. The principles embodied in the Resolutions smacked of a dual type of self-government and as later history showed, introduced considerable difficulties in some provinces. On the one hand, it was said, that the organisations should focus local public opinion and that the headmen should not necessarily be the Presidents, on the other hand, it was pointed out, that they should be set apart as much as possible from other local administrative bodies and controlled by the District staff. The enactments that followed this policy in most provinces, indicated this conflict of principles. In some of the provinces, e.g. the Punjab, where the Panchayat had been more or less established on the principles laid down by the Decentralisation Commission, they appear to have worked without any hitch. In most of the other Provinces, however, the successful prosecution of the policy laid down in the Resolutions, was rather fraught with difficulties. The experience in most provinces showed that District Boards and unofficial opinions were highly averse to any development of village Government specially where introduction of fresh taxation was concerned and to expect that there would have been a spontaneous growth of democratic smaller institutions in villages was not warranted by facts. On the other hand, to make the village organisation a subordinate agency of the Government would be both impolitic and adverse to the ulterior ends in view. Any fresh taxation even for village improvement work, would have been resented and would not lead to the establishment of any democratic institution. For pushing forward this policy, in most of the provinces special officers were necessary. In Bengal, the Circle officers proved most helpful, because the policy could be worked to the minutest details, in other provinces, some officers, e.g. Provincial village panchayat officers in C. P. the Registrar-General of Panchayats in Madras, became indispensable.

Where a democratic institution owes its roots to the soil of the land and is spontaneous in evolution, the function of the government of nurturing its growth may not be called for, although there may always be a place for keen supervision and inspection. The 'Justice of the Peace' in England was replaced, so far as his administrative functions were concerned, by the democratic 'county government' but with the growth of the organisation, the necessity for inspection and supervision and greater co-ordination by the Central Government always increases.

According to this policy, Acts were passed in all the provinces, but so far as administrative functions were concerned, the village organisation developed most in Bengal, Madras, C. P. and Bombay. In the other provinces, the duties of the Panchayats were restricted, more or less, to judicial functions regarding village litigations, criminal and civil. This policy of encouraging public opinion under Government initiative is noticeable in most cases, either in the same type of organisation or two independent institutions working side by side. It is because of this, it may be noticed, that unlike intermediate boards, the village organisations had separate funds of their own, either by way of taxation or service income or by contribution when they acted as agents. The Government of India Resolution suggested that the Panchayats should be allowed voluntary powers of supplementary taxation for specific purposes and that they should have, although not invariably, a portion of the land cess raised in the villages. In the Acts mentioned above, it will be found, however, that the village committees were given general powers of taxation and not for specific purposes and in certain cases, as in Bombay (Sec. 27 of the Act) they are allowed power of imposing new taxes. In Bengal, the Union Boards were allowed to impose a tax on circumstances and property upto the maximum of Rs. 84 per annum (Cf. Bengal Village Self-Government Act of 1919); this general power of taxation was not enjoyed by the higher boards in Bengal.

In C. P. under the Village Sanitation Panchayat Act (Act II of 1920) and Village Panchayat Act of 1920 the administrative functions of the organisations bespoken of, in both, were the same, viz. conservancy, water supply, construction and maintenance of roads and local public utility services. The Village Panchayat Act, further, provided for appointment of all or any of the Panches to be a 'village bench' and 'village court' for trying criminal and civil suits. The real difference in constitution between the two institutions was that under the Village Sanitation Act, the headmen (*Mukaddams*) must be members of the Panchayat and of the higher boards and could act either independently of the District council or 'local board' (when the authority of the higher boards could be suspended in respect of the functions discharged by these Panchayats under section 9 of the C. P. Self-Government Act of 1883) or might be directed by the Chief Commissioner to act under the

District council. In other respects, the constitution of the 'village panchayat' was probably of the same type as of the Village Sanitation Panchayat the 'sarpanch' is both being elected, but it was ordinarily subordinate to the District Council which had general powers of supervision and control and power of performing some duties in default. In some places both the organisations existed and led to an anomalous position. In 1928, a non-official bill was introduced for abolition of the sanitation panchayats, and the tendency was not to convert sanitation Panchayats into village panchayats, although the sanitation panchayats did not like to be so converted.

The resources of both types of Panchayats, were a tax on houses, buildings or lands levied with reference to the circumstances and property of the owner or occupier (sec. 15, Village Panchayat Act and sec. 5 of the Sanitation Panchayat Act), and in the case of Village Panchayats, fines levied in criminal cases fees for institution of suits and contributions made by Government or higher local authorities. In the case of Sanitation Panchayats, they were entitled to the levy of tolls on vehicles, fees for right to expose goods for sale in any market, etc. The receipts for market tolls led to a controversy with the District Council and since 1926 it had been settled that Sanitation Panchayats would get market dues. In 1928, amending Acts were passed, and financial resources of both types of institutions were augmented inasmuch as they became entitled to the market tolls and fees, fees for registration of cattle, fees for slaughter houses, 'sarais', etc. The Government adopted a policy of giving a grant, for initial expenditure, to all village panchayats for office-management.

In Madras, too, there were two types of village organisation—the panchayats and village-unions—the redeeming feature was, however, that there was no confusion and anomaly regarding areas and functions as in C. P. The Panchayat Act extended only to non-union areas (Sec. 2 of the Village Panchayat Act of 1920). It was an entirely elective body and headmen had nothing to do with the organisation. No taxation was compulsory but under section 27, a tax on capital value on houses, a yearly tax on callings, trades and profession, fees for occupation of cattle stands, etc. were permissible. In certain places, they were leviable in kind. Direct state-aid was given to the Panchayats. So far as Village Panchayats were concerned, as we have stated before, the new Act recognised specific status for these unions as well. The union-fund was entitled to some resources specially allocated in Schedule V, Rule 5(c). These were generally taxes on companies and professions, taxes on pilgrims in union areas, the house-tax, fees from markets, cart-stands, slaughter-houses and ferries maintained from the union fund and other minor funds, e.g. contribution from private persons, fines and penalties levied under the Act and so forth. The Union

areas might cover a considerable portion of the Presidency. The taxes imposable in union areas, therefore, covered a major portion of the total yield of the taxes.

Hence the yield of the profession and companies tax which itself was very small went to the union fund. The most usual tax was the house tax. It was leviable under section 98 of the Act. The peculiarity of the tax was that it was leviable on the capital value or annual value of the house but not on any principle other than that of valuation, that is to say, there was no specific provision for assessing the income of the occupier except indirectly through exemption and division into classes. (Rules 12 and 13 of Schedule IV). The District Board could provide for the exemption of houses, below certain values but houses of a greater capital value than Rs. 240 or of a greater annual value than Rs. 20 could not be exempted. For the sake of convenience, a proportionate rate might be fixed and houses might be divided into classes, provided that the number of classes should not be less than six. A deduction was also made in the capital or annual letting value of houses for repairs, etc. As in the case of higher boards there were several separate accounts for union boards as well, viz. (i) a general account showing service or functional income, e.g. subsidiary income arising from some services such as public health management, communication, etc., (ii) Remunerative enterprises consisting of receipts from markets, cart-stands, slaughter-houses, land development, etc., (iii) Revenue account relating to all types of taxation, (iv) Endowment account, (v) Government grants account and special account showing income from special taxes and expenditure. The taxation income is the largest, amounting to about Rs. 11 lacs out of total ordinary receipts of about Rs. 15 lacs. Of this, more than Rs. 10 lacs came from the house tax. Out of the remaining types of receipts, the largest came under 'Remunerative Enterprises' amounting to more than Rs. 2 lacs.

In Bombay, the Village Panchayat Act of 1920 introduced democratic institutions in the villages. The village was any local area duly declared to be a village and so might be a group of villages or one village (Revenue survey). The number of Panchayats was to be fixed by the District Boards and the members were elected by adult villagers the chief 'revenue patel' was an *ex-officio* member and the 'Sarpanch' (President) elected by the members. The Panchayat had ordinary minor village improvement duties, e.g. supply of water for domestic use, cleansing of public roads, construction and repair of union roads, prevention and improvement of public health, lighting of the village and so forth. The 'village panchayats' had no judicial function except trying breaches of the by-laws framed by the District Local Boards for the purposes of the Act.

The village sanitation authorities under the 1889 Act and Panchayats under the 1920 Act were the two types of village authorities obtaining in Bombay but they did not overlap each other. There were no village panchayats in Sind or the Bombay Suburban Division. So far as the Union committees under the Sanitation Act of 1880 were concerned, we have dealt with the financial position before. The village panchayats were entitled to impose any tax with the approval of and subject to the rules made by the District Board and on the owners or occupiers of houses or lands within the limits of the village and they were to levy house tax for the purposes of the Act. Besides the tax receipts, however, they got certain other minor receipts, e.g. sale proceeds of dust, dirt, etc., collected by village servants. Figures regarding village finance in Bombay are not available but it appears from the memorandum submitted to the Simon Commission by the Government of Bombay with reference to the Central Division of that province, that the receipts from the taxes were the largest in comparison to the minor sources.

In Bengal, the Village Self-Government Act introduced fundamental changes in village finance and from the point of view of finance, it appears to have been unsurpassed by any other province. The District Administration Committee of 1913, reported in favour of the amalgamation of the Union Committees and 'chaukidari panchayats'. The policy of the Government was the gradual fusion of the two organisations (Bengal L.S.G. Cir. No. 6 L.S.G. of 19-2-1917).

The Village Self-Government Act of 1919 obviated the necessity of any of the former organisations and under section 2 of the Act, the choudidari union and union committees were abolished in those places where this Act was introduced. In Bengal, therefore, there was no anomaly about areas, functions, organisation, etc. In some areas, where the new Act was not introduced, choudidari unions and union committees might exist side by side in certain cases, but there was no overlapping of duties, the functions of choudidari unions being completely confined to financing the village police. The union committees had some administrative duties. So far as organisation is concerned, the tendency was to bring about fusion of the personnel. In those places, however, where the Act was not introduced, the choudidari union existed for payment of the chaukidars or the village police and the rate imposed was the former 'choudidari rate'. The Act evinced to contain germs of democratic institutions and the Province continued to be gradually ramified with these units of local self-government. By 1928-29, the number of the boards rose to more than 4,000 and out of an area of 70,000 sq. miles about 30,000 was covered by the union-boards. The functions of these 'union-boards' were partly administrative and partly judicial. Amongst administrative functions, it must be stated

that the village police was to be maintained out of and was the first charge on its funds [sec. 21(2) and sec. 26 and 46(2) to 31]. The other functions were local public health, e.g. making special arrangements for sanitation and conservancy during fairs and *melas*, drainage, conservancy, provision of water supply by regulating erection of buildings if so authorised by the local boards, petty local public works, e.g. making new roads, constructing new bridges, providing lighting of streets, etc. They could, if they so chose, maintain primary schools and dispensaries. Besides these, the District Boards could delegate some of their functions to the 'union boards' with sufficient funds for the purpose. It was expected that the union-fund could be drawn upon, for disbursement only within the jurisdiction of the union, but it was not illegal for a part of the fund to be spent for dispensaries or such other institutions beyond this jurisdiction inasmuch as, it was found that some very useful institutions could not be maintained with the help of a single Union Board.

Finance

The union-fund consisted of a tax on circumstances and property on owners or occupiers of buildings and certain other resources, e.g. income from ferries, pounds, Chakran lands and contribution from Government or higher boards and fines and fees arising out of its judicial functions. The fines imposed on choudidars were not a part of the union-fund but were sent to the Choudidari-reward-fund kept with the Government in Treasuries. The maximum tax imposable was Rs. 84 per annum and could be imposed on owners and occupiers of buildings who might be non-residents. The tax thus did not extend to owners of lands and, therefore, was more restricted than the C. P. village tax. On the other hand, it was probably more general and extensive than any other local tax in Bengal. The method of assessment used directly to take into account the ability of the taxpayers, there being also provision for exemption under section 38(1), by which a poor man considered unable to pay half an anna per month was exempted from any payment. Government buildings or buildings of a local authority or a Railway company were not exempted from payment of the rate but the principle of assessment was a little different. It was based on the annual rent which the property might be expected to fetch, being considered the annual value, which should in no case be deemed to exceed the amount which would be equal to $7\frac{1}{2}$ per cent on the cost of the building. All such buildings were assessed together, for the Government, the local authority or the Railway company as the case might be and the tax was not to exceed Rs. 84. No exception was legally made even for charitable institutions. The rate levied on this basis was divided into two parts—one for payment of the chaukidars which was as obligatory

as the former chaukidari rate, the other being utilised for general administrative functions of the board. Although it appears, there were two rates, practically speaking one rate was levied on each person and was split up into two.⁷⁹ A word may be said here regarding chakran lands. The Zemindars had a number of retinue who were maintained by service lands and hence, as they got some income by service or kind, these lands were taken into account in fixing the permanent revenue at the time of the Decennial settlement (1791). After that time, however, as the Thanadari and other types of police maintained by the Zemindars were relinquished, these lands did not enter the next 'settlement' (1793) except in the case of the watchman. The village watchman continued to be the servant of the Zemindars and the Zemindars had to pay revenue to the Government for those lands.⁸⁰ The dual system of police administration could not continue and Regulation XIII of 1813 which provided for the police system of the town was extended to the interior as well, and village watchmen came under the Police administration of the Government. The Zemindars were thus bereft of the service of the watchman and entitled to the income of the service lands for which they were paying revenue to the Government. By the Chaukidari Act of 1870, the Chakran lands were transferred to the Zemindars, but instead of being allowed the full income of the lands the Zemindars had to forego half the annual value of such lands assessed according to the average rates of letting land, the assessment being made by the Panchayat of the village. The assessment was a permanent yearly charge payable to the Panchayat and went towards the relief of the chaukidari rate. The income from these service lands was transferred to the Union Boards (*vide* sec. 2 of the Village Self-Government Act read with Schedule I of the Act). This income, however, consistently with its nature, went to the relief of the rates in so far as they were levied for the payment of choukidars under section 37(a) and not towards the general administrative work of the Boards.

Income from pounds and ferries also, in notified cases, devolved on the Union Boards. Under the Cattle Trespass Act of 1871, as subsequently amended in 1923 the schedule of fines was drawn up by the

⁷⁹ Example:—If Rs. 5,000 had been the total assessable annual income in the Union and the rate of taxation had been 8 as. per Rs. 100 per annum, the income of the board from taxation annually would be Rs. 25. Suppose Rs. 13 were to be spent towards payment of choukidars and their equipment, that Rs. 2 came as income from chakran lands. Then Rs. 14 (Rs. 25—13+2) would remain for administrative purposes. This latter amount was neither assessed nor collected separately. Regarding the connotation of the term 'rate' we may say legally there is no difference with a tax excepting that in the former case the Public Power imposing is a local authority. From the financial point of view it is different technically as Sir Josiah Stamp in his "Wealth & Taxable Capacity" says rates on household or 'loading' of income-tax alter computation of the National income.

⁸⁰ If I remember aright some part of the narrative regarding Police was taken from a publication 'not for sale'.

Local Government but the receipts, formerly in most cases, went to the District Boards which, again generally, transferred them to the 'local boards'. In certain cases, the union committee used to enjoy the income of these pounds. Gradually, a part of the income was now transferred to the respective 'union boards' of relative jurisdiction.

No mention was made in the Act regarding this source of income, but under section 31 of the Cattle Trespass Act, the Local Government might transfer to any local authority the administration of the Act, along with the receipts accruing thereunder; consequently the fund went to the local authority specified by the Government. So far as the income from fines is concerned, under sec. 2 of the Village Self-Government Act read with amended section 35 of the Bengal Ferries Act and a notification on the subject, the Commissioners of the Divisions might direct that all or any part of the proceeds and all or any part of the fines levied and compensation received, be paid to a local authority to which the management of the ferry had been transferred.

The income from these two sources very definitely increased, being Rs. 1,73,000 in 1928-29.

Other sources of income were the fines levied for realising arrears of rates and as the arrears could be realised only with fines, equal to half the amount of such arrears, this also formed an accountable part of the income. Besides these, the fees for instituting civil suits, and fines levied on convicted persons tried by the Union Benches (criminal) were a considerable part of the Board's income.

CHAPTER V

DISTRIBUTION OF SERVICES

The distribution of Public services amongst local authorities and the Central Government is generally based on historical reasons. In most countries, the local authorities preceded the Central organisation and they managed certain public services mainly for local benefits. Gradually, with the advent of a higher organisation, the division of the services came to be made on various grounds. The purely local services, viz. those which conduce mainly to local amenities, are always of course, administered by the local authorities concerned; besides those, there are certain services, e.g. education, etc. which are semi-national in character and are given over to local administration for economic management. Thus, the principle of division of Public services is mainly administrative. The local authorities administer certain services and are given powers, if they have had no such already, to raise funds

to meet them. In India, the original principles of the division of services were mainly based on financial grounds and therefore, as in the case of Local Funds, the nature of local services to be interpreted literally, meaning services, which were financed by Local Funds, no matter, who administered them. The reason is not far to seek. Here the progress was just the otherwise; there was a process of devolution from the larger to the smaller units, and not a federation of smaller units. Here many public services were financed by Local Funds although they were administered by the Superior Governments. Now we have to examine as to which were the services which were financed or meant to be financed by Local Funds.

The principles on which the division of services was based, was, as we have said, other than administrative; these could be said to be three in number:—(i) the nature of the service: the services which were manifestly local in nature, e.g. Local roads, etc. were naturally financed by the Local Funds; (ii) special circumstances: thus, for example, sanitation in villages and towns was attended to, because after the publication of the report of the Army Sanitary Commissioners in the Sixties it was found that the sanitation and health of the surrounding villages were horrible and required immediate improvement; (iii) economic grounds and custom: the financial stringency of the Imperial Government and of the Provincial Governments as well, was responsible for throwing some public services on 'Local Funds' and in doing so although no definite principle was followed, it could be deduced from the nature of the services that they were what, in most countries were supposed to be semi-national local services and managed by local rates. We shall speak a few words on each of these and then point out, how Lord Ripon's policy was responsible for introducing some method in the distribution of the services.

(i) I have already noticed how in Bengal, Madras and the United Provinces, even before any local organisation was brought into being, local cesses and income were meant to be utilised for the particular districts whence they were raised.¹¹ Although the main purpose of Resolution No. 2245 dated 31st August, 1864, was the financing of the Police by special rates, still, it throws some light as to what services were really meant to be financed by local taxes. It runs 'Holding the position as we do, in India, every view of duty and policy should induce us to leave as much as possible of the business of the country to be done by the people by means of funds raised by themselves and to confine ourselves to doing those things which must be done by the Government and to influencing and directing in a general way all the movements of the

¹¹ Cf. Government of Bengal Letter No. 2339, dated the 3rd June 1872, to the Government of India.

social machine.' By this, people would be prompted to attend to local amenities and various local services because 'when they would see that they were allowed to manage their own affairs they would feel confident to do things which they would not have accepted from Government'. In pursuance of this policy, various Acts were passed in the following year. In the 'Punjab, N.W.P., Central Provinces and British Burma, towns were with rare exception, organised into Municipalities, which were charged with the payment of the Police and with every necessary work of conservancy and general improvement'.¹² So far as rural areas were concerned, it appears, that the cost of the subordinate lines of interior communication or District roads, was the most important charge on local funds which as we have seen, was an *ominum gatherum* of all sorts of receipts. In Bengal, it was almost exclusively 'Public Works', except the District Post, which was charged to local rates. The Duke of Argyll also, in 1870, in his Despatch regarding cesses, referred mainly to roads, drainage and education. Although, the Resolution quoted above, referred principally to towns, it was in keeping with what Sir Samuel Laing said in 1861-62 in his Financial Statement: 'I am strongly as ever in favour of the principle of local taxation for local objects. In fact if this great Empire is ever to have the Roads, the Schools, the Local Police and other instruments of civilisation which a flourishing country ought to possess, it is simply impossible that the Imperial Government can either find money or the management'.

(ii) The Army Sanitary Commissioners specially appointed, for reporting regarding the health of the troops made some remarks upon 'the memorandum on means adopted for Sanitary Improvements in India upto the end of 1867'. Although, primarily it was meant for the Army, it was found that groups of surrounding villages were the centres, from which cholera originated and that much could be done to improve the sanitary condition very simply and that in the majority of these villages, no costly work would be required. The Secretary of State for India, in Council, in his Despatch No. 9 dated the 11th March 1869 attracted special attention to that portion of the remarks which referred to 'the wants of the civil population and the necessity of an executive power for promptly carrying out any measures that may be necessary'. In continuation of the projects, proposed for tackling the sanitary problems, a committee was appointed by the Government of India in October 1876, to consider the question of land-quarantine and in consequence, a set of rules was laid down including the policy of departure from the affected locality but the committee pointed out and the Government of India, in reviewing the situation said, that such quarantine alone could not be successful and that "improvement in the sanitary condition of towns and villages is the best safeguard against

¹² Sir C. E. Trevelyn—Financial Statement, 1865.

cholera, specially improvement of the water supply, the drainage, the conservancy and the habitations. It should be impressed upon the people that these matters required constant and careful attention."⁸⁰ Initially, the problem was mainly tried to be tackled as much as possible, without any substantial expenditure. "Village sanitation outside Municipalities is a problem for the solution of which little can be done in the present state of things. Poverty and ignorance are in the way,"⁸¹ so it was tried to be tackled by sanitary primers and other similar measures as the Government of India expressed the view that the time had not come when it could be enforced by law. Although the problem was tried initially to be tackled by the Government departments, in view of the Resolution noted above and the necessity of supplying the executive power for carrying on the measures which could not possibly be had so easily, the service devolved on the rural boards in some of the Provinces. This was mainly the case in Bombay and Madras where the Acts passed in 1869 and 1891 respectively, provided for disbursement on sanitation. In fact, in Madras, in 1878-79 in 34 Local Fund Circles, out of £131,149 available for purposes other than roads, £30,507 or 23.2 per cent was devoted to sanitary works.⁸² The chief measures were cleaning and improving the water-sources and simple surface-drainage, where possible. In Bombay, also, good work was done by the Local Fund Boards regarding drainage, wells, roads, water-supply, etc.

(b) One of the other services peculiar to conditions in India and which required some expenditure from Local Funds was 'Famine-relief'. The Secretary of State for India in a Despatch dated the 22nd November 1875, said: "it would be most unwise to overlook the great danger of tacitly accepting if not the doctrine at least the practice of making the General Revenues bear the whole burden of meeting all local difficulties or of relieving all local distress and of supplying the needful funds by borrowing, in a shape that establishes a permanent charge for all future time". The Government of India in their Letter No. 246-A dated the 16th August 1877, also expressed their concurrence in 'the established principle that distress should be met from Local resources as far as possible, that District resources should only be responsible when local resources fail, Provincial resources when District resources fail and Imperial resources last of all'. (This responsibility of Local resources was found to be of little use as it was found, local bodies were spending very little because they had in fact, very little funds to spend and different principles of Famine-relief were enunciated in 1907).⁸³

⁸⁰ Resolution of Government of India No. 205, dated 7-11-1827.

⁸¹ Sanitary Commissioner's Reports — 1873-80.

⁸² Parliamentary Papers — Vol. 53 — 1880, p. 23.

⁸³ Secretary of State's Despatch No. 5, dated 11-1-1907.

(iii) Some other services were proposed to be met from Local funds, not exactly according to any definite principles but probably might be said, for relieving the Imperial Exchequer. As we have noticed, however, these services were mainly such, which in most other countries are really managed by local authorities and partly financed by them with the assistance of grants-in-aid. Mr. Westland showed in his Memorandum to the Finance Committee, that no complaint could be made for financing them from Local Funds except that the administration rested mainly with the superior Government. This is undoubtedly a matter of opinion and we are in the present case interested in the 'narration of facts'. Under this head would come principally (a) Education, and (b) Police.

So far as education is concerned, it is a fact that in some Provinces e.g. the Madras Presidency (in the district of Rajamundry or Godavari) there was a voluntary rate for financing Local Elementary Education and that in most Provinces executive or legal cesses were in force for the purpose. We have noticed that in N.W.P., there was a 1 per cent cess on Government revenue demand, that in Madras, Act VI of 1863 authorised the collection of such voluntary rates as were already extant; in C.P. also, there were such rates and in Bombay there had been a school rate in the District of Satara since 1857 and since 1863 a more systematic cess for Education.⁸⁴ While this was the state of affairs, the policy of the Government was most clearly brought out in connection with the controversy with the Government of Bengal. The Government of India stated that the education of the mass of the people should be provided from local funds. In fact if we study the history of the progress of Education in this country, it will be apparent that the Government tried to bring about the desired growth of education without any taxation at all. Public opinion as well as the opinion of the Government, followed the educational policy of England at that time. Experience gathered in England, showed that 'the voluntary principle' could not be carried down to the lowest stratum of society. The grant-in-aid system so far as India was concerned was a failure, so diffusion of such education could be made by the levy of educational rates.⁸⁵ We have noticed how the controversy was set at rest by the Duke of Argyll's Despatch of 1870 which established that extra taxation should be resorted to for education of the masses. While the principle of taxation was accepted, no cess was introduced in Bengal for several reasons. It appears, in 1860 Sir John Peter Grant pointed out, that if by mass-education was meant "instruction which the lower classes might be prevailed upon to receive, not with a view of leaving the masses but of improving their intellectual status in the masses, of remaining agri-

⁸⁴ Sir Charles Wood's Education Despatch of 1861.

⁸⁵ Lord Stanley — Education Despatch, 1859.

culturists, labourers or artisans as before but with some knowledge of reading, writing and elementary Arithmetic" then a cess was not a practicable proposition because the income would not be sufficient to replace the indigenous schools (which could be financed with the smallest grants-in-aid) by new schools. On the other hand, if it meant a foundation for education of higher order, it was held, there were enough schools in Bengal and avenues to intellectual employment were already full.¹⁰ The Secretary of State, in pursuance of the interpretation given by the Education Commission interpreted "Primary education" as "the instruction of the masses through the vernacular in such subjects as will best fit them for their position in life (Public Education Despatch No. 61, dated the 24th July 1884). There was a proposal for an Education cess in Municipalities in 1873, but the Act passed by the Bengal Legislature was rejected by the Imperial Government. These explain the absence of any cess in Bengal for education, although in most of the other provinces provision was made in the new Acts of 1871, for financing Education from local taxes; in some cases some power of management as well, was conferred on the local committees. In N.-W.P. there was provision in the Act [Act XVIII of 1871, sec. 9(c)] for construction, repair, maintenance and inspection of schools; in Madras under sec. 26, funds could be spent for education, construction and repair of school-houses—in Bombay, a portion of the cesses (Act III of 1869) was to be spent for education. In fact, in Bombay (1/3rd) and in Madras, there was some specification regarding expenditure on Education. In the Punjab also, under the Local Rates Act V of 1878, the Lieutenant-Governor could allot certain sums for maintenance of schools, etc. Lord Ripon in his Circular Letter No. 3519, dated the 10th October 1881, pointed out that all expenditure 'now charged' local 'but not locally administered, should be considered in detail' and so far as Bengal was concerned it was noted that "Provincial expenditure which may be transferred to local control appears in the accounts under heads 'medical', Education and Public Works"; certain other expenditure on Sanitation, Drainage, etc. accordingly might also be made 'Local'. The Local Funds were really of two kinds, although both were incorporated in the General Accounts. One was really meant for specific services, e.g. village-service, Patwari, etc. and, therefore, not contributing to General Revenues. With this, we are not much concerned. The second class consisting of those which were in many cases administered with the help of advisory committees, was really supplementary to Provincial revenues. It was found that the local taxes proper, were not such as could be made to bear anything more than the extremely local works except in Madras, Bombay and Burma; in the latter places, there used to be some surplus

¹⁰ Letter No. 1768-A, dated April 1869 from the Government of Bengal to the Government of India.

under 'Local Funds' which was in fact, utilised for some semi-national services, e.g. Education, Medical, etc. The services which were considered Local and were financed from General Revenues, were classified under five heads: (i) Public Works, (ii) Education (excluding Direction, Inspection in part and that in colleges), (iii) Hospitals, Dispensaries and Vaccination (which undoubtedly included Sanitation). So far as Police is concerned, we should note here that in the sixties it was the policy of the Government that Police should be a charge on local authorities. (Government of India Resolution No. 2245, dated 31st August, 1863). It was held, it appears, that it was in keeping with the Indian tradition that localities should bear the cost of local police. In ancient India, the Police was organised on the basis of land-tenure. The Zemindars and the subordinate tenure-holders were responsible for peace and order within their area. Ultimately, there was joint responsibility of the villagers for maintenance of order. The Kavelgari system of Madras appears to be an instance in point. (Memorandum submitted by W. Robinson, Inspector-General of Police, Madras, to the Police Commission, 1860, quoted from my article—National and Local Finance in the *Calcutta Review*—August 1932).

Subsequently, in pursuance of Lord Ripon's policy of Local Government the outlook changed and under notification No. 2622, dated the 13th October 1881, the Government of India suggested that Municipalities spending over 27½ lacs on this head, control as they had none regarding administration, should be relieved of this expenditure, and that an equal amount of expenditure on Education, Medical charity, and, if possible, Public Works of local interest, should be transferred to them with as full control as might be practically expedient. Municipalities except in U. P. (where also they were relieved of this charge in 1905) were freed from this onerous duty; but rural Police continued to be financed from local taxes in some cases, e.g. in Bengal, U. P. and the Punjab.

Originally, in Bengal all Provincial Works were proposed to be thrown on the District Funds but subsequently, in Bengal, Provincial Roads were proposed to be made over, as they were done by the end of the Nineteenth Century. Such Provincial buildings as the Boards might be willing to deal with, under the general control of the Government. District Engineers were also proposed to be made over.¹¹

In the subsequent Acts that were passed in the several Provinces, some functions devolved as duties and hence were obligatory and certain other functions were made lawful for the Boards to spend upon, and these functions were thus discretionary; and in certain other cases the

¹¹ Government of Bengal Letter No. 921½, dated 8th April 1882 and speech by G. Colman Macaulay in the Bengal Council, 1883.

Local Government or the Commissioner was empowered to transfer certain functions as obligatory duties. Local Public Works including Local Roads, Education charges, e.g. establishment, management, maintenance and visiting of schools (in Bengal, Primary and Middle schools) construction, repair and maintenance of tanks, etc. and other property or buildings placed by the Local Government devolved as obligatory charges on the Boards. Excepting in Madras and Bombay, "Pounds" also became a charge and in certain cases, e.g. in C. P. (sec. 9) and in Madras (sec. 95) so did 'Famine Relief'.

The discretionary functions were the establishment of model farms, Famine Relief, etc. in Bombay, Staging Bungalows, Fairs and exhibitions, etc. in Bengal. In Bengal, the Commissioner of a Division could direct a census to be undertaken or to open Famine-relief works and in the Punjab the Local Government might direct certain other duties, e.g. markets, rest-houses, registration of births and deaths, etc. to be undertaken by the Local Boards (sec. 20).

So far as the division of functions amongst the respective Board is concerned, it may be said that the Sub-district Boards in C. P. (sec. 10), N.-W.P. and Oudh (sec. 25), the Punjab (sec. 25) and Bengal (sec. 101) were nothing but agents of the District Boards, and the District Board had power to have its voice heard. In Bombay, subject to control by the District Board, all local services and institutions except such as the District Local Board thought fit to take under its direct control, devolved on the Sub-district Boards (Taluk); "education" however, was always a charge on the District Road Fund (sec. 48). In Madras, provision was made for making rules for dividing the functions between the Local Boards (sec. 95)—Taluk Boards being mainly concerned with purely local functions in non-union areas and the District Board with secondary and sessional schools, Railways, Tramways and certain other administrative charges.

Before the further developments that were made regarding the devolution of functions are dwelt upon, it should be noted that special stress was gradually laid upon the improvement of village organisations. These organisations have been dealt with separately, but it should be pointed out here that so far as administrative functions are concerned, they were entrusted with purely local works regarding sanitation and education and some civil and criminal jurisdiction in petty cases. These duties, therefore, mainly devolved from higher boards. So far as the functions of the higher rural boards are concerned, the Decentralisation Commission was convinced about the financial stringency of the Boards and hence suggested that their functions should not be extended. It was, thus, suggested that Trunk-roads, hospitals at Headquarters and veterinary work should be taken over by the Provincial Governments,

the boards remaining mainly concerned with other roads, primary education, M. V. Schools, vaccination, etc.

The Government of India Resolution of 1915, the Montagu-Chelmsford Report (p. 127) and Government of India Resolution of 1918, laid down the general lines in which the Boards should be worked and were of opinion that 'whenever a board pays for a service it should control such service and that when it is expedient that control should be largely centred in the hands of the Government the service should be a Provincial one.'

As has been noted before, new Acts were passed in most of the Provinces and it may be said, as laid down in sec. 112 of the Madras Act that the functions were those that 'are necessary for, and conducive to, the safety, health, convenience or education of the inhabitants or amenities of the Local area and everything incidental to the administration.'

CHAPTER VI

GRANTS-IN-AID

Connected with the question of distribution of services is the problem of grants-in-aid; in fact, in most of the principal countries the principle is, that grants should be given only for semi-national services. The classification of services is justifiable from the point of view of finance as well as administration. In England, although the division of services is supposed to be based on financial grounds, really it corresponds, in many cases, to the question of policy. To be more clear, it may be stated, that some services are allowed to be administered by local authorities for economy and efficiency but the nature of these services is of such a general and pervasive character that they are regulated by one common national policy. Consequently, grants for these are considered equitable and proper. It is a mistake to say that there cannot be any division of services in this sense in India. In other countries, historical and scientific grounds coalesce into one another; in India, it is completely absent. In pre-British days, there was no real local organisation in the sense that obtains in other countries and the distribution of services probably, followed the decentralisation of functions.

In pursuance of the policy of separation of Local Finance, there was no occasion for grants to local bodies in the eighties except what was necessary for the 'transfers' and 'exchanges' of services. The contributions that were made, were made only for balancing the budgets of local

authorities for the new charges of services that were transferred to them. The money given was no extra expenditure on the part of the Central Exchequer and would have to be spent by the Provincial Government instead of the local authorities.

Originally, the Government of India suggested that it would be advisable to make over a certain proportion of the provincial cess raised within the jurisdiction of each committee in order to square accounts in the same manner as the Government of India made over to the Provincial Governments a fixed proportion of the land revenue.¹¹ The Government of Bengal suggested that the grants to be made over to local control should be based on the amount spent by Government on different services reduced by the amounts of receipts surrendered.¹² This type of 'Equilibrium grants' came to be introduced in the eighties. Sir H. Waterfield in quoting Sir Charles Bernard in his evidence before the Welby Commission pointed out "Whatever schools or hospitals were made over to local bodies the Local Government makes to each Municipal or District body a permanent yearly grant from Provincial funds; such grant bears some proportion to the sums the Local Government used previously to spend yearly on the Departments or undertakings transferred to such bodies." These grants were based on a computation of the possible charge of services transferred to local bodies in a particular year. A table is affixed to explain the nature of these grants that were given in Bengal.¹³

Besides these equilibrium grants, certain grants had to be given whenever new services were transferred. Consequently, in all the Provincial contracts sufficient provision had always to be made by the Imperial Government for the deficiency caused to the Provincial funds by such transference including the 'Equilibrium grants' noted above.

In Madras, one such important grant was made indirectly in 1904. The duties conferred on local bodies proved to be very expensive; the Governor-in-Council was anxious to render all possible pecuniary help, as it was hardly possible for them to perform all the obligations they had undertaken; so certain charges which were more provincial in nature were taken over (e.g. fixed contribution to Madras Medical College, half the cost of Assistant Surgeons, contribution on account of Sanitary inspection and so forth). The boards were thus relieved of the contributions they had to make to the extent of 75 lacs. Some further relief was afforded besides the condonation of grants as noted above, by getting certain services transferred to the Government (e.g. Deputy Inspector of Vaccination, etc.).¹⁴ In the United Provinces, some relief

was attempted to be given by the same method and certain charges, e.g. clerks in the Commissioner's office were Provincialised.¹⁵ In Bengal also, the inelastic nature of the resources of the District Boards and their inadequacy to meet the needs for extension of Primary Education, Medical Charity, and Sanitary Improvements required grants from the Provincial Government. Roads in fact were actually deteriorating in the interior and the boards were already hard-pressed for increasing their expenditure on other heads. Hence a special grant of five lacs a year equivalent to nearly 10 per cent of the yield of the Provincial Public works cess had been annually allotted to District Boards since 1900.¹⁶ For this, sufficient provision had to be made in the quasi-permanent settlement with the Government of Bengal in 1904, and while adhering to the principle that any increase under the head 'Contributions' should be derived from the growth of Provincial Revenues, the Government of India did not think that it would be proper to start a permanent settlement on the basis of the standard fixed twelve years ago and hence provided for these grants in the settlement although based on an arbitrary computation and different from what was suggested by the Government of Bengal.¹⁷ In Bombay, grants were made (14 lacs) for Public works, for exchange of Abkaree revenue and for Pounds which were taken over by the Government.

Thus really speaking, there were no definite provisions for giving grants and when they were to be given they were given from the surplus funds of the Provincial Governments and as far as possible, by way of loans. Even in the manner of giving loans, the powers of the Provincial Governments were much restricted and; in para. 7 of the Resolution of 1897, it was pointed out that advances and loans could be made by local governments subject to the condition that these could be made for works of general convenience and public utility and to a limited extent, for works which were mainly and merely ornamental.¹⁸

It was in 1906, that the first general grant was made by the Government of India. As we have said the finances of the Government of India were expected to close with a large surplus and a grant amounting to 56½ lacs was given on the ground that there was a general complaint that the resources of the local boards were incommensurate with the duties imposed upon them and that throughout the greater part of India from sheer want of funds it was not possible to make adequate provision for roads and bridges, for hospitals and dispensaries, for schools, water supply, sanitation and veterinary aid of cattle.¹⁹ It was intended

¹¹ Government of India letter No. 832, dated 31st May 1882.

¹² Government of Bengal letter No. 921½, dated April 1882.

¹³ Cf. Table VI.

¹⁴ Letter No. 826, dated the 8th December 1903.

¹⁵ Letter No. 2257, dated the 6th July 1903.

¹⁶ Letter No. 1372-T, dated July 1903.

¹⁷ Referred to in letter No. 2384-TJ, dated 28-9-1903, to Government of India.

¹⁸ Resolution No. 1897.

¹⁹ Financial Statement, 1905.

that in the distribution of allotments special consideration should be paid to the wants of several districts in the matter of communication. The grant was approximately one-fourth of the income from rates and cesses on land within the jurisdiction of the local boards. It must be noted, however, that besides such general grants towards the augmentation of the resources of the District boards certain grants had to be made for education and had been made in large amounts since 1902. In 1902, an Imperial assignment of 40 lacs was made for education in general and of this, a substantial amount was meant for primary education managed by the Local Boards. Capital grants were also made in large amounts for education in 1905, 1911 and 1912.¹⁰¹ Recurring and non-recurring grants were also made for sanitation in 1910-11-12. The grants were made only because of the favourable condition of the Imperial Exchequer and not because of any clearly defined policy. The policy regarding grants-in-aid was clearly enunciated by Sir James Meston (subsequently Lord Meston) in the Legislative Assembly in 1912, and the policy of separation of local finance was again reiterated and justified on several grounds. Sir James Meston said: "It can hardly be a sound policy to allow local bodies to increase it (viz. the burden of land) and certainly it would be thoroughly unsound to base the system of finance on arbitrary enhancement of taxation on land combined with arbitrary doles from the exchequer. It is the danger that local bodies will have the responsibility of spending the money but no real and direct responsibility for finding the money. There could be no system of finance which could be more unhealthy in its absence of all inducement to careful administration and to economy in local expenditure."

Whatever might be the policy of the Government, grants specially for education found a place in the system of local finance in India and were mainly given by the Imperial Government, although in certain cases (as we have seen in the case of Bengal) certain grants were given from the Provincial surpluses as well. Grants became inevitable and a policy for subventions and their method of distribution was clearly laid down by two Resolutions issued by the Government of India in 1915 and 1918. The principles enunciated were that (i) grants should be given according to necessity, to poor municipalities for maintenance of the 'normal' standard of administration, and (ii) that they should be given as general recurring grants-in-aid and as far as possible from the resources of the Provincial Governments. Regarding the method of distribution, however, in 1918 it was laid down that the grants should be given as lump-grants or percentage contributions rather than more definitely earmarked. With the inauguration of Reforms, in the calculations made regarding the division of funds and charges between the Central and the Provincial Governments grants to local authorities were

naturally considered a charge of the Provincial Government as local government became a transferred subject under the Devolution rules. We are not concerned with the details as to how, due to the war, grants had to be curtailed and the controversy regarding the standard of grants, on that score,¹⁰² but it should be noted that with the passing of the Government of India Act 1919, principles of subvention and their method of distribution became the concern of the respective Provincial governments and were not uniform for all Provinces. It will be noted from the account given below, that grants for local purposes which were almost forbidden before, became not uncommon in the Provinces.

So much about the principles regulating grants. Allied to the question of principles of subventions is the question of the method of distribution. Subventions were mostly made for specific services and we intend to consider each such principal service separately. 'Education' was one of the principal services and requires special treatment. We have noticed that in the eighties, grants were made as 'Equilibrium' grants and in most cases education grants were incorporated within this grant. Thus in Bengal, it was computed that a lump-grant of Rs. 3,99,293 was necessary but the grants which the district boards were expected to make for primary and middle schools amounted to about Rs. 10 lacs. Besides this, however, when additional charges, such as the inspection charges upto 1908, were transferred to the District Boards, separate grants commensurate with the additional charges were also made.¹⁰³ In other provinces also, there were some methods of sharing the burdens of education between the local authorities and the Government but the method could not be said to be based on any principle of giving grants for the service. In Bombay, the grant was fixed at Rs. 2,58,900 for five-year periods for a long time; subsequently, as it was found that Municipalities were taking advantage of the District Board funds, their financial relations were re-adjusted and the Government grant to the District Boards was increased by Rs. 2,82,000.¹⁰⁴ In the Punjab, no grant was made by the Government, in aid of the funds of the local boards for a long time, but subsequently, the charge of inspection was provincialised and provision was also made for sharing the burdens between the Government and the boards. In Madras, unlike Bengal where indigenous and private primary schools were most popular, the District Board was held directly responsible for primary education and hence in such cases and in those cases where they maintained upper primary or other similar schools they received grants from Provincial Governments in the same way as private managers. In Assam and the United Provinces the policy of lump-grants was strictly followed but the grants in Assam proved to be mainly useful for Public works.

¹⁰¹ Government of Bengal Letter No. 8078-F, dated 24th July 1919.

¹⁰² Government of India Resolution No. 1204, dated 15-7-81.

¹⁰³ Sir Alfred Croft's Review regarding Education in India, 1881-86.

¹⁰⁴ Quinquennial Review on Education, 1907-1912.

The system of these grants was superseded and in most cases replaced by what are called 'the proportionate' system that is to say, grants in proportion to the income or expenditure of the local authorities or schools. This was not universal and in Madras, specific subsidies for specific purposes used to be given. The proportionate system had some serious defects because it would not depend upon the needs of the local authorities but on the income or expenditure of relevant authorities, hence poor local authorities and backward areas were likely to suffer most. Its other defect was that it did not conduce to economy of expenditure, although in India, the Education Department influenced the education disbursement of the boards to a certain extent, and could prevent their want of economy. Because of these defects, this system also was modified or superseded in some of the Provinces, e.g. Bombay, the United Provinces, the Punjab, and the North-Western Frontier Provinces, where grants according to needs of localities were given and fixed for a limited period.¹⁰¹ In certain cases the 'proportionate' system which was made to depend on income, was modified by providing for the local authorities power to enhance taxation (cf. Madras Elementary Education Act, sec. 34 read with sec. 37; Bombay Primary Education Act by which one-third of the additional expenditure was borne by the Boards). In view of the fact that changes were desired to be made and the grants were intended to be based on needs, a word should be said regarding the method by which these were distributed to the schools and how the needs were adjudged.

In consonance with the voluntary principles of Primary Education, 'Payment by results' was the method of giving grants in India upto the end of the nineteenth century. It was dependent on examination results and its main advantage was its simplicity; its disadvantages were instability of grants causing inconvenience both to the contributor and the payee, making examination the main object of concern and resulting in an antagonism between managers and inspecting officers. While payment by results continued to be the main method of grants for a long time, certain other principles were also laid down by the Government of India in 1884, in pursuance of the recommendations of the Education Commission.¹⁰² As a general rule, aid to primary schools ought, it was supposed, to be regulated to a large extent, according to results by examination 'with certain modifications and exceptions. Grants, it was said, should depend (1) on locality, i.e. larger proportionate grants should be given to schools in backward districts, (2) on the class of institutions, i.e. greater proportionate aid should be given to those schools in which a large amount of self-support could not

be expected, e.g. girls' schools and schools for lower castes and backward races, (3) that no grant be given to an institution which had become self-supporting, (4) that the amount of state aid did not exceed one-half of the entire expenditure on an institution, and (5) that the maximum aid should, as a general rule, be given to girls' schools, primary schools and normal schools. These principles underwent fundamental changes on the initiative, taken by Lord Curzon in 1901. The Simla conference held in that year resolved that payment of grants by results "is to be deprecated as uncertain in operation and as tending to encourage examination tests and cramming—that it ignored the work done by teachers for dull and backward pupils, that it should be replaced by tests of attendance, buildings, circumstances of the locality, teachers, nature of institutions and outlay from other sources." This was confirmed by the Education policy promulgated by the Government of India in 1904. The Resolution on the Education policy issued in 1913 also confirmed the principle of fixed grants according to needs and the Central Advisory Board of Education also recommended this system of grants in 1922. The needs were assessed in different ways in different Provinces, but mainly referred to the minimum rate of salary of teachers, proportion of net income excluding grants, local rates levied by the boards and probable expenditure for a programme (Punjab) during a fixed period and so forth.

Other Grants: (1) Public Health Grants

In pursuance of the policy of transferring the Provincial cesses to District Boards in 1913 and the resumption of the 'equilibrium grants' the Government of India laid down that a substantial portion of the cess should be set apart for the improvement of rural water-supply, for anti-malarial measures and for protection of markets, etc., although it was left to the Provincial Governments to decide to what specific purposes the increased income should be devoted.¹⁰³ This principle, however, was seldom followed, and in Bengal, District Boards spent only a negligible amount on water supply and other kindred purposes. In 1921-22, only Rs. 5,14,000 was spent by the District Boards on water-supply. Other important grants in Bengal were the rural health unit grants of about Rs. 11-12 lacs¹⁰⁴ by which the Government gave subsidies equivalent to actual expenditure incurred, subject to a maximum of Rs. 2,000 per annum for each unit. Further grants were made in 1927 for the transference of the Provincial vaccination staff to District Boards.¹⁰⁵ The District Health Officer had been subsidised in Bengal since 1913. One of the most important schemes was inaugurated by No. 103-107 T.P.H., dated 25-5-1928 by which sources and water supply would be pro-

¹⁰¹ Richey—Grant-in-aid to schools in British India (1923)—Burden of Education.

¹⁰² No. 10/309, dated 23-10-1884.

¹⁰³ Letter No. 288-301, C.D. 1-3-1913.

¹⁰⁴ (?) Bengal No. 1078-1082 P.H. 1928 & 1846-1850 P.H. 26-6-29.

¹⁰⁵ No. 493, dated 11th May 1921.

vided out of loans, the Government contributing a sum equal to half the amount set apart by District Boards for service of the loans as the share of interest and sinking fund so far as possible within the limits of the regular Government grant of Rs. 2½ lacs a year. In Madras, as the result of the recommendation of the Financial Relations Committee, the Government agreed that minor sanitary grants as such, should cease but was prepared to contribute towards rural water supply scheme when local boards put forward such schemes. In the Punjab, since 1920, grants were made for the District Health Officer and by 1927, the cadre was provincialised and each board was provided with a medical (Health) officer. In Bihar and Orissa, District Boards spent inordinately on Sanitation and the Government could not possibly keep up, grants amounting to 60 per cent of expenditure. In Assam, the Government had to point out in 1923-24 that Local Boards receiving more than 50 per cent of their revenues by way of grants should be able to finance local works and not cry for doles. In the Central Provinces, it was laid down that grants for purely local works, e.g. water supply, could not be made to local bodies.

(ii) Medical Grants

In Bengal, the most important medical grant was introduced in 1922 in pursuance of a scheme of establishing new dispensaries at each thana-headquarters and in needful villages. The grant was fixed at Rs. 1½ lacs per year, the District Boards bearing the capital cost as well as the balance of the maintenance charges; but this did not prove very successful. In Madras and the United Provinces there were medical grants subsidising medical practitioners—medical graduates practising in villages being entitled to receive Rs. 600 a year. In U. P. grants for dispensaries amounted to half the initial and recurring cost, the other half being borne by the boards. In 1924, a plan was made for meeting the cost in proportion to the benefits actually received by municipal and rural residents. In U. P. there were proposals for transferring the Headquarters hospitals to the charge of the Government and in Madras the contribution that Local boards had to make towards Sadar hospitals from 1915 was foregone according to the recommendation of the Financial Relations Committee. In the Punjab, due to financial stringency dispensaries were proposed to be transferred from rates to Public charity with grants-in-aid to initiate the experiment but otherwise the total minimum cost of opening and maintaining rural dispensaries was entirely borne by the Government. In Bihar and Orissa, it appears, medical expenditure increased by 208 per cent as against about 122 per cent of ordinary expenditure and large grants had to be made for this purpose after the Reforms, but due to financial stringency no further grants of the Provincial Exchequer could be made for keeping pace with

the disproportionately large expenditure of the boards and even the Sadar hospitals could not be provincialised.¹⁰⁹ In C. P., it appears that grants for this purpose were extremely restricted as medical relief was considered to be a matter of local importance—contribution being made to dispensaries for post-mortem work, for provision of facilities for medical training and upkeep of larger hospitals where medical treatment of a high order could be undertaken. From 1923-24, however, some change in the policy was made and the charge of local fund dispensaries was partially undertaken by the Government and grants were made for covering salaries of Medical officers, for medico-legal work and attendance on Government servants.

General Purposes Grants

We have already referred to the nature of the General purposes grants. This grant was initiated by the Government of India in 1905 and was based on a proportion of the Road cess levied in the Provinces (one-fourth). The method of distribution was left to the discretion of the Local Government but the Government of India was of opinion that subsequently, it would be desirable to make the distribution rateable, that is, not fixed at the amount given in 1905 but variable according to the amount of road cess raised. The Government of India grant was fixed, but the Provincial Governments were expected to make up the deficiencies by necessary contribution for the purpose. In Madras, this grant was stereotyped in 1918-19, so that each District Board was to get, annually the sum which it received as grant in 1917-18, the total amount actually disbursed, being 1,728 lacs. In Bombay, the grant based on 3 pies of the cess amounted to about seven lacs but after the Reforms, from 1921-22, another eight lacs was added to it for repair of roads and by 1926-27 it was raised to 12 lacs.¹¹⁰ So far as the method of distribution of this fund was concerned, it differed in different Provinces. In Bombay, the grant was meant for Civil works and used to be allotted according to discretion without any definite standard.¹¹¹ In their Resolution No. 1570, dated the 3rd May 1926, the Government laid down that this was primarily meant for construction and maintenance of roads and bridges to supplement the expenditure of the Boards on the above subjects and should not be merged in the General balance unless the Boards could maintain their roads and bridges in good condition within their own allotments under the heads. As it was suspected that the earmarked grants were not properly spent, Government in their Resolution No. 6642, dated the 31st May 1929 laid down certain rules for enforcing the purpose of the grants. In Bengal, the Public

¹⁰⁹ Report of the Conference of District Boards, Bengal, 1924.

¹¹⁰ Report of the Committee on Local Self-Government (Bombay), 1918 (?).

¹¹¹ Resolution No. 809T-M with Circular No. 15 T-M of 18-5-1901.

works grants which preceded the General purposes grant were distributed by the Commissioners of the Divisions and they were not bound to allot some portion or other of the total assignments to every district but were at liberty to allot the whole of it for expenditure within two or more districts or even within a single district, provided that the works were of conspicuous advantage to any important section of the division.¹¹² The Commissioner of the Division was given discretion even regarding the General purposes grant which followed, but since 1901, the discretion of the Commissioner had been curtailed and in 1913, it was considered advisable to adopt the rateable system for all districts. In 1923, it was, however, settled that half of the total grant available, should be distributed on a rateable basis and that the other half should be allotted according to needs of the districts in each division—the Divisional Commissioner being given the discretion to distribute the amount among districts. In certain other Provinces, e.g. C. P. and U. P. the distribution of the grant has been more or less connected with the expenditure on Education and the continuation of the system was supported on the ground that a percentage-grant on rate collection would not be fair for the poor and thinly populated districts which had the greatest needs. In U. P. it appears, the defects of the system of distribution were overcome by allotments being made for fixed term of years. In Bihar and Orissa since 1920, allotments of augmentation grants had been based on divisional needs. In Madras, the basis was changed in pursuance of the recommendation of the Financial Relations Committee which proposed to specifically allocate for the payment of a proportion of the cost of upkeep of second class roads.

Consequently, the policies of the Provincial Governments, appear to have had the following features : (i) That grants should be given not for general augmentation of resources but for certain specific services in regulating the policy of which, the Government exercised considerable influence (in short, which were called semi-national services excepting in cases of peculiarly poor local bodies) and that grants for purely local needs should as far as possible be avoided.¹¹³ (ii) That in pursuance of this policy the services should be reshuffled—those which were really of a general and pervasive character and guided by the relevant superior Government being financed by the same superior authority. According to this policy, roads were classified and grants were either given for trunk roads as in Madras or all the roads were managed and maintained by the Government with certain lump-contributions from local authorities as in the United Provinces. (This method has been found to be very economical.)¹¹⁴ (iii) That the method of distributing

¹¹² Circular letter No. 3496-3506 L.S.G., dated the 19th November 1925.

¹¹³ Recommendations of the Financial Relations Committee, Madras.

¹¹⁴ Burma—No. 249-IT-6, dated 6th August 1918.

the grants should be made for each service or preferably for all the services put together, according to the needs of the localities and not on a percentage basis and hence by the 'fixed grant' system for a number of years. In the Punjab, it was introduced in 1917-18, when a consolidated grant amounting to about Rs. 774 lacs, except grants on education, plus a development grant of Rs. 260 lacs was introduced. In Burma, in 1927, a sort of permanent settlement of ordinary provincial contributions on a 'poverty-basis' was introduced.

CHAPTER VII

CONTROL

The system of Local Self-Government in India as hinted hereinbefore, had under the circumstances of the situation to evolve more or less, on artificial lines ; the method of control consequently, also appears to have been developed in an equally artificial way. In England, the local authorities were completely autonomous and had to be brought under control of the Central Government by various methods direct or indirect for national purposes of administrative nature ; development of control could hence be said to be homogenous. In India, the local authorities were at first nothing but agents of the superior Governments but gradually, the control exercised over them, became less and less. The superior Governments as it were, had to guide them by leading strings and the control so exercised therefore naturally depended on the principal policy held in view.

Before Lord Ripon's scheme of Local Self-Government was promulgated, there had been no local authorities worth the name. The cess committees and similar organisations were thoroughly controlled by the Government both from within and without. Sir A. Mackenzie, speaking in the Bengal Legislative Council in 1880 brought out the position of these authorities very lucidly. 'In India,' he said, 'a foreign but nevertheless benevolent Government taxes the people *ab extra* in their own interest and often in their own despite. Viewed thus, Municipal and other local taxation is in India as distinctly Imperial taxation as the Income-tax itself. In order to bring in economy of administration to secure the help of those locally interested and to reconcile local population to special burdens, Government transfer the assessment and management of some sources of revenue to local bodies but the ultimate responsibility still lies with the Government and it is for the Government to lay the limits within which the system shall be worked. That, Sir, I conceive to be the only sound theory of Local taxation in India.'

Subsequently, in consistency with the policy promulgated by Lord Ripon not only was the constitution of the boards remodelled but their relation with the superior Governments also underwent fundamental changes. The Resolution of 1882 pointed out that the control should be exercised from 'without' rather than from 'within'. The official blocs and therefore internal control of policy by them were to be reduced as far as possible and control was to be exercised by regulating the action of the boards from above, e.g. by providing Governmental sanction for certain acts such as power of taxation, raising of loans, beside some amount of special outside control empowering Government to supersede negligent boards or set aside proceedings of local bodies or to compel defaulting boards to do some work.

These principles were tried to be followed, so far as control over local authorities was concerned, till the appointment of the Decentralisation Commission. The constitution of the boards, however, continued to be influenced by the official element. In view of these circumstances the Decentralisation Commission recommended the lessening of official influence and the strengthening of non-official element. No definite line of action could be taken till 1915. In 1915 and 1918 the Government of India issued two comprehensive Resolutions. They accepted the opinion that there should be elective majorities in rural and Municipal boards with a further proviso that the Chairman in a Municipality should be an elected non-official, except when an official was elected by a non-official majority, subject to the approval of the Commissioner of the Division and in rural boards 'Local Governments should arrange for election of Chairman whenever possible and appointment of non-official Chairmen in others.'

The administrative control has been reduced gradually, but all the while, it was considered necessary to have legislative control. This was exercised by restricting the power of taxation and certain other provisions. It was considered necessary that the sanction of the Government should be ordinarily required for any alteration which might reduce the reserves of indebted Municipalities; loans again could be incurred only through the sanction of the Provincial Governments which consequently had some power and responsibility in the matter. The rural boards were not allowed any general powers of taxation. This restriction, however, was gradually removed in many cases.

Under section 45-A of the Government of India Act, 1919, local and municipal matters were made 'transferred' subjects and under section 80-A 3(a) read with rule 3 of the Scheduled Taxes Rules the Legislative Council of a Province without the previous sanction of the Governor-General could authorise any local authority to impose for the purposes of such local authority any tax included in the Schedule of

these Rules. Accordingly, most of the important Provinces except Bengal enacted new laws and gave partial powers to the local authorities of imposing new taxes. In some of these provinces, e.g. Bombay (sec. 99 of the L.B. Act, 1923) local authorities were given powers to levy any tax mentioned in the schedule noted above, subject to the sanction of the Commissioner (sec. 10), power being reserved by the Government to suspend the levy of objectionable taxes. In U.P. specified taxes were leviable by the authorities subject to the same restriction. Municipalities had been long enjoying the power of imposing certain taxes noted in the respective Acts subject to the sanction of the Governments.

The tendency had always been to reduce the administrative control of the Government over local authorities specially regarding financial matters. The result was that the control became confined to seeing that the budgets provided for the due discharge of all liabilities in respect of the loans contracted by any local board or municipality and the maintenance of a working balance.¹¹⁵ In case of village authorities only, in many cases, the control exercised over their finance is comparatively great, e.g. in Bengal, Rule A of the Account Rules under the Village Self-Government Act, 1919, gave power to the District Magistrate to control the budget partially). For the lessening of control over local and municipal authorities the footnotes under this page, may be referred to.¹¹⁶

It is true that, besides these negative powers the Provincial Governments in many cases possessed some positive powers of administrative control. In cases of default, the local authorities had either to do the acts or appoint some persons to perform the duties,—they being compelled to pay the expenses in priority to any other charge against such fund except charges for authorised loans.

From the above account, it would be apparent that administrative control became less and less and hence in Bengal, the Government in their memorandum to the Simon Commission pointed out 'In Bengal there are so many authorities who can criticise and advise—but no authority has effective power to enforce actions'. In many cases in some of the Provinces grants given by the Government were not spent, it was held, for the purposes for which they had been given. Local

¹¹⁵ U. P. Local Boards Act—1922, Madras Local Boards Act—1920, Bombay Local Boards Act—1923, C. P. Local Boards Act—1920, etc.

¹¹⁶ (1) Bengal:—Circular No. 71 L.S.G., dated 12-10-1912 under which, powers of the Commissioners of respective divisions were curtailed on the above lines.

(2) Madras:—Sec. 117 (2) of the Local Boards Act, 1920.

(3) C. P.:—Proviso to sub-section (2) of Sec. 86, C. P. Municipal Act, 1922.

(4) U. P.:—District Boards Act, 1922—Sec. 161(2) under which Government had further powers to see that a Government allotment was properly utilised. (In the United Provinces the Local Government controlled the finances of Local authorities).

Governments reasonably expected that the grants had been spent within a reasonable time and the purposes and conditions fulfilled. In view of the apparent anarchy among local authorities, Local Governments in most of the Provinces tried to increase their control over finances. Under rule 46 of Part II of Schedule I of the Devolution Rules, under the Government of India Act, 1919, the power of audit of Local Boards and Municipalities was left to the Provincial Governments and in the new Acts and rules, in some of the Provinces the power of surcharge was given to the auditors. Thus, in Bihar and Orissa, sec. 11 of the Local Audit Act and in Madras, Rule 50-A of Finance Rules under Madras Act V of 1920, provided for such surcharge. The 'auditors shall disallow every item contrary to law and shall charge against any person responsible therefor the amount of any deficiency or loss incurred by negligence and misconduct'. The provision of such surcharge, as it was said, was highly effective. In Bihar mere threat of surcharge was sufficient to have the irregularities set right in 2/3rds of the cases and in only 1/14th of the cases requisition had to be issued.

So far as the borrowing powers of local authorities are concerned, some control or other was exercised by the Governments. The Local Authorities Loans Act of 1914 consolidated the laws relating to borrowing powers of Local authorities and rules under the same Act (India Government Finance No. 1020-A dated 10-11-1914 and Resolution No. 1019-A dated 10-11-1914) regulated the principles of borrowing by Local Authorities. The Provincial Governments were the sanctioning authorities except in certain cases of non-Government loans wherein the Government of India was the final sanctioning authority. Before such loans could be incurred the Government would make enquiries regarding the financial position of Local authorities in question and the utility and purpose for which such loans were incurred. Loans could be taken either from the Government or from other parties. In the case of non-Government loans, the amount could not exceed 5 lakhs of rupees. The terms in both cases were not to exceed 30 years. Further conditions might also be prescribed.

In connection with the incurring of loans, the Government exercised some control and reserved some powers of inspection of works and accounts (Rule 12). Some of the bigger Municipalities and Improvement Trusts were allowed power to borrow by means of issue of Bills and Promissory Notes payable within any period not exceeding twelve months.

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Konkan Divisional Conference of Local Bodies

Held at Thana on 15th December 1946

Inaugural Address of Shriyut G. D. Vartak, B.A., M.L.A., Minister for Local Self-Government, Government of Bombay.

MRS. BHAPKAR AND DELEGATES,

I am thankful to you for inviting me to inaugurate this Conference of Local Boards, School Boards and Municipalities in the Konkan Division and thereby giving me an opportunity of renewing my acquaintances with the Local Self-Government workers of the Division. It was exactly 12 years ago, i.e. in 1934, that I was responsible for organising a similar Conference in Thana and in the same year I presided at Rajapur over the Ratnagiri District Conference then held. This District is my home district and I have taken my lessons in Local Self-Government here and have worked with many of those who are present here as my colleagues. I, therefore, feel as if I am among a group of friends and hence you will excuse me if I speak to you as a friend speaks to a friend.

Another reason why I feel at home is that the Local Self-Government problems of Konkan Division are known to me more intimately than those of other Divisions. As a corollary to this, I recognise that you have a claim to speak to me at close quarters and as to a person who is your own. You are entitled to ventilate your grievances freely and in the full confidence that I shall not fail to put in my best efforts to remedy them. There is a wider reason why you have a greater claim on the present Government. Before the advent of the Congress Government, I mean before the provincial autonomy was introduced in 1937, Local Self-Government workers approached Government as suppliants and petitioners and in rare cases as protesters. Now, however, you have a right to approach as claimants and demandants in the full hope that those whom you have sent to the Legislature and whom your representatives have raised to the posts of Ministers will put in their best efforts to meet your demands consistently with the welfare of the Province as a whole. Your deliberations today will, therefore, have from me not that old customary beauracracic reply of "receiving attention" nor that patronising verbal phraseology of "will receive our sympathetic consideration". You may take it that if I am not able to satisfy your demands it will not be for want of my sympathy or of appreciation of your difficulties but because myself and my colleagues are obliged to give priority to some other more urgent claims on the provincial purse.

I know that at present the uppermost feeling that has taken possession of you all is that of utter despair about your financial position. The demands

on Municipal purse—I include Local Boards also under this category—have multiplied manifold because of the necessity of maintaining and improving the present services and of rendering new ones. The cost of meeting these demands has risen beyond all proportion. Your income has not increased to an extent comparable to the pecuniary demands on you. Some of you have indeed raised your taxes and cess but you have not been able to keep pace with these increasing demands. Due to the high cost of living the salaries and wages that you are called upon to pay, have risen enormously, your income remaining practically stationary. The Rent Restriction Act has also blocked the natural increase in your income from properties which are the main source of Municipal revenue. The war and its aftermath are national calamities and it is the national income as a whole which should bear the burden of public expenses. The Provincial Government has, therefore, a right on the Central Government for coming to their aid and supplement their finance. Equally so the Local Bodies have a right to ask the Provincial Governments to supplement the income of Local Bodies by Provincial Grants-in-Aid, if that is necessary.

I was convinced of this line of reasoning long before I took office and since then I have been keen on obtaining relief for Local Bodies to as great an extent as possible. My colleagues were also equally convinced of the dire necessity to supplement the local finance. The immediate interim relief to Local Bodies, which the Government have already announced, is specified in G.R. G.D., No. 3874/33, dated 6-11-46. This G. R. gives to Municipalities a grant of 50% of the expenditure incurred on the payment of dearness allowance to their sanitary staff and an equal percentage to the whole of the staff of Local Boards. This has been done with effect from 1st April 1946. Of course, some four or five big Municipalities have been excluded from this relief because of their stronger financial position either actual or potential. I hope this Government measure will to some extent relieve your financial stringency though I know that it will be a very small relief indeed. But I ask you to appreciate Government's difficulties as well. Moreover this is only an interim relief and if Government are able to go further, they will certainly be very much pleased to do so. But I wish to point out that you and Government are one. Difficulties of Government are your difficulties and *vice versa*. The Provincial Government has been tackling the problem of satisfying the more pressing needs which have been long neglected. There is a huge Reconstruction Programme before us. The extent to which we can carry this out will be the measure of amenities for the Province as a whole. Our programme is ambitious and we mean to carry it out in all earnestness and we will find sources of income to enable us to carry the provincial programmes through.

We also propose to carry out our Prohibition Programme and are prepared to sacrifice this source of tainted revenue. I know a large majority of the inhabitants of this Province are behind the Government and are backing this Programme. These undertakings will require huge amounts and Government will therefore be unable to give as much relief to Local Bodies as Government otherwise would be eager to do. That being so, it will be for Local Bodies to launch schemes of raising additional revenue. There are Local Bodies whose rates of taxes are certainly capable of being raised and where additional taxes could be imposed. It will not be possible for the Provincial Government to point to individual Local Bodies exactly the particular taxes which they should increase or introduce afresh. It will be too much of an interference on the part of Government. The City Leaders are the best Judges as to what sources of income could be suitably raised in their respective areas. Of one thing, however, I am clear. The time has come when every Local Board should come forward to raise their Local Fund Cess to three annas in a rupee. I am glad that the beginning has been made in this direction by one or two Boards and I am certain the other Boards will follow suit. This will bring in some additional revenue to meet urgent demands on Local Boards. They will be able to spare a larger share of the cost of primary education which it is proposed to make compulsory and free in all villages with a population of 1,000 and over from 1st June 1947 if possible. It has been announced by Government that they will be pleased to shoulder all expenditure on primary education in those Districts where Local Boards come forward to give their share of this expenditure to the extent of 15 pies out of three-anna Local Fund Cess. This undertaking of Government should be a sufficient incentive to appreciative Local Boards to raise their cess immediately to three annas and take advantage of Government undertaking which, I think, should be considered generous. I appeal to you, all Delegates, when you go home to induce your Boards not to delay any further the raising of this cess. The greater the delay in any District the remoter will be the time for introduction of compulsory primary education therein.

I am also re-examining the financial recommendations of the Kale Committee as I want to know how far they can be implemented. In the meantime may I request you in all earnestness to do every thing to improve the sources of your revenue? Let Provincial Government and Local Bodies work shoulder to shoulder and pull their resources together, for, after all, it is the duty of both of them to improve the economic and social conditions of the people. Local needs must be satisfied from Local funds as far as possible. Where Local Funds fail the Provincial funds should supplement them—thereby bringing about a common minimum standard of happiness to all the component parts of the Province. The poorer district should get better financial help, the richer ones should stand on their own legs and not shirk their responsibility in the matter. These are the guiding principles

governing the policy of the Provincial Government today. I hope you will find these principles unexceptionable.

I wish to add a few words about the administration of the Local Bodies. Everybody knows that the Local Bodies' administration has been generally characterised as lethargic, neglectful, inefficient, and ridden by party politics. I know that these faults are ascribed to Local Bodies all over the world. They are exaggerated more often than not. I have sufficient experience of Local Bodies not to believe all the bad things that are said about them. But I appeal to your good sense to tell me if there is not a *modicum* of truth in the charges levelled against Local administration. Who can deny that in many Local Bodies party feelings have run so high that public good has been sacrificed to party quarrels? I will not lay much emphasis on this sorrowful aspect of our administration but we cannot shut our eyes to them altogether. The evil is getting deeper and is eating away the vitals of our country. We must eradicate this evil, bring to book persons who are responsible for this state of things and purge our administration of everything that mars its efficiency. So far we have been objectively criticising Government for their shortcomings. I do not want you to withhold these criticisms wherever they are deserved. But you will excuse me if I ask you who are engaged in the administration of Local Bodies to resort to a sort of introspection, diagnose your diseases, and cure them by such radical operations as the diseases call for. He is the saviour and benefactor of his locality who will point his finger to these evils continuously, fight them bravely and sacrifice his personality in the service of the locality in this fight for its welfare. I would, therefore, appeal to those persons who always champion the cause of Local Bodies to now guide them in the path of purity and efficiency. They will be doing a service less glaring than the Provincial service, but productive of better immediate results. Amongst such persons, I class the pair of workers of the Local Self-Government Institute than whom I do not know of better advocates of the cause of Local Bodies in our province. I mean Mr. Naik and Mr. Barfivala. As Vice-President of the Local Self-Government Institute the valuable services of these two selfless gentlemen are well known to me. They have spent their lives in the cause of Local Bodies and have been doing their utmost for their welfare. They will be doing a much greater good if they will now help Local Bodies in the process of introspection as suggested by me above. On behalf of Government I can assure them that they will find my department always responsive to their suggestions in this behalf.

Well, Ladies and Gentlemen, I do not wish to take much of your time and will leave you to your deliberations, assuring you that all your resolutions will receive at my hands the most sincere and sympathetic consideration.

Konkan Divisional Conference of Local Bodies.

Resolutions passed unanimously at the Conference of Local Bodies of the Konkan Division inaugurated by Shriyut G. D. Vartak, B.A., M.L.A., Minister for Local Self-Government, Government of Bombay, at Thana on 15th December 1946. The Conference was held under the auspices of the Local Self-Government Institute. It was presided over by Mrs. Hirabai P. Bhapkar, President, District Local Board, Ahmednagar.

1. This Conference is grateful to the Government of Bombay for the interim relief, from 1st April 1946, by way of grant-in-aid to the District Local Boards, equal to 50% of the expenditure incurred by them on dearness allowance paid to their staff and to the Municipalities (except those with a population of over one lac) equal to half the expenditure incurred in payment of dearness allowance to their Sanitary Staff—(G.R.G.D. 3374/33 dated 6-11-46).

This Conference, however, requests Government to declare a further instalment of relief as early as possible. 50% relief as mentioned above is absolutely inadequate and does not meet the situation to any appreciable extent because of the abnormal financial depression of Local Bodies. Local Bodies expect that the further instalment of interim relief will be substantial and will go a great way in doing justice to the claims and needs of Local Bodies in this behalf. The further instalment should provide for 100% grant on expenditure incurred by Local Bodies on dearness allowance. The grant should be in respect of the dearness allowance to the whole staff and not restricted to sanitary staff.

2. This Conference further requests that the Village Panchayats and Notified Area Committees should also be paid 100% grant on the amounts spent by them for dearness allowance to their entire staff.

3. This Conference reiterates all the resolutions passed at the Conference of Presidents of Local Authorities and Chairmen of School Boards in the Province held at Poona on 5th May 1946. These resolutions depict correctly the financial position of Local Bodies so far as the administration of Primary education is concerned and also lays down the views of Local Bodies regarding the future policy, administrative and financial, which should be followed.

The Government is also requested to restore immediately the powers taken away from Local Authorities by the Primary Education Amendment Act of 1938.

4. This Conference regrets that Government have not so far considered the financial effect of introducing universal free and compulsory primary education on Municipalities. It is, therefore, requested that the question

should be immediately taken up by Government. It is suggested that Government should in case of every municipality fix a quota payable by municipalities towards this expenditure—the quota being based on the basis of financial position of respective municipalities and on consideration as to whether the taxes levied by them are commensurate with the taxable capacity of the respective Municipal areas.

It is further requested that Government should declare in unequivocal terms that Government takes upon itself a legal responsibility to shoulder all expenses legally incurred by Local Authorities without any exception or reduction therein. No expenditure which is admissible against Primary Education Fund should be held inadmissible for grant. The experience of Local Bodies in respect of educational grants from Government is not happy. In order to arouse confidence and obtain complete co-operation from Local Bodies, such unequivocal declarations are requested.

5. This Conference urges the Government to sanction extra payment of Rs. 5 p.m. on the recommendation of the Administrative Officer and at the discretion of the Local Bodies to primary teachers who are confirmed and who have acquired approved training or qualification in one or more of special subjects such as Physical Training, Music, Sewing, Needle-work, Gardening and Handcraft work to promote the tuition of such subjects in the Primary Schools.

6. This Conference requests Government to implement all the recommendations of the Kale Committee regarding the improvement of the finances of Local Bodies. The financial condition of Local Bodies has considerably deteriorated since these recommendations were made by the Kale Committee and on the other hand the position of provincial finance has considerably improved. The case for widening the sources of income of Local Bodies has been stronger than ever. The finances of Local Bodies, it appears, will never improve unless Government comes forward to part with a substantial share of Land Revenue which has at present been wholly appropriated by Provincial Government for its own use. Government is, therefore, requested to take this most urgent step to rehabilitate the finance of Local Boards. Municipalities are also groaning under burden of expenditure far beyond their capacity. A comprehensive survey of financial conditions of Local Bodies is, therefore, urgently called for. It is expected that the Government will not delay such enquiry and will declare their policy without delay.

7. This Conference respectfully draws the attention of the Provincial Government to the recommendation of the Kale Committee regarding the encroachment on the powers of Local Bodies by the appointment of *ad hoc* Bodies like the Rural Development Boards and others and regrets to note that such appointments are still continued. These *ad hoc* Bodies are

undemocratic in character and they deprive the local bodies (which represent the Local Self-Government voters) of a training ground in a sphere rightly belonging to them. This Conference, therefore, strongly urges upon Government to abolish all such *ad hoc* Bodies which encroach upon the functions assigned by Law to Local Bodies.

8 (a) This Conference is of opinion that the imposition of Sales Tax has dealt a further blow to finance of local bodies who are not exempted from the payment thereof on the purchase made by them and thereby have raised their expenditure on purchases by 3½%. This is a very regrettable feature which should have been foreseen and Local Bodies should have been exempted from the operation of the tax. It is now high time that these exemptions are granted soon.

(b) A more bitter complaint, however, in respect of the sales tax is that Government have made no provision for giving any share of the proceeds of sales tax to local bodies and have thereby deprived them of a source of income which local bodies in foreign countries are enjoying. This tax has further encroached upon another source of revenue of local bodies, viz. the Octroi because simultaneous imposition of both Octroi and Sales Tax would be onerous. These facts considered with the possible abolition of terminal tax at a future date render the position of Local Bodies much more precarious. Under the circumstances Government is requested that a substantial share of the proceeds of sales tax should be given to Local Bodies on some equitable basis.

9. This Conference requests Government to give up levy of urban immovable property tax and release this source of revenue free for further municipal taxation. The U.I.P. Tax restricts this field of taxation which is eminently suitable for local bodies.

10. This Conference welcomes Government decision as disclosed during the discussions held during District Conferences held under the presidency of the Reconstruction Minister to entrust execution of reconstruction work to local bodies. Where particular local bodies are held by Government as not having competent superior officers under their service to execute particular works, Government is requested to make suitable grant to local bodies to enable them to engage such competent staff.

11. This Conference requests Government to come forward to bear a substantial share of the expenditure on schemes of Local Bodies for housing their sanitary and menial staff.

12. This Conference requests Government to encourage municipalisation of public utilities and should institute inquiries as to which local bodies are capable of undertaking them, with such technical, financial and other aid which Government is able to give. As a first step, transport service should be municipalised and handed over to individual local bodies where service is

confined to their respective jurisdictions or to joint boards of local bodies where more than one local body have jurisdiction over the transport route.

13. This Conference is of opinion that the Roads which have been damaged by Military traffic should be reconstructed at provincial expenses and no part of this expenditure should fall on local bodies. Government should take early steps to give effect to this resolution because expenditure on repairs or reconstructions of such roads is too heavy for local bodies' finance to shoulder.

14. This Conference is of opinion that Government grants for Drainage and Water Works should be at least 50% even in case of Borough Municipalities.

15. This Conference notes with regret that grants in respect of communications are continually being reduced. Government is, therefore, requested to restore these grants and to augment them in view of the deterioration of Roads and of the necessity of reconstructing and modernising them. This Conference would like to impress upon the Government the necessity of laying down equitable principles for distribution of Communications Grant in order to do justice to every Local Board and with a view to avoid the impression that these grants are not impartially distributed.

16. This Conference considers it just and equitable that Government should pay a moiety of the cost of lighting Provincial Roads running through Municipal areas to the Local Bodies concerned.

17 (a) This Conference urges upon Government to provide by executive order or by necessary legislation for power to be given to the Commissioner of Police, Bombay, or the Superintendents of Police in the Districts, as the case may be, to refuse to issue a licence for a vehicle to be plied as a public conveyance or to renew such a licence, unless the applicant deposits with his application the Wheel-Tax chargeable by the Municipality concerned for the full period covered by the licence applied for, or produces a receipt from the Municipality concerned showing that the Wheel-Tax has been paid to the Municipality.

(b) This Conference urges upon Government the desirability of issuing to the Commissioner of Police, Bombay, or to the Superintendents of Police in the Districts, as the case may be, to send to the Municipalities within their jurisdictions, every month, statements of the names of the owners, their addresses, the Nos., etc. of all new motor vehicles registered with them, as also similar statements of transfers of such vehicles.

18. This Conference requests Government to exempt T.P. Scheme plots from payment of non-agricultural assessment and for the purpose to extend the limits of Village sites, or 'Gaathan Lands' wherever it is necessary to do so for extension of Town limits by launching T.P. Schemes.

19. This Conference requests Government and representatives of our Province on the Constituent Assembly to see that local bodies are given special representation on Provincial Legislature so that the grievances of local bodies can be directly represented thereon. This is absolutely necessary in view of the fact that after the introduction of Provincial autonomy local bodies' finances have ceased to have separate existence and are included under Provincial finance.

20. This Conference requests Members of Local Bodies to devote their serious attention to improvement of administration of their respective local bodies and to promote efficiency by eradicating all those factors which may mar such efficiency. It is necessary to arouse popular feelings and to educate the people to work whole-heartedly for around efficiency—right from election to execution of all local works.

21. This Conference requests District Local Boards to co-operate with Government in their efforts to promote growth of Village Panchayats and improve their working. When Government decides to establish Village Panchayats throughout the Province, it would be necessary to have a special staff under each District Local Board exclusively devoted to Panchayat work. Government is, therefore, requested to give a special grant for engaging a competent staff for the purpose.

22. This Conference welcomes the proposal for formation by the Local Self-Government Institute of Co-operative Insurance Society where all Insurance work of local bodies could be centralised.

23. Whereas many problems—administrative, technical or financial, arise where local bodies desire competent advice preliminary to making final decisions thereon and whereas the Institute is at present tendering such advice wherever local bodies make a reference to it, Government is requested to permit their officers to offer co-operation to the Institute in formulating proper advice. This procedure will help local bodies to arrive at proper decisions and afford proper guidance. The aim of the resolution is to obtain official advice without official interference. It is expected that Government control should be preceded by competent advice which may be interposed before allowing mistakes to multiply.

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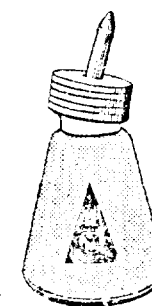
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L. S. G. D. EXAMINATION RESULTS

(May-September 1946)

The following students have passed the L. S. G. D. Examination held in the month of November 1946.

(In order of Merits)

- | | |
|--|--|
| 1. Mr. S. Narasinha Rao (with distinction) | 11. Mr. Krishna Rao Gujar |
| 2. Mr. Bahadurlal Verma | 12. Mr. Dattatraya Appaji Kulkarni |
| 3. Mr. Shivabhai Mangaldas Luhar | 13. Mr. P. V. Gopala Pillai |
| 4. Mr. Hari Krishna Shahay | 14. Mr. Rao Rana Karsanji |
| 5. Mr. Keshav Prashad Kapoor | 15. Mr. Vithal Bhivaji Chavan |
| 6. Mr. D. V. Puntambekar | 16. Mr. K. K. Malagi |
| 7. Mr. Bhagwan Swarup Sinha | 17. Mr. Gajanan Govind Brid |
| 8. Mr. Kailash Narain Saxena | 18. Mr. Natverlal C. Sheth |
| 9. Mr. Jayantilal G. Bhatt | 19. Mr. Jivanlal Purshottamdas Thakkar |
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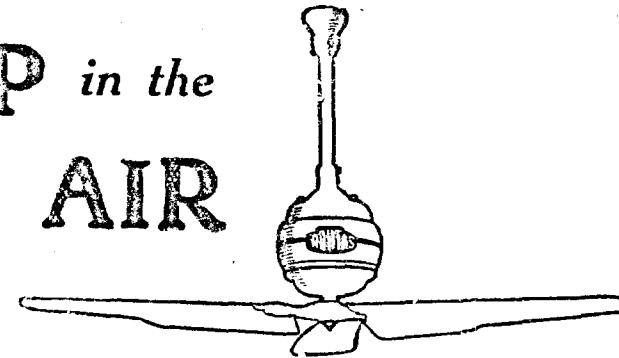
The following students got exemptions in the papers marked against their names:—

Name of the Student.	Paper I	Paper II	Paper III	Paper IV	Paper V	Paper VI
1. Mr. Mohanlal Bhagwanji Patel	1	2	3	—	—	—
2. Mr. Koluothum Veetil Gopal Govindan	1	2	3	—	—	—
3. Mr. Minoo Phirozshah Manekshaw	—	—	3	—	—	—

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VILLAGE ADMINISTRATION IN ANCIENT INDIA

By S. L. AUDICHYA, M.A.

Introduction

Sir Charles Metcalfe (in the Report of the Select Committee of the House of Commons, 1832, Volume III), has remarked, "The Village Communities in India are little Republics, having nearly everything they can want within themselves, and almost independent of any foreign relations. They seem to last where nothing else lasts. Dynasty after dynasty tumbles down, revolution succeeds revolution . . . but the village community remains the same. This union of the village communities, each one forming a separate little state in itself has, I conceive, contributed more than any other cause to the preservation of the peoples of India; through all the revolutions and changes which they have suffered and is in a high degree conducive to their happiness and to the enjoyment of a great portion of freedom and independence."

The marked development of associated life that the ancient Hindu society exhibits is its chief characteristic. This development was of course achieved in varying degrees in different spheres of life, for example, religion, learning, politics, civics, economics, etc. Organizations in all these spheres grew up on democratic or more or less popular basis to fulfil the ends of life. The Local Government in Ancient India was so well developed that it was for this that the integrity, independence and individuality of Hindu culture despite the world-shaking and catastrophic political movements to which the culture was frequently exposed, could be maintained.

Sir George Birdwood has also truly remarked, "India has undergone more religious and political revolutions than any other country in the world, but the village communities remain in full municipal vigour all over the peninsula. Scythians, Greeks, Saracen, Afghans, Mongols, have come down from the North and Portuguese, Dutch, English, Danes, and French up out of its seas and set up their successive dominations in the land, but the religious-trade-union-villages have remained as little affected by their coming and going as a rock by the rising and falling of the tide."

This efficiency to the highest pitch in the sphere of Local Self-Government in Ancient India could be achieved for the exceptional phenomenon of State and Society co-existing yet apart from and in some degree independent of each other, as distinct and separate units,

as independent centres of national, popular and collective life and activity. The State interference was defined and limited so as not to encroach upon the spheres of activities of the social organizations. The State adhered to the ideal policy of non-intervention. The chief function of the State was limited to the protection of the life and property and realization of revenue for the proper execution of that duty. The Social Organizations looked after the rest of interests. Thus the society was not merged into the State to which it completely surrendered its functions, dropping its independent life as we find today. The King was the head of the State but not of the society. He had a place in the social hierarchy but not the highest. As a symbol of the State he had no direct touch with the daily life of the people, which was entirely governed by the different social organizations. But this must be borne in mind at this place that the relations between the society and the State as independent organizations were very cordial and it is on account of such voluntary co-operation of independent units of a common-body-politic, that the State administration could run so smoothly and work for centuries with great efficiency—when no means of communications were present. When it would take nearly six months for news to reach the capital of the Empire, great imperial authority could be maintained and empires and nations flourished.

Village Communities in the Vedic Age

Tracing the growth of the village communities right from the Vedic period, we know full well that the Aryans were alive to the gregarious instinct, they had a tribal tie among them, there was the common danger from wild beasts and wilder savages, there was the recognition of the necessity and usefulness of mutual help and co-operation. Thus these were all the circumstances which favoured the rise of a compact village community, and the village, therefore, must have developed from very early stages of Aryan progress in India. Besides villages are very frequently referred to in the Vedas also. It is therefore established that the Indians in Ancient India did not live in isolated houses but were grouped together in a settlement at a convenient place. There was the communal feeling of village brotherhood. Nothing is known about the constitution of and institutions in the Vedic village community. From the scanty data available we infer that villages practically enjoyed unlimited autonomy. Rather it will be more true to say that there was no question of Local Self-Government being enjoyed by or denied to the Vedic village communities. The State was practically co-terminous with the village, hence there was no occasion to define the spheres of local and Central Governments. It is no doubt true that the King is often mentioned in the Vedas, but it appears that neither the powers nor the dominions were very exten-

sive. 'Gramini' or the leader of the village was practically its king. He led the village in times of war and presided over its religious rites.

Each village had its own Council or Sabha, where probably the village elders assembled to discuss and deliberate over questions of public importance. All members of the community probably did not enjoy this privilege, only the worthy acquired it by their position in the society.

The local disputes were settled by this council of the village elders. Sabhachara had to discharge judicial functions. There is nothing to show whether the entire assembly or a select committee thereof discharged this function. Life in those days was very simple. There was not much of departmental work. Actually the meetings of the council for serious affairs were few and the council house served as an everyday club room. Sabha was more or less a place of amusement, talk, and debate. Villagers assembled there to play and to talk on the usual matters of village interest such as welfare of kine.

Later Vedic Age

This type of self-contained and self-governing village commune did not, however, last long. Larger political units were evolved and the village soon became their constituent. This is true of the later Vedic period when we read of the King and his 'Samiti'. Atharva Veda XV, 9 sharply distinguishes a 'Samiti' from a 'Sabha' which clearly shows that the 'Samiti' was a higher council or some sort of ministry whose business was to advise and control the King. At this stage it appears that there was some control of the village commune by the king, but not much. As the King himself was not independent, and his powers too were circumscribed by the 'Samiti', the village communities, therefore, must have continued to enjoy large powers of local Self-Government, managing as before almost all their village affairs including adjudication through the council of village elders.

Such were the Village-Republics in the Vedic Age.

Subsequent Days

In the subsequent period most probably due to the caste-feuds that were being carried out among the Brahmans and the Kshatriyas for the supremacy of the society that the village republics lost most of their significance. The feelings of rivalry jealousy and hatred that had been engendered by these class feuds reached the village communities and destroyed the accord and harmony which were the characteristics of the village communities so long. The village Sabha instead of a place of harmonious consultation and pleasant social intercourse became a

battle-ground of ferocious and wordy warfares among the members of different parties. In these circumstances the power which was so long vested in the village council gradually slipped into the hands of the headman and the Central Government. Both the 'Sabha' and the 'Samiti' lost their significance and are rarely mentioned in the Brahman Age. Their meetings must have become rarer and rarer, and the village headman appears to consult the 'Sabha' only informally. The headman assumed vast powers, and controlled practically all the affairs of the village. The democratic sense which had so long been pervading the society's outlook in the Vedic Age was obliterated.

The Jatak stories give a more vivid picture of the Village Government during these days. From these folk-lore stories we gather that each village was no longer an independent Village Republic as was the case in the Vedic times. The Village remained only a subordinate unit of the State. At its head was the village headman, who was probably an hereditary officer. His duties were mainly two-fold—to collect the revenue, and to defend the community. No doubt there did exist a council of village elders—more or less the old Sabha of the Vedic Age in its most rudimentary form—which the headman could occasionally consult. There were no regular or periodic meetings of the Council. The headman would sometimes act arbitrarily without consulting the Village Elders, and then the villagers had to approach him to set matters right. The village headman had the right to try petty criminal cases, and the fine, etc. realized used to go to his pockets. There were no departments or Committees to look after a particular department. The villagers made temporary arrangements to meet such emergencies. All co-operating in the work—each person contributing his quota in money, labour, or kind. The life was simple. The community was mainly agricultural. Hence its everyday economic needs were few, which were met by a permanent hereditary staff of village artisans, each of whom was paid by the community an allowance in grain share, given annually at the time of harvest by each cultivator. Such was the administrative machinery during the subsequent period—sixth and the seventh centuries—and is more or less true even today.

Now we shall proceed to discuss in detail the constitution and working of the legislative, judicial, and executive machineries as parts of village administration in Ancient India.

Legislation in Ancient Indian Village Assemblies

To begin with the legislation in Ancient India, we must know that the local governing bodies then enjoyed great independence in their industrial and commercial functions. They had an elaborate system of controlling the resources and increasing the productive capacity and

efficiency of the individual member. From our early Vedic literary evidence we gather that these local bodies for convenience termed as guilds already appear as highly developed institutions possessed of a distinct organisation of their own and having a recognized position of importance and influence in the State. If independent legislation be the criteria of an independent political status, then it is amply fulfilled in our local associations. They had developed a distinct body of laws and bye-laws to regulate their work and activities. Gautam says, "Laws of countries, castes and families, which are not opposed to the sacred Texts have also authority—cultivators, traders, herdsmen, moneylenders and artisans have authority to lay down laws for their respective class."

This clearly means that the legal decisions of the king must be in accordance with that which is declared to be the established law in each community by its authorized and accredited spokesmen and representatives.

Manu also lays down, "A king who knows the sacred laws must enquire into the laws of the castes and districts or peoples, guild laws and family laws."

This shows that the king was bound to respect the laws of these various local bodies or groups and could not enforce his own law without reference to them, provided such local law is not contrary to the Sacred law.

Manu again states, "Let the king paying attention to all the laws of countries, castes and families make the four castes fulfil their particular duties."

Kautilya says, "that the king's accountant must enter in his books the laws, the manners and the customs of castes, families, guilds, and localities."

Brahaspati says, "A civil law is the decision given in accordance to the customs of the country." It therefore concludes that the laws of the local bodies were respected by the king, and any violations therefore were suitably dealt with by the king. Thus we see that the local bodies or guilds had complete freedom of legislation, and their usages and laws were obligatory even for the king whose duty it was to see their proper enforcement unless they be not contrary to the Sacred laws.

Constitution of Village Legislatures

Now coming to the actual constitution of these local legislative bodies and their system of administration, we, due to scanty data available, cannot definitely say the exact number of the assembly but it generally varied from three to ten as put in by Manu.

Manu says, "Three persons who each know one of the principal Vedas, a logician, a mimamsaka, one who knows the Nirukta, one who recites the Sacred law, and three men belonging to first three orders, shall constitute an assembly, consisting of at least ten members." (xii-iii).

Gautam states, "An assembly (Parishad) shall consist of at least the following members, viz. four men who have completely studied the Vedas, three men belonging to the three orders enumerated first and three men who know different institutes of law." (xxviii).

Over and above these assemblies and other local corporations like merchants' guild, etc. there was a board of governors to superintend and guide the working of these bodies.

Brahaspati, "These local bodies were governed by a Board of two to five persons selected from the best men of the community. Honest persons, acquainted with the Vedas and with duty, able, self-controlled sprung from noble families and skilled in every business shall be appointed as heads of an association." Such executive officers were called Karyachintakah.

Yajnavalkya also says, "These governors should be well-grounded in religion, pure in mind, and free from avarice. They were entitled to the obedience by the members of the Corporations. The king was required to enforce their authority by penalty. Their authority was binding on the assembly and was respected by the king."

Committee System of Working

The evidence of South India clearly brings out the fact that the Villages in Ancient India had developed a considerable differentiation of functions and also different organs for the exercise of these functions. The Ukkal inscriptions throw a great light on this point. The Village of Ukkal was governed by an assembly sometimes called Sabha and sometimes Mahasabha. The main or the Central Assembly was subdivided into several committees for example :—

1. Great men in charge of the tank.
2. Great men elected for the year as trustees of the endowment.
3. Great men to manage the affairs of the village and to supervise charity.
4. Great men in charge of gardens, etc.

Thus there were a number of committees, each with a definite sphere of work and with different designations.

The inscriptions further show the qualifications and disqualifications of the members of the committees, selection of members, method of

working, etc. Eloquence at Committee assemblies was extolled as a special merit. Rules of debate were fixed. Members who misbehaved at the meetings were fined for their misbehaviours. Unfair obstructions in the debates were also fined, but good speeches and fair comments were a great privilege. Every member of the Committee was bound to render an account of his stewardship immediately before or after the expiry of the term of his office. Thus we conclude that these various committees were subordinate bodies appointed by the general assembly to look after a particular branch of work. The members of these Committees could be appointed both from the general assembly or outside.

Such in short was the legislative machinery which worked in the Ancient Indian villages and tried to promote the common welfare of its residents. It is evident that a fairly elaborate and complex machinery was developed, to deal with the manifold types of local conditions. The efficiency of local Government required a variety of local bodies with differentiated spheres, structures and functions by which alone a system of administration could effectively be adjusted to the complex needs of heterogeneous communities such as India represented.

Justice

After discussing the legislative machinery of the Ancient Indian Village communities we will now proceed to inquire how Governmental functions like justice, etc. connected with the life of the Village Community used to be discharged. Administration of Justice was an important function of the local bodies in Ancient India. From times immemorial down to the British Period village disputes used to be settled among the villagers themselves. The only exception was of violent and serious crimes. They were tried by the official tribunals of the Central Government. Some people maintain that the local courts took cognizance of both civil and criminal cases. But this view does not appear to be very sound. Brahaspati says, "Relatives, companies (artisans), assemblies (of co-inhabitants), or other persons duly authorized by the king should decide law suits among men, excepting cases concerning violent crimes."

The Smritis are also unanimous in excluding violent crimes from the cognizance of local courts. Other petty cases were tried by the local courts.

There were four types of local courts according to Brahaspati: "Stationary, not stationary, furnished with the king's Signet ring, and directed by the king himself." A stationary court met in a town or a village. One not stationary was called moveable, they were the courts of caravans, etc. One furnished with the king's Signet ring was that which was superintended by the Chief Judge, and one directed by the king was held in the king's presence.

According to Yajnavalkya, it appears that there were three popular tribunals existing in Village Communities—Kula, Sreni and Puga or Gana. Thus the Kula, Sreni and Puga are the local courts in ascending order of power and merit. The Kula, though, it hardly deserves the name of a court was the lowest court composed of mainly kinsmen for arbitration in small matters.

The 'Sreni' was the court constituted by traders and artisans including men of different castes but pursuing similar means of livelihood.

The Puga or the Gana was the highest court constituted by men of different castes and occupations but inhabiting the same village or town. This was the chief village court.

Narada on relations of different courts states, "Family meetings (Kula), Corporations (Sreni), Village assembly (Puga), are appointed by the king and the king himself is invested with the power to decide law suits—each succeeding is superior to one preceding."

The whole principle underlying these formations of the local courts has been put by Sukranti as under : "In cases of disputes the best men of the locality concerned can alone be the proper Judges. Foresters are to be tried by foresters, merchants by merchants and soldiers by soldiers, etc." The underlying principle of justice was local knowledge and neighbourhood.

Brahaspati says, "For persons roaming in the forest, a court should be held in the forest ; for warriors in the camp and for merchants in the caravan."

The administration of justice, however, requires some more officers than Judges alone. Thus Accountants and Scribes were attached to the Courts who knew the principles of grammar and had studied the lexicons.

This was the judicial machinery with which the ancient Indian villages worked. The disputes were mostly attempted to be settled by mutual understanding through the influence of elder members of the family or influential friends. Failing that the cases were referred to the higher courts which was of course a costly affair.

Sanction behind the Local Courts

Having described the constitution and gradation of courts let us now ascertain the sanction underlying its decisions. Sir Henry Maine says : "In almost inconceivable cases of disobedience to the award of Village Council, the sole punishment would appear to be universal disapprobation." But this view does not appear to be very correct. The sanction behind the decisions of the local courts was not so flimsy. Had

it been so, decisions would never have been carried out. The Central Power in fact used to enforce the decisions of these courts, and the appeal to the king or the highest court did not lie until it had passed through all the stages in different courts.

Brahaspati says, "The king shall abide by and enforce the decisions of the Pugas and Srenis, etc. because his powers are delegated to them."

The qualifying clause ("वृषे सर्वाचक्रता") sanctioned by the king which Yajnavalkya introduces to describe the local courts shows that the Central Government always enforced their decisions.

The records of the proceedings of these courts were maintained and there was definite procedure laid down for the conduct of the case, taking of evidence, etc.

This was in short our judicial system in the ancient village communities.

Village Executive

After discussing the legislative and judicial machineries of the village administration in Ancient India, we will now proceed to analyse its executive organs. Principally there were three such executive heads, namely the Village Headman, the Village Accountant and the Village Watchman. We will dilate upon each separately.

The Village Headman : The head of the Village Executive was the Village Headman who was called "Grambhojaka". The chief responsibilities of the Village Headman were the collection of State revenue, and the defence of the village with the help of the local men. There is a point of distinction here to be made between the Northern and Southern parts of India. It is said that the Northern part of India being more developed vested this responsibility in the Village Assembly or Council, while in the South it was the Headman individually who was responsible for this. The Headman of the village though was the normal feature of the Village Government in the North, yet Sir Henry Maine maintains that in those parts of India (he means the North) in which the village community was most perfect, the authority exercised by the Headman is lodged with the Village Council.

Professor Altekar is of opinion that the Village Headman was the supreme authority, and he exercised almost dictatorial powers.

Anyway there cannot be any doubt that the Village Headman was a normal feature of the Aryan village. It assumed more importance and power during the days of further colonisation of the South, which they (the Aryans) gradually extended. Colonization requires always daring leadership, and Gramini therefore led the village.

Sukranti says, that the Village Headman should be a Brahman, and capable of leading people in difficult times.

The office of the Headman is still mostly hereditary now in Western India. It has been the case there since long.

For the evidence shown by the Manusmriti that the Headman was appointed by the king, some people conclude that he could not be a hereditary officer. But this view is wrong. The position was similar to the present day. Just as today the District Officer or the Collector appoints the Headman, yet he is not hereditary. Similar was the case perhaps then. The office of the Headman remained hereditary even during the Muslim reign.

Duties of the Village Headman : Most important of all the duties of the Village Headman was the defence of the community with the help of the local militia—Kulwaka Jatak.

Next important duty of the Village Headman was the collection of Village Revenue. Kulwaka Jatak bears clear testimony to this. There are instances of other tax-collectors being appointed under the Mauriyan Empire. But all these must have been subordinate to the Village Headman, who was the most important of all the village officers.

The inference is further supported by what we know of the Mohammedan period. Baden-Powell has remarked that Muslim rulers closely conformed to the old system changing old names. Grand Duff also maintains that the Revenue Officers of the Bahamini kingdom called *amils* used to collect the revenue from the Hindu Patel.

Thus it is clearly established that the Headman's responsibility for the village revenue was one inherited from the Hindu Period, and was adopted by the Mohammedans.

Under the Mahrattas and Peshwas 'Mamletdar' used to settle and fix the village revenue in consultation with the Patel or the Headman. If they did not agree, the Patel would consult the *ryots* again. Even if these revised rates were not agreed upon, the case was referred to a special officer. Thus the amount agreed upon was fixed and if this could not be collected by the Headman, he was put into custody until the amount was made up.

Thus the responsibility of the Headman for the Village Revenue was well established under the Marathas. Even under British Rule the duty of collecting the Village Revenue is still being discharged by the Headman.

The third important duty of the Village Headman was the settlement of village disputes.

Besides these principal duties, the Headman used to discharge many other duties of varied nature. If the village well was to be repaired it was done under his supervision. If any co-operative concern was to be organized, it was he who took the leading part. If any officer of the Central Government came it was the duty of the Village Headman to attend to him. If the village was to be represented at the Coronation, or king's marriage it was he who would go to do that.

Remuneration of the Village Headman : The Headman, for all these duties, enjoyed inalienable rent-free lands for his remuneration. The *watan* or free land system which was in vogue continued to be maintained by the Mohammedans as well.

Apart from the rent-free lands the 'Kulwaka-Jatak' lays down that the fines collected from the village offenders also went into the pockets of Headman. Kulwaka-Jatak, "When these men used to get drunk and commit murder and so forth, I used to make a lot of money not only from their drinks but also by fines, exclaimed the 'gramabhojaka'."

But this right of Village Headman is not acknowledged in the Mohammedan and the Maratha periods.

Besides these the Village Headman was entitled to receive things in kind from every farmer, artisan, and something in cash from every shop-keeper of the village.

Sukranti maintains, "The Head of the village, like father and mother, protects the people from aggressors, thieves and officers of the Central Government." The Village Headman though responsible to Government has always been a man of the people. It is for the utility of the Headman that he is continuing till this day. His utility for the people is proved from the amount of confidence reposed in him by the people of the village.

His influence is gradually dwindling today. It is because he has been deprived of the many privileges and powers today. He cannot collect his dues, he is no longer the village Judge and the village protector.

The Village Accountant : The next officer of the villages was the Accountant. But he was not an invariable feature of the Village Government like the Headman. Every village necessarily did not have an accountant. If the revenues were small, the village was placed under the charge of an Accountant of the neighbouring villages.

Sukra, "Lekhaka (accountant) is to be he who has skill in accounts, who knows of the difference between countries and languages, and who can write without hesitation and vagueness. He is to keep accounts of incomes and expenditures, and part with goods only after writing, and receive goods only after writing in a proper way."

The accountant remained an important figure in the hierarchy of executive officers not only in the ancient Indian days but throughout the subsequent days of Mohammedan rule and even upto the early British period. The accountant on account of his literacy during the early British period surpassed the Headman, and became a more influential officer than him. This is in deep contrast with the old practice when Headman was an officer all in all.

The duties of the accountant more or less remained the same as we find them today. A modern writer or accountant does not differ much with those of old days. The chief duties of the 'gopa' or accountant were to mark fields, set boundaries and keep the accounts of any remissions, etc. He was also to keep himself informed and put on record the number of artisans, cowherds, merchants, etc. in the village. A Gopa was in charge of five to ten villages, and therefore generally he was provided with an assistant, who would help him in his work.

Village Watchman: The next principal officer of the village was the Village Watchman. Though the village Headman was responsible for the Defence and safety of the village, yet the watchman may be said to be his chief assistant in doing that work. The principle of division of labour was adhered to. The Headman was probably doing and was in charge of the Police arrangements, while the actual watch and ward was entrusted to the village watchman.

Elphinston says, "The duties of a watchman are to keep watch at night and to find out all arrivals and departures, observe all strangers and report all suspicious persons to the Patel. The watchman is likewise bound to know the character of each man in the village and in the event of any theft being committed within the village bounds, it is his business to detect the thief. He is enabled to do this by his early habits of inquisitiveness and observation as well as by the nature of his allowance, which being partly a small share of grain and similar property belonging to each house, he is kept always on the watch for ascertaining his fees and always in motion to collect them."

"In case of theft the village watchman was either to detect the thief or make good the loss. If he refused to pay he was fined, imprisoned, and given severe corporal punishment. If it was found impossible to make up the loss by exacting the whole sum from the watchman, the remainder was levied on the village as a whole."

The above passages clearly indicate, the duties, remuneration, and process of work which was adopted by the village watchman. Though the watchman was responsible for the losses inflicted and properties stolen, yet the principle of communal responsibility was not abandoned.

It was thus with these three executive officers, the villagers in ancient India, mutually helping each other were doing the work. The life in those days being simple did not necessitate further officers. The villages were more or less self-sufficient units of the society. It was therefore that in perfect harmony and accord, goodwill and mutual help that people used to pass their lives.

Function of Village Assemblies

After discussing the Legislative, Judicial and Executive machinery of our ancient Indian villages, we shall now pass to the actual subjects and functions that the State had entrusted to the villagers. Perhaps due to the lack of a swift system of communication and transport and India being a vast country, a highly centralized system was not feasible, and for this reason the villagers and other local bodies enjoyed more freedom than what they should have. It was for this that greater number of duties and functions were given to the villagers to proceed with their normal life and develop the cultural aspect of the society. Accordingly we find that the villagers with their village council were discharging multifarious duties and functions. We shall now discuss them one by one.

Defence and Safety

This was perhaps the most important duty entrusted to villagers. The village headman was the protector of the community and under his leadership the villagers as one united people were responsible for his Defence. The brave spirited villagers of the past, on occasions of public danger would unite together and offer a stubborn resistance to the free-booters, and those who laid down their lives in such skirmishes were immortalized by the villagers by erections of suitable memorials. The principle of communal responsibility was a peculiar feature of our ancient communities. The entire village was responsible for the defence and safety of the villages. Very often losses suffered by one had to be compensated by all. It might appear to be unjust today, but in the old days of honesty and simplicity, when there was no fraud, it worked most iniquitiously. There were no railways. Every village was an isolated unit. Villagers were honest. Thefts were rare. The communal responsibility secured the co-operation of the entire village and worked very well.

This, however, does not mean that the Central Government had no responsibility for internal Defence. The local militia was usually supplemented by the Police and military forces of the Central Government. The help of the Central Government was forthcoming as the need for it arose; there were regular police stations, and officers of the Central

Government, who would see to the Policing work, and would bring the help of the military if occasion demanded it.

Public Works

Apart from the individual and private needs, there are some public needs before the village people, and how they were satisfied in our ancient communities, we shall see under this head.

Notable public needs of the village in the past were the construction and repair of the village temple, chavdis, or the headman's office, dharmashalas or the rest houses, the village wells and tanks, streets, and defence walls, embankments and canals, etc. In the modern times most of the above are State responsibilities, but in ancient India the conception was that just as the villagers made their own arrangements for meeting their private needs, so also they should exert themselves for satisfying their public needs. This fostered the spirit of co-operation among the villagers. In case the work undertaken was of great dimensions, or for some other reason if the help of Central Government was evoked, it would come but as a general rule the villagers had to make their own arrangements.

The usual method of executing works of public utility was by voluntary co-operation and self-taxation. Jhatak stories clearly show that "the decisions of Village Council were promptly carried out by the members of the community who built mote-houses, and rest-houses and constructed reservoirs and parks, each taking his share voluntarily, including even women who also considered it a civic honour to participate in such village works of communal utility."

The practice continued in the Mauriyan Period as well for the 'Arthashastra' lays down minute rules as to how such works of public utility were to be encouraged. It was thus a well established tradition which worked well. There are numerous inscriptional evidences to show how the villagers voluntarily agreed to pay additional taxes for meeting the expenses of local colleges or local tanks, etc.

This spirit is seen to permeate through the Mahratha period and even upto this day: "In Ratnagiri District of the Bombay Presidency we still find the head of families contributing according to their means towards the cost of any public or charitable work—paying something in cash or supplying so many days' labour. The same was the case in Nasik and Khandesh where until recently it was quite common for villagers to undertake village public works on a co-operative principle defraying the cost by contributions in labour, kind or money." Such was the case even in Sholapur, Bijapur and other Canarese Districts. "The spirit of voluntary co-operation and taxation we may passingly point out

was common all over India." The Madras Famine Commission Report observed that so numerous were the applications of the Village Communities desirous of raising subscription for works of public utility in which they were interested that the authorities were unable to pay attention to all. In many of the Punjab villages the malha tax for such purposes is still a common feature.

When the subscription alone was not sufficient it had to be supplemented from other resources. Usually the help of the Central Government was relied upon. If the work in question was of Provincial or Imperial importance, the Central Government would wholly or partly defray the expenses.

Private charity and religious sentiment of the people was also a great source of help in public work. Religious spirit always emphasized performing of public works like wells, gardens, and rest-houses, etc. Even now this spirit is not dead, and we may therefore safely conclude that our communities must have been receiving sufficient help in the past from private charity in the construction and repairs of the village public works.

These are in short the arrangements made by our ancient Village Communities for satisfying public needs. Their essential feature was co-operation of all villagers in the task of common interest. Even when Central Government assisted, the villagers had to organise the necessary machinery and carry out the work.

Education, Medical Relief and Sanitation

In our ancient Indian community Education was not regarded to be State activity. Perhaps the conception was prevalent even in Europe. The problem of Education was therefore left in the hands of private organizations.

To trace the history of Education from very early times in India, it was purely a family affair. Each father used to initiate his son in the Vedic study and the profession of his caste.

As the need for proper and systematic Education was felt more, this method was substituted by another, wherein boys were sent to the teacher's house more or less as a permanent stay, during the educational course. They used to live with the teacher and get lessons from him.

As the demand grew more, this system too was supplanted by another which we may call the primitive prototype of the present one under which a teacher was maintained by the community, who would teach such boys of the community as were sent to him during fixed hours. This was evolved during the 'Smriti period.' Smritis do not

oppose a paid teacher, but of course he was not considered as a regular village servant; hence was not maintained similar to the carpenter or smithy of the village. For his maintenance no uniform practice was maintained throughout. Generally the village teacher was assigned some grain share. This was given to the teachers by the parents of the boys who used to study at his place, according to their capacities. Besides this he would get some gifts both in kind and money in holidays and other festivities.

Another and an important source of income of the village teacher was that he worked as a letter writer for the villagers. Not only letters but sometimes he was employed in drawing up deeds, bonds, and leases, etc. On all such occasions he was paid either in kind or cash.

Another source of income that the village teacher had tapped during the past days was in lieu of some medicine, etc. that he used to give to the villagers. Generally all village teachers in the past possessed some elementary knowledge of medicine.

This was how the education machinery of the society in past worked. In Hindu and even in the subsequent period the teacher was highly revered to, and the entire system was working very satisfactorily. Education of course in those days was limited to few and did not attain a universal character. The villagers used to themselves arrange for their education.

During the Muslim Rule 'Rural Education' did not receive much attention. These grants were limited to the mosques, where the Maulana would teach the boys. The pupils were mostly Mahomedans.

Medical Relief and Sanitation

Every village even today does not possess, and did not possess in the past, its own physician. While describing the system of medical relief in early India, we must first bear in mind that owing to the absence of the evil effects of modern civilization and its artificial life and injurious results that the diseases were few. The elders of every household, male and female, both possessed, until recently, a surprising amount of medical knowledge. The village teacher who was more or less a quack and possessed some elementary knowledge in medicine was always available for the help of the villagers. Hence regular physicians in the past established themselves at the headquarters of a group of villages, where they could find sufficient cases to maintain themselves. The indigenous system of medicine with its physicians known as "Vaidyas" was a very effective and good system of treatment. A villager is even today unwilling to entrust his case to an English educated doctor. The principal cities and capital towns possessed important hospitals and physicians of established fame and repute.

The village sanitation was more or less the same as it stands today. Regular cleansing of the village streets was unknown. Most of it was done by nature, and each house owner cleaned the street adjoining his house. Arrangements on elaborate scale existed for the cleaning of the streets and roads of the towns and cities, but not for villages. They were in the same condition as they are at present.

Recreation and Amusement

The villagers in the past were very particular about the recreation and amusements. We have already noticed that the 'Panchayat House' and the temple very often served as a place for recreation—more or less a club room, where the villagers were entertained by indoor games. On many religious occasions and festivities like marriages, etc. the villagers arranged concerts. Such dramas and concerts apart from their recreative value, helped a great deal to foster brotherhood among the villagers. Not to contribute and co-operate in such activities was considered a sin. Such dramas consisted of dancing, music, singing, dramatic performances and acrobatic feats. The actors in these concerts were either local amateurs or outside professional men. There were regular dramatic parties of professionals moving from village to village. Such performances were sure to be arranged from the temple funds on important religious festivals, viz. Holika, Ram Navami, Ganesh Chaturthi, Gopa-Ashtami, etc.

Another source of amusement and recreation was the fair. Fairs were numerous in the past, and they contained many-sided amusements. There were dancers, singers, actors, wrestling matches, bull-fights, cock-fights, ram-fights, etc. These fairs also had great business value.

Charity

The spirit of doing charity was a remarkable feature of the village life. The reception of guests, relief of poor and distressed were essential duties to be performed by every villager. Rest-house was a regular feature of the village community. To finance such Rest-houses and reception of guests, some contributions were received from the village funds. It was a charge on the village revenues. Elphinston says, "The maintenance of village temple, its fixed and authorized pension and annual charities, its alms to beggars and entertainment of guests were regarded as permanent charges on the village revenues." Expenses over all these were supplemented by private and public endowments. There was a regular 'Poor Relief Fund', which received contributions from various sources. It enabled the villagers to discharge an eminently humane function which lent a charm to the village life. A wealthy traveller, a needy Brahman and a holy pilgrim was sure to get a night's

boarding and lodging at the temple. With the disallowance of the 'Atitbhyagata' charges by the British and the spread of materialistic notion this feature of the village life has gone for ever.

Conclusion

The village administration in Ancient India, decidedly had reached the climax of self-government in those days. The system contributed not only in educating people in Self-Government, but also was highly congenial to the growth of brotherhood and communal life which was highly essential in those days to maintain the sanctity of the State.

Slight differences in the institutions of North and South cannot be construed to mean that the two were absolutely different from each other. No doubt evidence is copiously available in the South than in the North, yet we shall stick to Mr. Venkayya's opinion that the system was carried from the North by the Aryan immigrants, and the slight changes that are to be found are really to suit the conditions of the South. Along with the transplantation of the institutions there was also the transplantation of names with them.

Dilating upon the characteristics of the Indian local bodies in Ancient India we find that the local bodies were not uniformly composed and constituted. They present a variety of types and a considerable diversity of growth. This might be due to the local conditions, when swift means of communications were not present.

All local institutions were mostly based on two types of political formations, namely (a) Territorial—where the principle of association was that of neighbourhood. 'The bond of physical connection promoting associated life among the children of the common soil.' (b) Communal—a group was determined by the moral or spiritual character. Community of functions and interests would go to make the common grouping. These groupings were not the deliberate groupings dictated by self-interest and subject to changes in their composition—not spontaneous or natural but hereditary groupings. They were the social groupings and organizations regulating the entire life of the community.

The two types of political institutions were co-existent in the villages of India. The Sabha was the assembly of Brahmans wherein other castes had no place. Its principle was communal yet its actual working and functions proceeded upon the territorial principle. Other castes of the village found their natural and necessary place. Every village was of heterogeneous composition but governed by a homogeneous body. Sabha was communal in origin but worked on principles contrary to it.

Besides Sabha village had assemblies called 'Urar', the structure and functions of which were determined by territorial principles. They were constituted by all castes. They were strictly territorial, political assemblies or democracies.

The efficiency of an administration lies in its capacity to deal with extraordinary circumstances and abnormal situations and to develop a proper degree of public spirit in the governed. If judged from these two criterions we shall find that our ancient system of Local Government was not wanting. In trying times such as famines, we find that assemblies rose to the occasion. The administration did not break in such hard times. If somehow or other help from the Central Government was not forthcoming we find that the local administrative bodies took full charge in the disturbed state of the country. The assembly raised loans and assigned some land produce from which shall go to pay the interest. Temple money was appropriated on such occasions.

Besides their capacity to cope with difficult times, the indigenous local administration must also be credited with producing a high level of public spirit or patriotism. There are innumerable examples of people giving their lives for their country or the protection of the village. Patriotism of the people was rewarded by the gratitude and abiding recognition by the community. This all conclusively proves that a high sense of public spirit was created among the people. This was exhibited in many forms which were all recognized by the community.

The patriotism of the community also expressed itself through appropriate secular charities. It was the duty of the assembly to preserve and maintain the public wells, halls, water courses and tanks that supplied water both for drinking and irrigation purposes. Gifts and charity had also gone very high, and are in no way unworthy of being taken note of.

Such was our ancient Village Administration.

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THE FINANCIAL ADMINISTRATION IN THE MADRAS DISTRICT MUNICIPALITIES

V. VENKATA RAO, M.A., M.LITT.,
Politics Department, Madras University.

INTRODUCTION¹

Financial administration deals with "the collection, preservation and distribution of public funds, with the co-ordination of public expenditures and revenues, with the management of the credit operations on behalf of the State and the general control of the financial affairs of the public household."² That is, it is concerned with the preparation of estimates of revenue and expenditure; with the approval of these estimates by the council; with the collection of revenues; with the contracting of loans; with the distribution of revenues among the various items of expenditure; with the accounting of these revenues and expenditures periodically to the council and finally with the submission of accounts to the Auditor for the purpose of verifying their accuracy and ensuring that expenditures have been incurred in accordance with the budget provisions.³

In recent times financial administration has been receiving increasing importance. The several factors that have contributed to this increasing importance are firstly, the extension of services to be rendered by the council and the consequent growth in municipal receipts and expenditures; secondly the democratisation of municipal councils and the consequent establishment of popular control over public finances; and finally the prevalence of jobbery and corruption in municipal administration and the consequent agitation for the introduction of business principles in financial administration.

A sound system of financial administration is based upon three factors. Firstly, there should be a centralised machinery to carry on the financial administration. In other words, financial administration should be a unified enterprise. Though financial administration can be divided into several operations, viz. preparation of the budget, appropriation of funds, accounting, etc. all these operations form parts of one system and

1. The writer desires to express his gratefulness to Professor M. Venkatarangiah, M.A., his teacher and President of the Indian Political Science Conference, and Mr. B. B. Shankara Rao, Deputy Examiner of Local Fund Accounts, Madras Government, for reading the typescript and making many useful suggestions. But for Mr. Shankara Rao this paper would have contained many factual mistakes. Thanks are also due to the Examiner of Local Fund Accounts, Madras Government, for permitting the writer to consult the records available in his office.

2. *Encyclopaedia of the Social Sciences*, 'Financial Administration'.

3. Willoughby, *The System of Financial Administration in Britain*, p. 1.

therefore it should be treated as a unified enterprise. Secondly the will of the council as expressed in the budget provisions should strictly be adhered to. Finally, there should be effective control over the revenues and expenditures. The absence of any of these factors may facilitate the misappropriation and misapplication of funds. For instance, in preparing budgets appropriations may be made for purposes which have little or no value or utility; in accounting funds received, certain amounts may not be brought to account at all; in expending amounts the executive authority may not exercise the same vigour which he does with his own money. If these things are to be prevented there should be rigid control and supervision commencing first from the preparation of estimates to the payment of sums voted.

Ultimately, however, the efficiency and purity of financial administration depend on the public spirit of the servants of the council. Rules may be comprehensive but if the personnel is not honest and efficient, administration is bound to suffer.

In this part we shall deal with every aspect of financial administration. We shall begin with the budget.

CHAPTER I.

BUDGET

Significance of Budgeting

Budgeting is the process by which the financial policy is formulated, adopted and executed. It enables the administrators to plan the activities of the council. It is through the budget that the council is informed of the resources and expenditures. It is the instrument by which the departmental activities are controlled. It is the means by which the citizen is enabled to know how money is raised, and how it is spent on various activities. Thus the budget is a financial photograph of the past and a plan of expenditure and income of the future. It should, therefore, be comprehensive. All the incomes and expenditures must be brought together and presented in a single statement. In preparing the budget, it should be carefully noted that the expenditure does not exceed the revenue. That is, the budget must be a balanced budget. The figures

4. The derivation of the word budget is interesting. In England the word was applied for a long time to the great leather bag in which the King's Finance Minister (later the Chancellor of Exchequer) carried the documents explaining the country's needs and resources when he went to Parliament. From the opening of the bag before Parliament came the phrase 'opening of the budget'. Gradually the meaning of the word shifted from the bag itself to the document which the bag contained. Later on it took a broader meaning. See Buck, *Budgeting in Governments of Today*, pp. 4-5.

given in the document should be accurate. Ordinarily the budget framers should make use of the audited figures.*

The essential elements of budgeting are three. Firstly, it is a financial plan. Secondly, a particular procedure should be adopted in the formulation, adoption and execution of the plan. Lastly, some authority should be made responsible for each of these activities.⁵ We shall in the course of this chapter notice whether all these elements are found in municipal budgeting.

Before we proceed further it is well that we understand the meaning of certain terms connected with financial administration. A budget is not a balance sheet, or a statistical summary or a financial statement. A balance sheet merely sets forth the financial condition of the council. A statistical summary merely gives figures of revenue and expenditure for a certain period. A financial statement is a report of expenditure and revenue during a certain period. But a budget is something more than all these things. It is a plan of action. Again, it is not merely a proposal. It is "the administrative experience of the last or the current fiscal period, systematised and organised for presentation to the legislature together with recommendations as to the expenditure and revenues for the coming fiscal period."⁶ Thus the budget is the hub on which the entire system of financial administration rests.

Preparation of the Budget

We shall now take up the preparation of the budget. It must be said at the outset that the correct preparation of estimates is very essential. And if this end is to be secured it should be entrusted to competent persons who possess wisdom and sincerity. "Wisdom enables those engaged in the preparation of the budget to see the future clearly—as clearly as possible; sincerity compels them to state the truth when they have ascertained it. These two qualities go hand in hand. What is the use of being sincere if one is not sagacious; and what value is wisdom if through lack of sincerity the light be hid under a bushel?"

The budget framer while framing the budget should take into consideration the unusual economic conditions, rapid changes in business and industry and the international situation.

In the District Municipalities the budget is prepared annually and the appropriations last only for a year commencing from 1st April to 31st March of the succeeding year. The authority to prepare the budget

* Buck, *Public Budgeting*, p. 12.

5. Buck, *The Budgeting in Governments of Today*, p. 46.

6. Buck, *Public Budgeting and Willoughby, Principles*, p. 435.

7. Rene Stourm. Quoted in Buck. *Op. Cit.*, p. 305.

till 1933 was the chairman of the council. At present the commissioner is entrusted with this business.

The procedure for the preparation of the budget is as follows. Sometime in the month of October, the commissioner sends a memorandum to all the Departmental Heads in the municipality, like the Municipal Health Officer, the Municipal Engineer, the Electrical Engineer and the Head Masters of the Secondary Schools requiring them to furnish him with their schemes and their cost for the preparation of the revised budget estimate of the current year and the budget estimate for the coming year. A date is generally fixed within which the schemes should be submitted to the commissioner.

The information thus secured is systematically classified and after the classification of the information the budget document is prepared. What does the document contain? What are its special features? The budget document is a collection of statements setting forth the financial plan. It gives information about the past year and current years' operations and submits proposals for the coming year. Unlike some of the American city budgets, the municipal budget in this province is a comprehensive one. It includes all the incomes and all the expenditures. It is divided into two parts. The first part gives an abstract of the budget. It is as follows:—

Abstract of the Budget Estimate

Description of Account	Ordinary			Capital			Closing balance both Opening & Closing
	Opening balance	Receipts	Expenditure	Opening balance	Receipts	Expenditure	
A. General Account.							
B. Lighting Account.							
C. Elementary Education Account.							
D. Water Supply & Drainage Account.							
E. Town Planning A/c.							
F. Remunerative Enterprises Account.							
G. Deposits Account.							
H. Endowments A/c.							

The abstract enables every one concerned to have a bird's eye view of what the council proposes to do, how much it is expecting from revenue account and how much it will spend and on what items. The one significant feature of the abstract is the distinction it makes between ordinary and capital expenditure. This distinction was not made in the budget estimates prepared before 1920. Before that date all expenditure and income, whether capital or ordinary, were grouped together.

The second part furnishes the details of the budget plan. It is divided into two sections, the main account and the subsidiary accounts. The main account is the general fund account. The subsidiary accounts are the lighting, elementary education, water supply, town planning, deposits, advances, remunerative enterprises and endowments accounts. Each account is divided into two sections—receipts and expenditure. Each section is further divided into ordinary and capital. Thus under the general account there are two sections—receipts and expenditure. Each section is further divided into two divisions—ordinary and capital.

Each one of the accounts contains a number of major heads. Under each major head there are a number of minor heads. Under each minor head there are a number of sub-heads. The budget information is classified as follows.

RECEIPTS—ORDINARY

A—GENERAL ACCOUNT

- | | |
|--|---|
| <p>I. <i>General Taxation & Miscellaneous Revenues.</i></p> <p>(a) <i>Taxation.</i></p> <p>(1) Property tax.</p> <p>(2) Profession tax.</p> <p>(3) Tax on servants.</p> <p>(4) Entertainment tax.</p> <p>(b) <i>Miscellaneous Revenues.</i></p> <p>(1) Warrant & Distraint fees.</p> <p>(2) Interest on arrears of revenue.</p> <p>(3) Lapsed deposits.</p> <p>(4) Fees, fines, forfeitures.</p> <p>(5) Fishery rents.</p> <p>(6) Surplus from P. F. Fund.</p> <p>(c) Government grant in aid of general resources.</p> <p>II. <i>Management.</i></p> <p>(1) Sundry receipts.</p> <p>(2) Law charges—costs recovered.</p> <p>III. <i>Communications:</i></p> <p>(a) Engineering establishment.</p> <p>Government Grants.</p> | <p>(b) <i>Roads—</i></p> <p>(1) Trunk Roads—Govt. Grants.</p> <p>(2) Second class roads—Govt. Grants.</p> <p>(3) Contributions from the Local Govt. under the Motor-Vehicles taxation Act—</p> <p>(4) Tax on carriages & Animals.</p> <p>(5) Tax on carts.</p> <p>(6) Fees for numbering carriages.</p> <p>(7) Other receipts.</p> <p>(8) Contributions.</p> <p>(c) <i>Ferries.</i></p> <p>(d) <i>Rest Houses.</i></p> <p>(e) <i>Choultries, & Water sheds.</i></p> <p>(f) <i>Tools and Plants.</i></p> <p>(g) <i>Lighting (where lighting tax is not levied.)</i></p> <p>IV. <i>Education other than elementary.</i></p> <p>(a) <i>Secondary schools—</i></p> <p>(1) School fees.</p> <p>(2) Income from securities.</p> |
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- (3) Other receipts.
- (4) Government Grants.
- (5) Contributions.
- (b) Special Schools—
 - (1) School fees.
 - (2) Income from securities.
 - (3) Other receipts.
 - (4) Government Grants.
 - (5) Contributions.
- (c) Public Libraries—
 - (1) Contributions.
 - (2) Government Grants.
- V. *Public Health.*
 - (a) Medical Relief.—
 - (b) Medical Education—
 - (c) Preventive Medicine—
 - (1) Epidemic & endemic diseases.
 - (2) Sanitation.
 - (3) Births & Deaths.
 - (4) Fire Protection.
 - (5) Water supply & Drainage
- VI. *Remunerative Enterprises.*
 - (a) Markets—
 - (1) Market fees.
 - (2) Other receipts.
 - (3) Contributions.
 - (b) Cart stands—
 - (1) Cart stand fees.
 - (2) Other fees.
 - (3) Endowments and contributions.
 - (c) Slaughter houses—
 - (1) Slaughter house fees.
 - (2) Other fees.
 - (d) Tree planting—
 - (e) Land Development—
 - (1) Rent on lands.
 - (2) Produce of lands.
 - (3) Ground rents.
 - (4) Income from licence fees.
 - (f) Other Remunerative enterprises—
 - (1) Fees and other incomes.
 - (2) Endowments & other Contributions.
 - (g) Investments realised.
- Deduct—*
 - (a) Amounts transferred to Capital—
 - (b) Contributions from the General Account to Ordinary—
 - (1) Lighting Account.
 - (2) Elementary Education account.
 - (3) Water supply & Drainage account.

- Capital.*
 - (1) Lighting account.
 - (2) Elementary Education account.
 - (3) Water Supply & Drainage account.
 - (4) Town Planning Account.
- B—*Lighting Account:*
Total receipts—Ordinary.
- C—*Elementary Education Account:*
Total receipts—Ordinary.
- D—*Water Supply & Drainage Account:*
Total receipts—Ordinary.
- E—*Town Planning Account:*
Total receipts—Ordinary.
- F—*Remunerative Enterprises:*
Total receipts—Ordinary.

RECEIPTS—CAPITAL

- A—*General Account:*
 - (1) Management.
 - (2) Communications.
 - (3) Education other than elementary.
 - (4) Public Health.
 - (5) Remunerative enterprises.
 - (6) Investments realised.
 - (7) Amounts transferred from ordinary account.
- B—*Lighting Account:*
Total receipts—Capital.
- C—*Elementary Education Account:*
Total receipts—Capital.
- D—*Water Supply & Drainage Account*
Total receipts—Capital.
- E—*Town Planning Account:*
Total receipts—Capital.
- F—*Remunerative Enterprises:*
Total receipts—Capital.
- G—*Deposits and Advances Account:*
Total receipts—Capital.

EXPENDITURE—ORDINARY

- A—*General Account:*
 - I. *Management:*
 - (a) General establishment.
 - (1) Salaries and allowances.
 - (2) Provident Fund.
 - (b) Collection establishment.
 - (1) Salaries & allowances.
 - (2) Provident Fund.
 - (c) Contingencies.
 - (1) Postage.
 - (2) Stationery.

- (3) Printing.
- (4) Entertainment tax.
- (5) Other items.
- (d) Travelling Allowance of the establishment.
- (e) Travelling allowance of—
 - (1) Chairman.
 - (2) Vice-chairman.
 - (3) Members.
- (f) Repairs to buildings.
- (g) Law charges.
- (h) Interest on and repayment of debt.
- II. *Communications:*
 - (a) Engineering establishment—
 - (1) Engineers & Assistant engineers.
 - Salaries and allowances.
 - Contributions to P. F. fund.
 - Travelling allowances.
 - (2) Others.
 - Salaries and allowances.
 - Contributions to P. F. Fund.
 - Travelling allowance.
 - (3) Roads.
 - (a) Trunk Roads—
 - (1) Maintenance—
 - (2) Interest on and repayment of debt.
 - (b) Second Class Roads—
 - (1) Maintenance.
 - (2) Interest on repayment of debt.
 - (c) Other Roads—
 - (1) Maintenance.
 - (2) Charges for numbering carts.
 - (3) Interest on repayment of debt.
 - (d) Repairs to departmental buildings.
 - (e) Rest Houses.
 - (f) Choultries and water sheds
 - (g) Tools and plants
 - (h) Lighting
 - (i) Interest on & repayment of debt.
 - III. *Education other than elementary:*
 - (a) Secondary Schools—
 - (1) Staff.
 - Salaries and allowances.
 - Masters.
 - Clerks and servants.
 - Contribution to P. F. Fund.
 - Travelling Allowance.
 - (2) Stipends.
 - (3) Contingencies.
 - (4) Equipment.
 - (5) Repairs to Buildings.
 - (6) Prizes and Scholarships.
 - (7) Contributions to other local bodies.
 - (8) Contribution to private individuals.
 - (9) Interest on & repayment of debt.
 - (b) Special Schools—
 - (1) Staff.
 - (2) Contingencies.
 - (3) Equipment.
 - (4) Prizes and scholarships.
 - (5) Repairs to buildings.
 - (6) Contributions to other bodies.
 - (7) Interest on and repayment of debt.
 - (c) Public Libraries—
 - (d) Public Amenities—
 - IV. *Public Health:*
 - (a) Medical Relief—
 - (1) Hospitals and dispensaries.
 - (2) Medical Education.
 - (b) Preventive Medicine—
 - (1) Municipal Health Staff.
 - (2) Epidemics & Endemics.
 - (3) Sanitation.
 - (4) Births & Deaths.
 - (5) Departmental Buildings.
 - (6) Fire protection.
 - (7) Water supply & Drainage.
 - V. *Remunerative Enterprises:*
 - (a) Markets—
 - (1) Staff.
 - (2) Contingencies.
 - (3) Repairs to buildings.
 - (4) Interest on loan and repayment of debt.
 - (b) Cart stands—
 - (c) Slaughter Houses—
 - (d) Tree Planting—
 - (e) Land Development—
 - (f) Electric Licence scheme.
 - (g) Other Remunerative enterprises—
 - VI. *Investments made*
 - B—*Lighting Account—*
Ordinary expenditure.

C—Elementary Education—

Ordinary expenditure.

D—Water supply and Drainage—

Ordinary expenditure.

E—Town Planning—

Ordinary expenditure.

Similarly we have capital expenditure.

We need not go into these details.

Against each head whether major, minor or detailed, the budget-making authority must furnish figures for the current year, estimated figures for the coming year and the audited figures for the previous year. All variations must be explained. For instance, the budget information to be furnished under each head should be as follows :—

Budget Estimate for 1944-45

Head of Account	Budget Estimate for 1943-44	Revised Estimate for 1943-44	Estimated deficit or excess for 1943-44	Budget Estimate for 1944-45	Actuals for 1942-43	Actuals for April to Sept. 1942	Actuals for April to Sept. 1943	Explanation for variations
1	2	3	4	5	6	7	8	9

The budget document form running into thirty-two pages excluding the endowments account, has been standardised by the Provincial Government and it is supplied to all the councils free of cost. This form must be used for the preparation of the budget.

In addition to the general budget, a separate budget must be prepared for elementary education. The budget form and the contents are as follows. It is also divided into two parts. The first part gives a summary of the budget estimate. The second part gives the details. The first part is as follows.

	Opening Balance	Debits	Credits	Closing Balance
1. Ordinary	...			
2. Capital	..			

The second part is as follows.

Actuals of 1943-44	Revised Estimate for 44-45	Head of Account	Budget Estimate for 45-46
		ORDINARY — CREDITS.	
		(1) Education tax. (2) Fines & Penalties. (3) Income from investments. (4) School fees. (5) Contributions. (6) Other receipts. (7) Government Grants. (8) Contribution from the General Account. (9) Investments realised. (10) Advances recovered.	
		CAPITAL — CREDITS.	
		(1) Government Grants. (2) Contributions. (3) Loans. (4) Contributions from the General Account. (5) Investments realised.	
		ORDINARY — EXPENDITURE.	
		(1) Staff. (2) Contingencies & equipment. (3) Prizes & scholarships. (4) Repairs to buildings. (5) Interest on & repayment of debt. (6) Investments made. (7) Advances recoverable.	
		CAPITAL — EXPENDITURE.	
		(1) Lands and buildings. (2) Equipment.	

In Preparing the budget estimate, the executive authority and the council are not free to make appropriations as seem best to them. As a matter of fact they have to observe the rules framed by the Provincial Government restricting their freedom in preparing the estimates. What are these rules ?

1. The closing balance of the revised estimate for the current year should be taken as the opening balance for the budget year.
2. The actuals of the previous year must be the audited figures.⁸
3. The minimum contribution payable under the Elementary Education Act, 1920, must be credited to the Elementary Education Fund before appropriating revenues under several heads.

8. G.O. No. 247. L.M. 19-1-1933.

4. The working balance should not be less than five per cent of the estimated receipts of the year excluding Provincial Grants, debt heads and receipts from endowments.⁹
5. Thirty per cent of the income from all sources, excluding Government grants should be earmarked for the advancement of Public Health.¹⁰
6. Full provision should be made for all obligatory charges and for the discharge of all liabilities whether already incurred or anticipated in the course of the year.¹¹
7. The budget provision for the public works establishment should not exceed 20 per cent of the normal expenditure on public works; for water works establishment the budget provision should not exceed 40 per cent of the normal receipts under water supply account; for the electrical establishment it should not exceed the receipts under electric supply account; for the medical establishment it should not exceed Rs. 30 per patient per annum; and on the general establishment it should not exceed 10 per cent of the normal receipts. Provision for leave allowances also should be made at the rate of 5 per cent of the gross pay for non-vacation establishment and 2½ per cent for the establishment in the vacation departments.
8. The budget provision under contingencies should not exceed the average expenditure for the previous three years.
9. No provision should be made for capital expenditure unless the council is definitely sure of finding funds to meet the expenditure.¹²
10. No credit should be taken in the budget estimate for any contribution from Government or from any individual unless such contributions have been definitely promised.¹³
11. The estimates of the leased out revenues should not exceed the average revenue for the previous 5 years.
12. All marked variations between the figures in the budget estimates and the corresponding figures for previous two years should be fully explained.

After framing the budget the commissioner prepares the budget note. It is drafted in simple language so that the councillors may understand the financial implications of the budget with the least possible effort. The note resembles the budget speech of the Finance Minister

9. G.O. No. 1010. L.M. 15-3-1932.

10. Sec. 127, The Madras Public Health Act, 1938.

11. G.O. No. 5082. L.M. 24-11-1934.

12. G.O. No. 1844. L.M. 16-4-1934.

13. G.O. No. 247. L.M. 19-1-1933.

in the Provincial Legislative Assembly, on the opening day of the budget session. It discusses the financial condition of the council. It reviews the expenditure and revenues of the council. It mentions the outlines of the budget proposals for the coming year. Finally, it makes suggestions, if necessary, for the rehabilitation of municipal finances. For instance, the budget note presented to the Saidapet Municipal Council along with the budget estimate for 1944-45 reads as follows.

"The financial position of the general account continues to be far from satisfactory. It opens with a balance of Rs. 14,900 and is expected to close with a surplus balance of Rs. 5,145. The large opening balance is due to the interest-free loan of Rs. 30,000 sanctioned by the Government in 1942-43 to meet the day-to-day administrative needs.

"Under receipts it is safe to take credit of only 80 per cent of the demand under property tax. The recent floods and the increasing cost of living are the contributory causes for the fall in revenue. The progress of collection under vacant land tax continues to be poor. . . . Further, the Government grant under the Motor Vehicles Taxation Act is also on the decline, year by year."

The note then reviews the various items of expenditure and concludes as follows :

"The financial position of the council has not been sound. Since the maintenance of the Grand Southern Trunk Road within the municipal limits has been taken by the Government, they may be requested to relieve the burden with which the council has been saddled by writing off the loan that was taken for the G. S. T. Road. If the Government is pleased to extend their generosity to the council, there will be a saving of Rs. 7,315 every year and it could be utilised for giving facilities to the public."

Characteristic Features of the Budget

The budget thus prepared has three characteristic features. Firstly, a definite sum is appropriated for every item of expenditure and the appropriations are annual ones. Any amount that remains unspent lapses at the end of the period. This is one of the most satisfactory features of the budget. For, annual appropriations afford opportunities to scrutinise all projects carefully. It enables the budgeting authorities to distribute funds available according to the urgency and utility of the object of expenditure. It checks waste and promotes economy.

Secondly, lump sum appropriations are totally absent. On the other hand what we have is the extreme itemization of appropriations. For example, under 'Public Health' there are two minor heads, 'medical

relief' and 'preventive medicine'. Under 'preventive medicine', there are seven detailed heads, viz., Municipal Health Staff, Epidemic and Endemic diseases, Sanitation, Births and Deaths, Departmental Buildings, Fire Protection, Water Supply and Drainage. The second of the detailed heads, viz., 'epidemic and endemic diseases', is further divided into five sub-heads, viz., small-pox, plague, cholera, malaria and other diseases. Each one of the sub-heads is further divided into sub-sub-heads. For instance, under plague there are three sub-sub-heads, viz., staff, contingencies and rat destruction. The itemization does not stop there. It goes further. Under 'rat destruction' there are five items of expenditure, viz. salaries and allowances, traps, poison, rewards for rat destruction and miscellaneous. The above is a typical example of extreme itemization of appropriations.

The justification for the extreme itemization is that "the administrative officers having lump sum money at their disposal fling money right and left to hire henchmen and fatten contracts."¹⁴ The remedy suggested to meet this evil is the detailed itemization of the appropriations. But eminent authorities like Buck and Rene Stourm regard this device as a negative value. They contend that extreme itemization may lead to the swelling of the budget estimates of all items. For, inasmuch as the administrator is prevented from using his discretion, he will ask for more appropriations under each head so that he may have enough money and if his requests are granted he will take care to see that the entire amount appropriated is spent. They, therefore, contend that extreme itemization is not likely to lead to efficient administration.

The writer discussed this question with a number of commissioners. They contended that itemization did not in any way hamper efficient administration nor did it result in wasteful expenditure. Let us suppose that certain amounts are appropriated for a number of subjects like cholera, plague and small-pox. If plague does not make its usual visit the amount appropriated under that head is not spent. Instead, cholera breaks out in a virulent form and if the sum appropriated under that head is found to be insufficient, the appropriation under plague is transferred to fight cholera. The writer believes that lump sum appropriations on the other hand tend to develop extravagance.

The third feature is the budgeting for a number of funds. All the receipts are not pooled together and made available for any and every purpose. We have as a matter of fact several funds. Each fund has its own receipts and expenditure. There is, for instance, the General Fund. To it are credited all receipts which are not intended for special funds, like property tax, secondary school fees and licence fees. The one characteristic feature of the general fund is that it is available for all purposes.

14. Buck, *Public Budgeting*, p. 125.

But the funds earmarked for special purposes like the Elementary Education Fund, Water and Drainage Fund and the Town Planning Fund cannot be spent for any purpose other than that for which they are constituted.

Review of the Budget Estimates

The budget document is then submitted to the chairman. In some councils, the estimates are reviewed by a committee before they reach the council. Of the 13 councils which sent us their administration reports for 1942-43, six of them had a standing Committee known as 'Finance and Taxation' committee and seven of them did not have any such committee. The reports do not inform us whether the budget estimates were reviewed by the Finance Committee. However, the fact remains that the budgets are being reviewed in some councils either by one of the standing committees or by an *ad hoc* committee constituted for the purpose. In some councils the practice is for the commissioner, the chairman, and one or two key men of the council informally to meet and settle the budget figures before submitting it to the council. This practice suffers from a serious defect. For, there is scope for the manipulation of the budget estimates. Unprofitable expenditure in which the chairman and his party are interested may be included. It is, therefore, advisable to refer the budget always to a committee of the council for scrutiny before submission to the council.

Copies of the budget estimates must be sent to each one of the councillors sufficiently in advance of the date fixed for the consideration of the budget by the council, so that the councillors may have a reasonable opportunity for examining the estimates. If some of the councillors are not acquainted with the English language, they may be provided with copies of the budget in the vernacular.¹⁵

Adoption of the Budget

The council meets on the date fixed by the chairman. The budget is presented by the commissioner. With the presentation of the budget to the council the first stage in the budget process, viz., preparation of the budget, comes to an end and the second stage commences, viz. adoption of the budget. The adoption of the budget is a statutory function of the council. Before it ratifies the budget the council should satisfy itself that the budget estimates are exhaustive and that provision has been made for all obligatory expenditure. In practice, however, most of the councils treat the adoption of the budget as a matter of routine. The writer attended the budget meetings of three councils. One of them spent a major part of its time in praising the commis-

15. G.O. No.

sioner—the draftsman of the budget; the second in denouncing him and the third disposed of the budget within the twinkling of an eye after passing a two-lined resolution. None of these three councils gave any consideration to the budget proper. For instance, the resolution adopted by the Saidapet Municipal Council dated the 29th November 1943 established the fact.

Read : Draft revised budget for 1943-44 and the budget estimates for 1944-45 with the proceedings of the Taxation and Finance Committee dated 25th November 1943 recommending the adoption of the budget as presented by the Commissioner.

Resolution : Proceedings of the Taxation and Finance Committee dated 25-11-43 and the Commissioner's note dated 23-11-43 are approved."

The method of adopting the municipal budget is different from the method adopted by the Provincial Legislative Assembly. There the budget is submitted in the shape of demands for grants by the Minister concerned and the votes on each demand. But the municipal budget is presented as a whole, considered as a whole and voted as a whole.

Submission of the Budget to Government

After the adoption of the budget by the council, extracts of the budget estimate relating to medical relief, sanitation, sanitary works and education should be sent to the respective Departmental Heads of the Provincial Government for their remarks.¹⁶ After obtaining their remarks, the budget should be submitted to the Provincial Government.

The budget estimate should be accompanied by a number of documents. The first of the documents should answer the following questions :—

1. Have the remarks of the departmental heads been obtained and forwarded, and if not, why not?
2. Has the action on these remarks been reported?
3. Whether full provision has been made for all obligatory charges.
4. Whether full provision has been made for the discharge of all liabilities in respect of loans and other commitments.
5. Has the authority been quoted for all Government grants, loans, diversions and contributions for which credit is taken in the budget?
6. Has a statement showing details of the contingent allotment been appended to the budget?

16. G.O. No. 2490. L.M. 9-11-1923.

7. Have all the marked variations been explained?
8. Has a schedule of establishment been appended?
9. Has a statement showing the rates of taxes been appended?
10. What proportion of the capital expenditure provided in the budget relates to new works and what proportion relates to works which have been completed or in progress?
11. Whether the opening balance shown in the budget under the general account includes the amount diverted from the earmarked funds, and if so, how much?
12. Whether provision is made in the budget for the transfer of the savings due to provincialization of medical institutions to water supply and drainage fund.¹⁷

The second document should specify the rates at which several taxes would be levied in the coming year; the third must give a comparative statement of the contingent charges for the last three years; the fourth should give a schedule of establishment together with the scales of pay.¹⁸

The Elementary Education budget must be accompanied by a statement containing particulars regarding the number of schools with the highest class, the number of schools proposed to be opened, the number of teachers employed and the number of teachers proposed to be employed together with their scales of pay.¹⁹

The budget estimate should be submitted to Government through the collector of the district. The collector need not make any detailed scrutiny of the budget but he is at liberty to comment upon any point of interest or importance if he wishes to do so.²⁰

The Government desires the submission of the budget to it so that it may have an opportunity to know how the financial administration is going on in the municipal councils and to check them when they are off the track. Further, large amounts are given as grants to the councils and the Government must know how these amounts are being spent.²¹

The Government reviews the budget proposals with three principles in view. It sees whether the prescribed minimum balance has been set apart; whether the conditions imposed for the preparation of the budget have been observed; and whether the budget is a balanced one. As a matter of fact the budget is closely scrutinised,²² and the Government has

17. G.O. No. 4169. L.M. 10-10-1935.

18. G.O. No. 2490. L.M. 9-11-1923.

19. G.O. No. 114. Law. 25-6-1927.

20. G.O. No. 2633. L.M. 18-6-1936.

21. *Royal Commission on Decentralization*, Vol. I, pp. 375-76.

22. *Ibid.*, p. 390.

power to make alterations in the budget allotment whenever the interests of the general taxpayer warrant such alterations.²³ For example, the orders passed by Government on the budget proposals of the Saidapet Municipal Council for 1944-45 illustrate the point :—

“ 2. Profession tax (receipts) . . . should be reduced by Rs. 600 in the revised estimate for 1943-44 and by Rs. 600 in the budget estimate for 1944-45.

3. The credit taken under toll compensation should be altered as follows. . . .

4. The contribution to the Elementary Education Fund provided in the revised estimate for 1943-44 should be increased by Rs. 1,000.

5. The provision made in the budget estimate for 1944-45 for the maintenance of roads should be increased to Rs. 16,500.

6. Additional provision should be made for the payment of dearness allowance to the Municipal employees.

7. The budget estimate if it is revised with reference to paras 2 to 6, the balance will be converted into a deficit of Rs. 19,784. In order to avoid the deficit the council should adopt the following measures :—

(a) The provision made in the budget estimate for the capital expenditure of Rs. 7,700 from the general funds ordinary, should be deleted.

(b) The council may apply to Government for sanction to utilise the additional toll compensation for the payment of dearness allowance. . . .

(c) The council should increase the rates of fees. . . .

The council's request regarding the write off of the loan taken by it for the Great Southern Trunk Road will not be complied with.”²⁴

The above order illustrates the powers of the Provincial Government to increase or decrease any item under receipts and expenditure. They may introduce new items into the list of estimated expenditures and delete certain items of revenue. The control of the Provincial Government over municipal budgeting is by no means peculiar to this country. It is being exercised in all the countries with a highly centralised administration.²⁵

23. *Simon Commission Report*, Vol. I, p. 305.

24. G.O. No. 611. Mis. L.M. 18-3-1944.

25. In France the Mayor's budget may be altered by the Prefect or the Minister in charge of Local Administration Department. Again if the council fails to pass the budget estimate the Prefect may prepare one and put it into force. In Italy the Provincial Administrative Board may strike out and insert new items to cover new obligatory expenditure. See Munro, *Government of European Cities*.

The budget must be corrected as directed by Government before it is put into execution.

We now come to the third stage of financial administration, viz. putting the budget into execution. In the execution of the budget the commissioner must remember that the appropriations made in the budget are of two kinds, mandatory or mere authorisations. Mandatory appropriations are those which he must spend. For instance, the payment of loan charges and the salaries of the establishment are mandatory appropriations. Mere appropriations are authorizations which he may or may not spend. For instance, the purchase of stationery and furniture. Further, he must also observe two principles in the execution of the budget. He must faithfully adhere to the budget plan. In other words, revenues must be collected according to laws without fear or favour, and the expenditures should not exceed the authorised amount. Above all equilibrium between expenditure and revenue must be maintained throughout the budget period. Secondly, in expending amounts it should be done economically.

Supplementary Budgets

However, unforeseen circumstances may upset the budget plan. Revenues may not come as expected and expenditures may increase due to certain events like the outbreak of plague and cholera. To meet such contingencies rules permit the revision of estimates. Whenever additional allotments are required under any head, they may be provided either by transfer from one head to another or from the general funds if available. The provision of additional sums is subjected to the condition that all applications for reappropriations should be made to the council before the end of the financial year. Further, it should also be seen that the working balance of the general fund is not reduced below five per cent of the total receipts as required by rules. A copy of the resolution of the council sanctioning reappropriation should be sent to the auditor.²⁶

Thus the municipal budget has all the characteristic features which a properly prepared budget ought to have. It is prepared by a single responsible person. It is simple and intelligible. It gives sufficient details. It enables every one concerned to know the cost of particular services. It is supported by sufficient data and comparative figures. It is subjected to the scrutiny in some councils by an independent authority.

We shall now examine how the budgets were prepared. And whether they were executed according to the intentions of the council.

26. G.O. No. 1010. L.M. 15-3-1932.

One thing appears to be clear. A good number of the councils did not prepare their budgets before the commencement of the financial year and the administration of these councils was carried on without a budget for a part of the year. From this it is evident that these councils did not attach much importance to the budget or its contents.

Secondly, in preparing budgets sufficient care or thought does not seem to have been bestowed. Often estimates were daring guesses. Unprofitable expenditure was included. In distributing funds for the various services adequate funds were not appropriated for each service. As a matter of fact the technique of budgeting was not understood by the budget-framing authority, who was, till 1933, the chairman of the council. He was often guided in the preparation of the budget by considerations other than financial.

Finally, the spending authority did not adhere to the budget provisions. Incurring of expenditure without budget provision or in excess of the budget provision was the common feature in financial administration. Several councils embarked upon new expenditure without having an idea as to how to get additional funds.

These factors led to unbalanced budgets. A properly balanced budget should have neither great surplus nor deficit at the end of the financial year. Small surplus is allowable. But a deficit is never permissible.²⁷ But the fact was some of the councils experienced deficit budgets for a number of years consecutively. For instance,

Year	Number of Councils	No. of Councils whose ordinary expenditure exceeds ordinary income
1920-21	80	65
1921-22	80	55
1922-23	80	38
1924-25	80	13
1926-27	80	22
1928-29	80	15
1931-32	81	44
1933-34	81	25
1935-36	81	27
1936-37	81	13

It is true that other factors also contributed to upset the budget plan. For instance, there was delay in the issue of demand notices, in the assessment of properties and in the collection of revenue.

27. Dr. Dalton says that logically a budget is unbalanced either if expenditure exceeds revenue or if revenue exceeds expenditure; it is balanced when revenue and expenditure are equal. But according to the common usage of words, it is said to be balanced if revenue either exceeds or equals expenditure. It is said to be unbalanced only when expenditure exceeds revenue. See Dalton, *Unbalanced Budgets*.

The devices adopted to get over deficits were several and varied. Firstly, the liabilities were not paid in time. They were carried over to the next year.²⁸ Secondly, earmarked funds were diverted for general purposes.²⁹

These facts reveal that a consistent balanced financial programme was not followed in many councils and that a proper relation of expenditure to revenue was relegated to the background. As a result deficit budgets were as common as plague in Periyakulam during a great part of the dyarchical era. However, we notice a change for the better since 1934. And the change is mainly due to the fact that there was a change in the administrative machinery.

CHAPTER II

REVENUE ADMINISTRATION

Municipal Revenues

The revenues derived by a municipal council may be classified under three heads, tax revenues, administrative revenues including revenues derived from municipal property and grants-in-aid. Loans though form a part of municipal receipts does not come under the head, revenue. Receipts under various heads during the year 1920-37 were as follows :—

Revenue Head	1920-21	1925-26	1929-30	1934-35	1936-37
1. Municipal Taxes...	47,50,693	71,10,632	90,18,869	1,00,89,880	1,07,10,396
2. Realisations under special Acts ...	24,495	26,399	41,001	24,895	53,495
3. Administrative Revenues including income from Municipal property ...	18,90,177	25,95,250	32,99,355	33,54,056	35,06,740
4. Grants, Government & Local ...	18,60,336	17,27,351	19,77,743	20,09,312	23,47,158
5. Miscellaneous ...	5,60,849	5,88,340	8,17,940	7,95,970	8,21,867
6. Loans securities and advances ...	18,34,036	33,33,638	55,51,218	53,68,614	48,23,995
Total ...	1,14,48,648	1,63,81,610	2,07,06,126	2,16,42,727	2,22,78,615

28. On the 31st March 1926 the surplus balance in the general fund of the Trichinopoly Council was Rs. 7,981. But the undischarged liabilities amounted to Rs. 87,444. On the 31st March 1928 the balance in the general fund of the same Council was Rs. 23,529. But there was an adverse balance of Rs. 2,573 under water supply and drainage fund and the unpaid liabilities amounted to Rs. 34,934. G.O. No. 1716. L.M. 16-4-1929.

29. The Calicut Municipal Council diverted Rs. 18,317 in 1928 to meet deficit in the budget. The finances of the Cuddapah Municipal Council were so bad that it utilised the deposits made by the contractors to meet the ordinary expenditure. And the Council was not in a position to return these amounts when demanded by the contractors. G.O. No. 1851. L.M. 9-5-1930.

The last item, viz. loans, sureties and advances include the sale proceeds of Government securities, withdrawals from Savings Bank, receipts from loans, advances recovered and deposits made by contractors and lessees, etc. Deposits made by the contractors do not constitute an item of revenue for receipts under that head cannot be appropriated for municipal purposes. In 1936-37 grants, both Government and Local, constituted only 10.54 per cent of the total receipts; administrative revenues constituted 15.74 per cent of the total receipts. But the dominant position was occupied by taxation. It constituted 40.07 per cent of the total receipts. It is well at this stage to know something of the historical background of municipal taxation.

The Historical Background

Though the municipal councils had complete powers over taxation under the Act of 1850, municipal taxation played a minor role in local administration.¹ But since 1863 it assumed importance due to certain fundamental causes. What are they? The Act of 1833 brought into existence, for the first time, the Imperial System of Finance. Before 1833 all the provinces had power to levy taxes, to frame budgets, to regulate expenditure and to borrow money when required. All this came to an end with the passage of the Act of 1833. This Act vested all the revenues and the Government of the different provinces in the Governor-General of India-in-Council. All the Provincial debts became the debts of the Government of India. So comprehensive was the system of Imperial Finance that the Government of India exercised minute control over the financial administration of the provinces. However, the Government of India soon realised the fundamental weakness of the system. For, before 1833 the Provincial Government knew the limits of their revenues. They were therefore economical. After 1833 they had no such knowledge and the unknown depths of the Imperial purse encouraged them to make extraordinary demands. Further, the Provinces were not responsible for augmenting their resources. But they had a right to demand funds. It was therefore that this right unaccompanied by an obligation encouraged them to make an extravagant use of it. The Government of India were helpless in this matter, for they had no means of knowing the real needs of the provinces. To crown all these things, the cost of the Indian Mutiny brought the Government of India to the verge of bankruptcy. Deficit budgets became a common feature. To overcome these financial difficulties and to rehabilitate the Indian finances several means were devised.² One of them was the transference of certain services together with

1. *Report of the Local Self-Government Committee, 1883, Madras.* Venkatarangiah, *Beginnings of Local Taxation.*

2. Ambedkar, *Evolution of Provincial Finances*, Chapters 1-3.

certain revenues to the charge of the Provincial Governments and made them responsible to find additional funds needed to carry on the administration of these services. The Provincial Government in its turn transferred some of its functions to the charge of the municipal councils and asked them to levy taxes for their management. Thus the need for the rehabilitation of the Imperial System of Finances brought into existence for the first time, compulsory taxation.³

Under the Town Improvements Act of 1865, it was made obligatory on the part of the councils to impose certain taxes to meet certain charges. The various taxes that were raised under the Acts of 1865, 1871 and 1884 were the tax on buildings and lands, water and drainage tax, profession tax, tax on vehicles and carts and animals, tolls and tax on servants. In addition to the above taxes, the following taxes are being imposed under the Act of 1920, viz. the Education Tax, the Pilgrim Tax and the Company's Tax. At present all the taxes are being imposed except the Company's Tax and tolls. The revenues derived from taxation during the period 1920-37 were as follows :—

Revenue Head	1920-21	1925-26	1929-30	1934-35	1936-37
Tax on houses & lands.	19,59,888	27,68,430	32,24,741	39,56,872	40,61,802
Tax on animals and vehicles	3,95,244	5,75,660	8,43,524	5,75,997	5,25,312
Profession Tax	4,08,252	7,28,397	7,13,046	6,42,321	6,53,154
Tolls & Ferries	10,35,473	15,08,071	17,83,628	5,18,754	10,74,761
Water & Drainage Tax	9,37,413	12,38,986	16,96,980	22,42,120	20,00,258
Lighting Tax	.....	22,931	2,15,954	10,02,131	11,90,691
Scavenging Tax	.....	.....	.....	6,09,965	5,95,244
Tax on servants	14,423	3,341	64,518	3,869	3,467
Entertainment tax	.....	.....	.....	54,230	90,259
Pilgrim Tax	.....	1,09,657	1,40,721	74,556	61,244
Education Tax	.....	1,55,159	2,35,757	4,09,065	4,54,204

Essential Features of Tax Administration

Tax administration begins with the initial determination of tax obligation and ends with the enforcement of penalties. In other words, it is concerned with the determination of the objects to be taxed; the manner in which they are to be taxed; the basis on which the assessments should be fixed; with the determination of the rates at which taxes should be collected; with the fixation of the amount of tax to be collected by reference to the rates fixed by the council; with the collection of taxes; with the enforcement of penalties; and finally, with the reviewing of assessments fixed by the executive authority.⁴

3. Venkatarangiah, *Beginnings of Local Taxation*, p. 26.

4. *Encyclopaedia of the Social Sciences*—'Tax Administration'.

One of the ends of all tax administration is equity. No one will feel the heaviness of the taxes imposed if the tax laws are administered fairly and fearlessly. "Favouritism, whether partisan, sectional or personal, has no place in good government; but its consequences in administration, however manifested, are peculiarly disastrous and demoralising." Mere fairness is not enough. It should also be efficient. That is, it should be removed from the realm of conjecture. If these objects are to be attained proper administrative machinery should be devised.

Administrative Machinery

The machinery devised for the assessment of properties is of several types. So far as private properties are concerned, the executive authority fixes the assessments and hears the revision petitions. Till 1933 the executive authority was the chairman of the council. At present he is a paid official appointed by Government. As regards the Government properties, the District Forest Officer fixes the capital value of the buildings belonging to the Forest Department,⁵ the Military Estates Officer, Madras Circle, for the buildings belonging to the military department,⁶ and the Executive Engineer for all other Government buildings.⁷ The capital value of the lands occupied by or appurtenant to the military buildings is fixed by a committee consisting of the collector of the district, the Military Estates Officer and the executive officer.⁸ The capital value of the lands occupied by or appurtenant to all Government buildings is fixed by a committee consisting of the Collector of the district, the Executive Engineer and the executive authority.⁹

As regards Railway buildings and lands, their capital value is fixed by a committee consisting of the District Engineer of the Railway Division, the Executive Engineer and the executive authority.

The decisions of these committees were only recommendatory in character till 1942. The executive authority was not bound to accept the values fixed by the committees. In case of disagreement between the executive authority and the committee concerned, the assessments fixed by the former prevailed. At present the decisions of these committees are mandatory and the executive authority is bound to accept them.¹⁰

The assessment of the properties belonging to the executive authority is fixed by the Revenue Divisional Officer.

5. *Ibid.*

6. G.O. No. 3564. L.M. 30-7-1929.

7. G.O. No. 2417. L.M. 17-5-1934.

8. G.O. No. 4901. L.M. 10-12-1928.

9. G.O. No. 3274. L.M. 13-7-1934.

10. Madras Act No. 36. 1942.

Objects of Taxation

Every council may levy the following taxes. Property tax is one of them. It may comprise a tax for general purposes; a water and drainage tax to meet the expenses connected with the construction, maintenance, repair, extension or improvement of water and drainage works; a lighting tax to meet the expenses connected with the lighting of municipal streets either by gas or by electricity; a scavenging tax to meet the expenses connected with the removal of rubbish, filth from private premises and a railway tax for the construction and maintenance of railways. Besides the property tax we have profession tax, a tax on carriages and animals, a tax on carts, a tax on servants, education tax and pilgrim tax. During the period under review, tax on companies was levied till 1930, tolls till the 31st March 1931 and the entertainment tax till 1938.

Notification of Taxes

When the council decides to levy a tax for the first time or to increase the existing rates of taxes, it must publish a notice, in the district *Gazette*, at least in one vernacular paper, in prominent places in the municipal area and by beat of drum, of its intention to levy the tax or to increase the rate of tax. The notification is necessary even if a tax is reduced or abolished. But it is not necessary when the Government directs a council to levy an education tax.

The notification must specify the date from which and the period for which and the rate at which the tax would be levied. Mere reference to the rates in a schedule published elsewhere is not enough. The rates must be specifically stated.¹¹ Further, the notification must fix a reasonable period—not being less than one month—for the receipt of objections. The council should consider these objections before it finally resolves to impose the tax.¹² The publication of a notification inviting objections is not enough. A subsequent notification confirming or amending the preliminary notification must also be published.¹³

An extraordinary procedure has been fixed for the levy of railway tax. A railway tax should not be levied unless it is supported by a three-fourths majority of the members present at a meeting specially called for the purpose and confirmed by a like majority at a like meeting convened after an interval of six months. Here also it is obligatory that a preliminary and a final notice should be published. But the Railway tax, the education tax and the pilgrim tax should not be levied without the sanction of the Provincial Government.

11. Municipal Council, *Rajahmundry vs. Prakasarayudu*, 50. M.L.J. 556.

12. G.O. No. 857. L.M. 15-5-1927.

13. Municipal Council, *Conjeevaram vs. Muniswamy Mudaliar*, 62. M.L.J. 175.

A notification which does not comply with the above requirements in not a valid notification and therefore the council has no right to levy a tax nor has it a right to enforce it even if levied by mistake.¹⁴ The notification of taxes must relate to a future date. In other words the tax cannot be levied retrospectively.

Assessment of Taxes

After the final publication of notification, the assessment of the objects of taxation must be taken up. It is well at this stage to make it clear that there is a difference in method as well as in procedure to be adopted in the assessment of these various objects. Therefore it is proposed to deal with each of them separately. We shall first take up the assessment of properties, viz., lands and buildings. The assessment of all buildings and lands must be revised once in five years. This is called the general revision, and it is an obligatory function which the executive authority should perform. The municipal council has no power to restrain him from doing it. In addition to the general revision, the executive authority may revise the assessment of the properties at any time.¹⁵

Preparation of Assessment Lists

Before the assessment of properties is taken up, all the basic information as to the ownership of the taxable property, its quantity, character, location and value must be collected. This information can be got from the Registration Department, revenue records and the Demand registers of the previous years. The information thus secured must be carefully noted in the assessment lists. Separate assessment lists must be prepared for each ward. These lists are verified either by the Revenue Officer if there is one or by the executive authority. Generally the quinquennial revision is conducted by the executive authority. Very rarely special officers are appointed for the purpose.

There are two ways by which the assessment—that is, the annual value—of a piece of property is fixed, either by taking the annual rental value or by fixing the capital value. The principle underlying the first method is that property is worth what it can earn. In other words, it means that a piece of property is worth what it will earn if let out from month to month. It does not mean what a piece of property will earn in a particular month in a particular year. A piece of property may earn more rent in one month and nothing during the rest of the year. For instance, in Kodaikanal and other hill stations, rents are generally high in the summer season but in other seasons the buildings are let out for a

song. The assessor should, therefore, in fixing the annual rental value, take into account these factors. In determining the annual rental value he need not necessarily take the actual rent received by the landlord if he has reasonable grounds to believe, the existence of an illegal contract between the tenant and the landlord.¹⁶ Further, if a building was in existence only for a portion of the year, the actual rent received for that period should not be spread over the whole year to arrive at the gross annual rental value. The gross rental value means—let it be said at the risk of repetition—the rent which a piece of property is expected to fetch from month to month and not the actual rent received for a particular period of the year.¹⁷

The factors that go to determine the annual rental value of a piece of property are several. For instance, buildings and lands located in and near the business and industrial areas, communications like Railways, Harbours and waterways generally fetch a higher rent. A house located at the cross roads or in the centre of a business street fetches a higher rent than a house of the same size at the extreme end of the same street. Further, different parts of one and the same building fetch different rates of rent. A front room of a building in a business locality fetches more rent than a couple of rooms in the back. At times buildings with big halls fetch more rent than a house with a number of small rooms. For, the former class of buildings are suitable for the location of restaurants and big shops. Thus the location, the demand and the adaptability of a building for several uses are some of the factors which the assessor must take into consideration in fixing the annual rental value.

However, it may not always be possible to fix the annual rental value of all classes of buildings. Big bungalows with spacious lawns and grounds, beautiful boulevards, tennis courts which we find in abundance on either side of the Poonamali High Road and in Adyar are not usually let and the reasonable amount of rent which they fetch, if let out, cannot be fixed by any stretch of imagination. Let us take a concrete example, viz. the Chettinad Palace in Adyar. The roads inside the palace are concreted; it has tennis courts; beautiful lawns; spacious grounds and a waterway for the use of motor launch. How to fix the annual rental value of this building and the lands occupied by it? Similarly, we experience the same difficulties with regard to industrial and factory buildings. The only way by which this difficulty can be got over is to adopt the second method, viz. to take the capital value. The Act, therefore, provides both the methods. In case the 'capital value' method is adopted the annual value is six per cent of the capital value of the land and of the present cost of erecting the building.

14. *Ramaswamy vs. Sivakasi Municipality*, 72. M.L.J. 274.

15. G.O. No. 1603. L.M. 11-5-1925.

16. G.O. No. Mis. 36. L.M. 5-1-1926.

17. *Brahmayya vs. Municipal Council, Guntur*, 24. L.W. 213.

Every building must be assessed together with its site and other adjacent premises occupied by it, unless the owner of the building is different from the owner of the site.¹⁸ In fixing the annual value, the annual rental value of the buildings and lands should be fixed separately.¹⁹ In assessing a building, not only the main building but also the kitchen, stables, coach houses and the latrines attached to it, whether they have separate entrances or not,²⁰ culverts, compound walls or fence, wells, gates, approaches, roads,²¹ should be taken together as forming a unit for purposes of fixing assessment. But furniture²² and movable record racks²³ should not be taken into consideration.

Exemptions

However, certain classes of properties are exempted from property tax. Exemption depends upon the use and character of the building and land at the time of assessment. The exemptions are of two kinds, statutory and non-statutory. Statutory exemptions are those which the council is bound to make. Non-statutory exemptions are those which the council may or may not allow. The following classes of properties are exempted from taxation.

Places set apart for worship and either actually so used or used for no other purpose are exempted from taxation. In other words, worship must either be actually carried on in the place or it must be used to facilitate worship. Supposing an electric power house is erected for lighting the temple and the premises adjacent to it and for no other purpose, the power house cannot be assessed. For, the power house and the site occupied by it are being used to facilitate public worship. But if the energy generated in the power house is sold for price, it cannot be said that the power house and the site occupied by it are being used to facilitate public worship. Therefore the power house erected on the temple site is not exempt from taxation.²⁴

Buildings used for educational purposes, even though fees are levied from students²⁵ and the manager of the institution makes a profit out of it;²⁶ industrial school buildings which are solely intended to train students but not industrial schools attached to big factories which do not exist solely for the purpose of training students;²⁷ playgrounds which

are open to the public or playgrounds attached to schools²⁸ and not let out on rent are exempt from taxation.

Choultries are exempt from taxation even though they charge fees.²⁹ But the exemption does not extend to buildings which were once upon a time dedicated for such a purpose as choultry but have entirely ceased to be used for that purpose. "To hold so would be to encourage breaches of trust". Therefore exemption applies to buildings which are in fact choultries. To decide whether a building is a choultry or not the existing facts must be taken into consideration. The argument that the income derived from the property will be used for charitable purposes will not clothe the property with the character of a choultry.³¹

At first chatrams were not exempted from taxation. Only choultries were exempted. The difference between a choultry and a chatram is this. A choultry is a public lodging place, that is, a shelter for travellers. A chatram is a place where refreshments are given gratuitously, especially to Brahmins. A place not kept for the reception of travellers was not a choultry and therefore not exempt from taxation.³² This distinction made by the Madras High Court between chatrams and choultries—a distinction not contemplated by the legislature—made the provincial government include all public places and buildings used for charitable purposes in the list of exemptions.

In addition to the abovementioned properties, libraries which are open to the public, ancient monuments, charitable hospitals and dispensaries, including railway hospitals notified by Government, are exempt from taxation whether or not the owner of the building derives rent from it.³³ But the exemption does not extend to the residential quarters of the medical officers attached to the institution,³⁴ excepting the residential quarters of the members of the veterinary hospitals whose presence is necessary on the spot for the proper working of the hospitals even though rent is collected from the occupants.³⁵ Further, hostels are exempted from taxation but not the residential quarters of the warden attached to the institution.³⁶

At first bunks made of zinc sheets or wood were considered as buildings and were assessed to taxation.³⁷ In 1936 they were not considered as buildings and were therefore exempted from taxation.³⁸ In 1937

18. G.O. No. 4885. L.M. 8-11-1934.

19. G.O. No. 3825. L.M. 25-8-1934.

20. G.O. No. 1839. L.M. 4-7-1924.

21. G.O. No. 4771. L.M. 31-10-1934.

22. G.O. No. 1443. L.M. 26-7-1921.

23. G.O. No. 1121. L.M. 6-8-1921.

24. *Palni Municipality vs. Dandayudhapani Devasthanam*, 78. M.L.J. 897.

25. Memo. No. 17287. L.M. 4-11-1921.

26. *Trichinopoly Municipality vs. Venkatarama Iyer*, 60. M.L.J. 456.

27. G.O. No. 2690. L.M. 7-6-1940.

28. G.O. No. 1906. L.M. 23-4-1934.

29. G.O. No. 4005. L.M. 8-9-1934.

30. G.O. No. 3838. L.M. 28-8-1934.

31. *Municipal Council, Rajahmundry vs. Mallayya*, 1938. M.L.J. 639.

32. *Kandaswamy Pillai vs. Trichinopoly Municipality*, 65. M.L.J. 678.

33. G.O. No. 2936. L.M. 10-7-1926.

34. G.O. No. 1647. L.M. 1927.

35. G.O. No. 333. L.M. 23-1-1926.

36. G.O. No. 1662. L.M. 7-5-1932.

37. G.O. No. 1689. L.M. 9-5-1932.

38. G.O. No. 3508. L.M. 8-8-1936.

Government made a distinction between bunks which are movable and bunks which are not movable. The movable bunks are exempted from taxation but not the immovable ones.³⁹

Irrigation tanks within the municipal limits,⁴⁰ electric poles and wires,⁴¹ and such other Crown property as may be notified from time to time by Government are also exempted from taxation.

Again, the properties which do not derive any benefit from water and drainage works should not be subjected to water and drainage tax. They should be exempted from taxation with the previous sanction of Government.

Lastly, the council may exempt any person or any class of persons wholly or in part from the payment of any tax with the previous sanction of Government. The executive authority should carefully note all these exemptions while checking the assessment lists.

Assessment of Lands

In assessing lands a distinction ought to be made between lands which are agricultural and lands which are not agricultural. In the case of non-agricultural lands, which are not occupied by or adjacent to or appurtenant to any building the assessment may be fixed in two ways, either by taking the capital value of the lands or on the basis of the extent of such lands. The capital value of any land shall be its market value. That is, the price which it would reasonably fetch if sold in open market. In determining the market value, the price paid for similar lands in the vicinity in the current year or in the three years immediately preceding must be taken into consideration. Six per cent of the capital value is taken as the annual value.

As regards non-agricultural lands, the annual rental value is calculated as follows: (a) In the case of lands held direct from Government, the amount payable as tax and as water rate to Government is taken as the annual rental value. (b) In the case of lands which are wholly or partially free from assessment, the whole amount of tax and water rate which they would have paid if they are not Inam lands, should be taken as the annual rental value. (c) In the case of lands which are held by the tenants under a proprietor and landholder, the annual rent payable by the tenant to the proprietor or landholder together with water rate should be taken as the annual value. (d) In the case of lands which pay their rent in kind the rent of the adjoining lands together with water rate should be taken as the annual rental value. (e) If these lands are

39. G.O. No. 560. L.M. 9-2-1937.

40. G.O. No. 2771. L.M. 12-6-1934.

41. G.O. No. 1753. L.M. 20-4-1934.

held by tenants, the municipal council shall levy the taxes in equal shares from the landholders and the tenants.

Education Tax

The basis of the education tax is the annual rental value of a piece of property if the tax is levied on property or gross income for the half year if it is levied as a surcharge on the profession tax.

Scavenging Tax

Before 1930, the scavenging fee was collected for cleaning cess-pools and latrines in private houses and lands. The fee was not uniform. It varied according to the number of inmates of the house or according to the number of times the latrine was cleaned. The fee was levied for the actual period during which the service was rendered. But this arrangement did not work satisfactorily. Not only did it give rise to a number of administrative difficulties, but the service rendered was not efficient. Many of the houses had not the services of a scavenger. The Government, therefore, came to the conclusion that the scavenging of the houses should be made compulsory. In 1930 the Act was amended and the scavenging fee was converted into a scavenging tax.⁴² The tax levied should cover the entire expenditure on the service and it should be levied at a uniform rate on all buildings and lands, irrespective of the fact whether they have latrines or not. The basis of the tax is the annual rental value. However, the tax should not be levied on buildings and lands which are exempted from taxation. Further if the council is satisfied that the owner or occupier of a building or land has made adequate arrangements for the removal of rubbish, such properties may be exempted from taxation.⁴³ Again buildings which neither possess latrines nor need latrines may be exempted from taxation under Section 117 of the Act after obtaining the previous sanction of the Collector of the district.⁴⁴

Assessment of Government Property

Previous to 1884, no distinction was made between private property and Government property in the matter of assessment. The Collector of the district as the representative of Government appealed to the councils against the assessments fixed by the 'commissioners' (now called councillors) on Government property. In 1881, at the instance of the Government of India, a distinction between private property and Government property was introduced for purposes of assessment.⁴⁵

42. G.O. No. 4427. L.M. 9-11-1932.

43. G.O. No. 262. L.M. 26-1-1931.

44. G.O. No. 1998. L.M. 11-6-1931.

45. *Report of the Local Self-Government Committee, 1883*, p. 24.

The basis on which Government buildings and lands were assessed differed from time to time. Till 1931, all Government buildings were divided into two classes, the residential and non-residential. The residential buildings were assessed on the basis of the annual rental value and the non-residential buildings were assessed on the basis of capital value. The annual rental value of the residential buildings was the standard rent fixed by the Public Works Department.⁴⁶ If the standard rent included the municipal taxes, they were excluded⁴⁷ and the balance constituted the gross annual rental value.⁴⁸ If the standard rent did not include the value of the site, interest for one year on the capital value of the site as estimated by the Collector of the district⁴⁹ was added to the standard rent and the total amount was taken as the gross annual rental value.⁵⁰ The interest fixed was 3½ per cent for the buildings constructed prior to 1-1-1922 and six per cent for the buildings constructed after that date. To put it briefly, the gross annual rental value of the Government residential buildings before 1930 was the standard rent fixed by the Executive Engineer, plus the interest of the capital value of the site at 3½ per cent and 6 per cent per annum as the case may be minus municipal taxes, if any, included in the standard rent. As regards the non-residential buildings 6 per cent of the present cost of erecting the building and of the value of the site occupied by it, constituted the annual rental value.⁵¹

In order to simplify the method of assessment the classification of buildings into residential and non-residential was abolished in 1930. At present the annual rental value is arrived at by taking 6 per cent of the estimated value of the land and of the estimated present cost of erecting the building.⁵²

Assessment of Railway Property

Municipal taxation of the Railway property is regulated by Sec. 135 of the Indian Railways Act. The aim of the section is "not to relieve the Railway administration of any liability to local taxation but to obtain control over the demands on Railway administration by municipalities and to see that Railway administration is not unfairly exploited"⁵³ Under this section the Government of India can prevent any council from imposing any new tax, revoke the existing taxes, exempt any Railway administration from the payment of any or all the taxes and finally can prescribe the fair and reasonable charge to be paid for any

service rendered; under this section no Railway administration is liable to pay any tax unless the Governor-General-in-Council has by notification in the official *Gazette* declared the railway administration to be liable to pay the tax. The notification must clearly state the nature of the tax and the rate at which it should be paid. The council must levy only those taxes and no others.⁵⁴

The basis on which the Railway properties are assessed is the capital value of the property. Six per cent of the capital value is taken as the annual rental value.⁵⁵ But waiting rooms, cart stands, loading bunks in the goods sheds,⁵⁶ platforms, covered or uncovered⁵⁷ are assessed at a different rate. Only four per cent of their capital value is taken as the annual rental value.

Some of the railway properties are exempted from taxation. For instance, wells, foot-bridges and over-bridges, steel-plate fencing which does not exceed 8 feet in height and turn tables are not liable to taxation.⁵⁸

Further, the levy and collection of drainage tax on railway property is subjected to certain limitations. For instance, if the railway administration does not derive any benefit from the municipal water and drainage system, it should pay only a third of the tax normally payable by it; if it derives some benefit it should pay only two-thirds of the tax normally payable by it; if it derives full benefit, the full tax should be paid. The provincial government decides the proportion of water and drainage tax payable by the Railway administration.⁵⁹

The basis on which railway lands not occupied by or adjacent to or appurtenant to the buildings are assessed is the annual rental value. That is, the rent at which the lands may reasonably be expected to let from month to month or from year to year.⁶⁰ The annual rental value of these lands may be arrived at by taking the capital value. Otherwise, in the case of these lands which are not ordinarily let, it is practically an impossibility to fix with any degree of accuracy, the gross annual rent at which they may reasonably be expected to let.⁶¹

Depreciation

After the assessments have been fixed, a reasonable amount on account of depreciation, which should not be less than 10 per cent of the

46. G.O. No. 2342. L.M. 3-9-1924.

47. G.O. No. 1239. L.M. 8-4-1925.

48. G.O. No. 3740. L.M. 27-8-1926.

49. G.O. No. 1231. L.M. 12-3-1927.

50. G.O. No. 4710. L.M. 2-11-1926.

51. G.O. No. 1692. W. 1-11-1920.

52. G.O. No. 4809. L.M. 12-12-1930.

53. *Taxation Enquiry Committee Report*, 1925, p. 326.

54. *M. S. M. Railway Co. Ltd. vs. Municipal Council, Cuddapah*, 1927, M.L.J. 117.

55. G.O. No. 1258. L.M. 15-3-1929.

56. G.O. No. 2737. L.M. 9-6-1934.

57. G.O. No. 3297. L.M. 24-7-1936.

58. G.O. No. 3799. L.M. 15-9-1933.

59. G.O. No. 2043. L.M. 5-8-1933.

60. G.O. No. 3650. L.M. 7-9-1933.

61. *M. S. M. Railway Co. Ltd. vs. Bezvadu Municipality*, I.L.R. 1941, Madras 808.

annual rental value of the building only, should be allowed in all cases. It must be remembered that depreciation is not allowed in the case of lands.⁶² The Government have fixed certain rates of depreciation and they may be adopted with such modifications as may be necessary.⁶³

Depreciation having been allowed, the amount of tax to be levied should be calculated by reference to the rates fixed by the council and entered in the appropriate columns of the assessment lists. These amounts should be totalled and the total amount should be written in words at the end of each list so that the entries may not be interpolated at a later date. A properly prepared assessment list should therefore give the name of the owner of the property, a description of the property, the assessment previously fixed, the assessment revised and the amount of tax which the assessee should pay. If the assessment lists do not contain any of these details it cannot be said that there was proper revision.⁶⁴

As soon as the assessment lists have been approved, they must be published. That is, whenever assessment books are prepared for the first time, or whenever they have undergone a general revision, the executive authority should notify such revisions by beat of drum and publication of a notice in the district *Gazette*. The notice should fix up a reasonable period for the receipt of revision petitions which should not in any case be less than 30 days in the case of private property and sixty days in the case of Railway and Government properties. In addition to this general notice a special notice also must be served on the owners of property if there is an increase in assessment. The special notice informs the person concerned of the existing assessment and the existing tax and the assessment proposed to be revised and the amount of tax proposed to be levied. The person concerned may prefer a revision petition within the prescribed period.

All the revision petitions must be entered in the Revision Petitions Register immediately after their receipt and a day must be fixed for their consideration. The petitioner should be given an opportunity to represent his case either in person or by his agent. Immediately after the disposal of the revision petition, the petitioner should be informed of the orders passed on the petition.

Profession Tax

Profession tax has been levied since 1871. Section 58 of the Town Improvements Act, 1871, empowered the 'commissioners' to levy a tax

62. G.O. No. 2647. L.M. 4-7-1933.

63. G.O. No. 2380. L.M. 16-6-1930.

G.O. No. 168. L.M. 9-1-1934. & G.O. No. 2650. L.M. 5-6-1934.

64. *Vasudevarao vs. Anantapur Municipality*, 59. M.L.J. 690.

on every person who exercised any of the arts, profession, trade deriving an income of Rs. 30 per month. Military Officers with a salary of Rs. 800 and above were also assessed to profession tax.⁶⁵ Of all the taxes this was the most unpopular tax. When it was first introduced in Palamcottah, there was a great excitement. Its unpopularity was so very great that it was held in abeyance for a year in 1874-75. However, the tax was not a productive one. At present it is in force in all the 82 municipalities.

Profession tax may be levied on two classes of persons, persons who reside within the municipal limits for an aggregate period of sixty days in a half year; and persons who do not reside but exercise a profession for an aggregate period of 60 days within a half year. In the case of the former it is levied on the total income derived from the exercise of a profession, art, calling, transaction of business or the appointment held or calling or transaction of business or appointment held within the levied only on the income derived from the exercise of a profession, art or calling or transaction of business or appointment held within the municipal limits.⁶⁶ Let us take a concrete example and illustrate the point. Supposing Mr. Austin Byers resided outside the municipal limits, but exercised his profession as District Judge within the municipal limits of Trichinopoly, he should be assessed on the income derived by him during the period in which he exercised his profession within the municipal limits and not on the whole income derived by him during the half year. But supposing Mr. Byers resided for at least 60 days within the municipal limits and the rest of the period outside the municipal limits the tax should be levied on the entire income during the half year.

Exemptions

Certain classes of persons are exempted from profession tax. For instance, Devasthanams which are in receipt of interest from the investments of their surplus funds; companies whose principal place of

65. The interesting part of this tax was, many of the military officers refused to pay the tax on the ground that inasmuch as they held a commission from the Queen to command her troops they needed no licence from the Municipality to exercise their profession and that it was undignified on their part to take it out. These officers were prosecuted for the recovery of the tax. To overcome this intriguing situation, the Government of India issued an order prohibiting the Councils from levying the profession tax on military officers. But as the order was contrary to the express provisions of the Act, it was not given effect to by the Councils. A Bill was, therefore, introduced in the Viceroy's Council to give effect to the order. But it was opposed. As a compromise another Bill was introduced empowering the Governor-General-in-Council to prohibit the levy of any tax by a Municipal Council on the Military personnel and the loss caused thereby should be made good by the Secretary of State for India. Since then the Army personnel are not subjected to municipal taxation. See *Report of the Local Self-Government Committee, Madras, 1883*.

66. *Austin Byers vs. Trichinopoly Municipality*, 1941, M.L.J. 621.

67. *Madura Meenakshi Devasthanam vs. Madura Municipality*, 54. M.L.J. 625.

business is not within the municipal limits;" and the Indian Princes and their staff⁷⁰ are exempted from profession tax.

We have already seen that a person who does not reside within the municipal limits or who does not exercise a profession or an art within the municipal limits should not be taxed. But this does not apply to a person, who is merely absent for some time but is at liberty to return at any time and has not abandoned his intention of returning to his original place of residence.⁷¹ But a person who neither personally resides nor maintains a residence for himself or for his family within the municipal limits but merely maintains an office for the collection of rent is not said to reside within the municipal limits and therefore not liable to taxation.

Pension is liable to taxation. But the commuted portion of a pension is not liable to taxation, because pension is a periodical payment and the intention of the legislature is that only periodical payments should be taxed. But the commuted portion of a pension is not a periodical payment and therefore should not be taxed.⁷²

Dividends received by the shareholders should not be taxed. For, the company which pays the dividends has already been assessed to profession tax and to assess the dividends to profession tax means subjecting the same amount to double taxation which is not contemplated by the Act.⁷³

An officer who is on privilege leave and who does not reside within the municipal limits for an aggregate period of 60 days in a half year should not be assessed to profession tax.⁷⁴ But touring officers whose headquarters are within the municipal limits should be assessed to profession tax even though they may not reside within the municipal limits for 60 days in the aggregate in a half year provided their connection with the appointment has lasted for that period.⁷⁵

A person who resides successively for 60 days and exercises a profession in two municipalities in a single half year should not be assessed to profession tax in both the municipalities but in only one.⁷⁶ He acquires exemption in the second place except the difference in rate, if any. The principle underlying is that when a transfer of residence or occupation has taken place, it does not mean that he will have to pay the tax twice over.⁷⁷

68. *Palamecottah Municipality vs. Tirumalaswamy Mudaliar*, 62. M.L.J. 259.

69. G.O. No. 4690. L.M. 1-11-1926.

70. 1938. M.L.J. 356.

71. *Salem Municipal Council vs. Gururajaram*, 68. M.L.J. 118.

72. *Narasimharao vs. Narasaraopet Municipality*, 68. M.L.J. 162.

73. *Mahadeva Iyer vs. Masulipatam Municipality*, 75. M.L.J. 570.

74. G.O. No. 1776. L.M. 9-9-1926.

75. *Municipal Council, Cuddalore vs. Krishnan Nambiar*, 26. L.W. 439.

76. 54. M.L.J. 147.

Advance of pay drawn by officers should not be assessed to profession tax.⁷⁸ But overseas allowance forms a part of the salary and therefore not exempt from taxation.⁷⁹

The income derived by Government Telegraph Department from the telephone service,⁸⁰ or the income derived by Government Commercial Departments,⁸¹ should not be assessed to profession tax. This exemption does not extend to the Co-operative Societies.⁸²

Income derived from lands and houses situated within and without the municipal limits,⁸³ 'wound and disability' pensions granted to the service personnel,⁸⁴ stipends paid to students,⁸⁵ honorarium derived by members of religious institutions working as teachers in schools and colleges,⁸⁶ salaries received by the Members of the Legislature,⁸⁷ rewards given to excise officials,⁸⁸ remuneration paid to the examiners,⁸⁹ provident fund received by the employees after retirement,⁹⁰ and the salaries of the military personnel should not be assessed to profession tax.

Procedure

Immediately after the commencement of the half year, the executive authority should serve a notice on every company or person from whom profession tax is due, to furnish a return giving information relating to his profession. It is not necessary that the service of notice should be delayed till the expiry of sixty days.⁹¹

The person who is served with a notice should furnish to the executive authority with particulars of the business carried on, profession exercised or the appointment held and the income derived from such business, profession or appointment during the half year or in the corresponding half year of the previous year. In case the person concerned was assessed to Income-tax he may furnish the particulars of the income on which the tax was levied. In other cases especially in the case of companies with a number of branches the turnover of the business transacted within the half year or during the corresponding half year of the previous year may be given, if it is not possible to ascertain the

77. G.O. No. 1642. L.M. 5-4-1934.

78. G.O. No. 3957. L.M. 29-10-1935.

79. G.O. No. 3498. L.M. 25-9-1925.

80. G.O. No. 915. L.M. 23-2-1934.

81. G.O. No. 4703. L.M. 1-12-1927.

82. G.O. No. 1362. L.M. 11-1-1932.

83. G.O. No. 2672. L.M. 6-6-1934.

84. G.O. No. 1306. L.M. 18-4-1925.

85. G.O. No. 3131. L.M. 26-8-1931.

86. G.O. No. 1170. L.A. 24-3-1939.

87. G.O. No. 2588. L.A. 21-7-1939.

88. G.O. No. 1904. L.A. 25-5-1940.

89. G.O. No. 3932. L.A. 13-11-1940.

90. G.O. No. 321. L.M. 25-1-1933.

exact income derived by it. In addition to this information, the executive authority should also be furnished with a list of persons employed by them together with their salaries.

The outdoor staff should make independent enquiries and prepare a list of firms and persons liable to profession tax and submit them to the executive authority within 6 weeks from the date of commencement of the half year.⁹¹ They must also prepare a list of persons assessed in the previous half year but omitted in the current half year together with reasons for such omission. The executive authority must scrutinise all these lists by reference to the information furnished by the individual persons, and fix the assessment. He is not entitled to call for accounts of any company or person for scrutiny and fixation of assessment. But he must scrutinise them when they are produced voluntarily. However, he is not bound to accept them if he has reason to believe that the accounts produced are not correct ones.⁹²

The Rates

The rates at which profession tax may be levied varied from time to time. Till 1930, persons liable to profession tax were divided into 10 classes. The first class of persons with an income of Rs. 2,000 per month paid a tax of Rs. 110 per half year. The last class of persons with an income of Rs. 30 and Rs. 50 per month paid annas 8 per half year. All hotel keepers lodging, boarding, eating and refreshment houses, not assessed under any class were brought under the last class. These rates were revised in 1930 and the persons liable to profession tax were divided into 12 classes. The first class of persons with a half yearly income of Rs. 21,000 and more paid Rs. 275 as tax and the last class of persons with an income of Rs. 150-300 per half year paid annas eight. This division was superseded by another in 1942. At present the persons liable to profession tax are divided into nine classes. The first class of persons with a half-yearly income of Rs. 9,600 and above pay Rs. 25 and the last class of persons with an income of Rs. 300-600 per half year pay annas eight as tax.⁹³

The rates fixed by the Provincial Government are the maximum rates and the councils are at liberty to fix any rate, provided it does not exceed the maximum specified in the Act. The councils are also at liberty to exempt any class of persons from the payment of profession tax provided that a higher class is not exempted where a lower class is not.

91. G.O. No. 2567. L.M. 3-7-1935.

92. G.O. No. 2599. L.M. 5-7-1932.

93. G.O. No. 624. L.A. 18-2-1942.

94. G.O. No. 624. L.A. 18-2-1942.

After the assessments have been fixed and the demand notices have been issued the executive authority is not competent to modify the demand and revise the tax.⁹⁵

Tax on Carts Carriages and Animals

These taxes have been levied since 1871. All persons who are in possession, custody and control of any taxable cart, carriage or animal for an aggregate period of 60 days in a half year are liable to pay the tax. If the aggregate period exceeds 15 days but is within 60 days then a moiety of the tax is collected. No tax is levied if the aggregate period is less than 15 days.

However, no tax should be levied for a second time in a half year even though the ownership of these things may change. Again no tax should be levied for a second time in a half year in respect of a cart, carriage replacing the old carriage or cart which have been destroyed or animal which has died.⁹⁶ Further, no tax should be levied on carriages and animals and carts belonging to the army personnel; or on carriages which are kept for sale or which are under repair or on animals which are infirm and unfit for use. Finally, steam and motor road rollers are not carriages or carts and therefore should not be taxed.⁹⁷

As soon as possible after the commencement of the half year, a list of persons who are in possession of a cart, carriage or animal should be prepared and submitted to the executive authority for verification. After the lists have been verified the demand is fixed by the executive authority by reference to the rates fixed by the council. Here all animals and carriages and carts have been classified severally and a tax is fixed for each class.

The Servants Tax

The servants tax is levied only in the hill municipalities. It is levied on all persons employing private servants and domestic menials provided the employers are not assessed either to property or profession tax. Even though the servants are assessed to property tax or profession tax, their employers are not exempted from the payment of the tax. At the beginning of every half year, a list of persons who employ private, or menial or domestic servants must be prepared and submitted to the executive authority. These lists are verified and the amount of tax to be levied is fixed by reference to the rates fixed by the council. The tax should be levied only if a person employs a servant for an aggregate period of 15 days in a month. If the aggregate period is less than 15 days but more than 7 days a moiety of the tax is levied.

95. G.O. No. 3048. L.M. 19-8-1931.

97. G.O. No. 3402. L.M. 20-8-1937.

98. G.O. No. 1137. L.M. 19-3-1930.

Pilgrim Tax

The pilgrim tax has been levied since 1920. The Act authorises the levy of the tax on all persons travelling by rail to the pilgrim centre. The levy is limited to large pilgrim centres for a specified period in case pilgrimage takes place once or twice a year. But if a pilgrim centre is a perennial resort, the tax is levied throughout the year. The conditions under which the tax is levied are, the rate of the tax to be levied should not exceed the maximum rates fixed by Government; there should be a free zone of 30 miles and the pilgrims travelling from within the free zone should not be subjected to taxation; finally, the approval of the Government of Madras and the Government of India should be obtained as to the rate of tax to be levied.⁹⁹

The tax is collected by means of a surcharge on the Railway fares by the Railway Administration. The Railway Administration is paid a certain percentage of the tax collected as collection charges.¹⁰⁰

The levy of the tax only on pilgrims travelling by rail appears to be inequitable. For, the main purpose of the levy of the tax is to meet a portion of the expenditure connected with the sanitary arrangements to be made by the council. All the pilgrims whether they travel by rail or by road make use of the municipal sanitary arrangements and it is therefore just and equitable that all pilgrims irrespective of the means by which they travel should pay the tax. As a matter of fact, the number of pilgrims that come by road to some of the pilgrims is greater than those who come by rail. We are told by the Municipal Mahamakam Festival Committee, Kumbakonam, that out of the 10 lakhs pilgrims that visited Kumbakonam in 1931, 6 lakhs came by road and the remaining 4 lakhs by rail. The Kumbakonam municipality had to incur enormous expenditure to make sanitary arrangements. It therefore appears to be equitable that all the pilgrims should be subjected to pilgrim tax. Though in theory this argument appears to be correct and sound it does not appear to be practicable. For, the problem of collection of the tax is a difficult one. Our cities are not the ancient Greek City States small in size and walled on all sides. The entrances are innumerable and the attempts to evade the payment of the tax will certainly be made and there is bound to be harassment if the collection is farmed out. These and other difficulties probably impelled the Government to limit the levy of the tax to pilgrims who travel by train.

Companies Tax

The tax on companies was first introduced in this presidency in 1920. Every company which transacted business for an aggregate period

of sixty days in a half year was assessed to company tax. The tax was levied either on the paid-up capital if that could be ascertained or on the gross income. The rates at which the tax should be levied were fixed by the Act. But the administration of the tax, was not satisfactory and it gave rise to many difficulties. For instance, it was not possible in many cases to find out the paid-up capital or the gross income of a company with a number of branches.¹⁰¹ Further, the European members of the Madras Legislative Council were opposed to it. The tax was therefore abolished in 1930.¹⁰²

Tolls

The word 'tolls' denotes a sum of money paid for the use and enjoyment of some privilege or advantage. Tolls were levied in this province till 1930 in which year they were abolished. They were a productive source of revenue. The income from tolls in 1920 was Rs. 10,35,473 and in 1929-30 it was Rs. 17,83,628. The tax has been levied since 1871. The Town Improvements Act, 1871, authorised the councils to levy tolls on every animal and vehicle that entered the municipal area. But it does not appear that they were authorised to levy tolls on animals and vehicles that passed through the municipal areas. In practice, however, tolls were collected on every animal and vehicle that entered the municipal area irrespective of the fact whether they made use of the municipal roads or not.¹⁰³ The rates at which tolls should be collected were statutorily fixed. Tolls were not levied on animals and vehicles licensed by the municipal councils or on those exempted by the Indian Tolls Act, 1901, or on sick animals which had to pass through the toll gates, for treatment in the veterinary hospitals.

However, tolls were very unpopular with the general public. The Indian Road Development Committee condemned the system of tolls on the ground that it was causing annoyance to the road users, especially to the motor users, for they were constantly pulled to a standstill by bars across the roads. The Madras Government accepting the recommendations of the Committee proposed to do away with tolls and substitute in its place Motor Vehicles Taxation on a provincial basis. A Bill was introduced in the Madras Legislative Council based on three principles. Firstly, all the toll gates and bars should be abolished; secondly, all tolls should be abolished; and finally, a provincial tax should be levied on motor vehicles only. From the proceeds of the tax collected, the municipal councils which were levying tolls on the date of their abolition should be paid a contribution equal to the average annual income from tolls during the three years preceding 31st March

101. *Taxation Enquiry Committee Report*, 1925, p. 319.

102. Sec. 70, Madras Act X 1930. Speech of the Hon'ble Dr. P. Subbaroyan, M.L.C.P., Vol. 57, p. 460.

103. Venkatarangiah, *Development of Local Boards*, p. 190.

99. G.O. No. 4806. L.M. 12-12-1930.

100. G.O. No. 2301. L.M. 16-6-1932.

1931. The balance, if any, after the payment of contribution and the expenses of collection, should be utilised for the improvement of roads.

The abolition of tolls affected the financial position of the councils, especially councils like Nandyal and Proddatur which derived nearly 25 per cent of their total income from tolls. The total income derived by all the councils in 1929-30 was 17.42 lakhs of rupees and the contribution paid to the councils in 1931-32 as toll compensation was only Rs. 12.42 lakhs. There was, therefore, a cry for the reintroduction of tolls. A special officer was appointed to enquire into the financial position of the councils. He recommended the levy of tolls on all animals and vehicles excepting the motor vehicles. He argued that the reintroduction of tolls in the form suggested by him would meet the objections of the motorists. They would not be hampered by toll-gates and bars. Secondly, for a long time to come the country cart would not be replaced by fast moving motor vehicles and therefore would continue to be the chief means of transport. Lastly, the taxable capacity of the people of this presidency and the condition of the soil in some parts of the province would not admit the laying of roads suitable for motor traffic; and equity requires that the burden of taxation should be borne by all concerned equally.¹⁰⁴

The Government accepted the recommendations of the Special Officer and promised to introduce legislation to amend the Madras Motor Vehicles Act, though the promise was never carried out.¹⁰⁵ From the standpoint of administration we are not concerned with the controversy regarding the abolition or retention of tolls. But the fact cannot be denied that there was some truth in what the Indian Road Development Committee had said. They did not exaggerate the annoyance caused to the road users as some seem to believe. On the other hand there was harassment by the toll-gate contractors, and on some occasions tolls were collected from the ignorant villagers more than once.

Amendment to Assessments

Assessments relating to property tax may be amended in three ways. Firstly, the executive authority may amend an assessment at any time on the ground that it was unfairly made or whenever the properties are improved. The procedure to be observed is as follows: If the demand notice for the original assessment has not been issued, the executive authority may amend the assessment. If the demand notice has already been issued, the executive authority should move the council for a direction to amend the assessment.¹⁰⁶ The amendment to assessments effected

by the executive authority comes into effect from the first day of the current half year. The amendment effected by the council may be given a retrospective effect not beyond the two half years immediately preceding that in which the circumstances justifying the amendment existed. In other words the executive authority has no power to amend an assessment with retrospective effect. That is the sole prerogative of the council.

Secondly, the council may, on its own motion, amend an inadequate assessment or rectify an improper assessment made by the executive authority. But the council is prohibited from, on its own motion, amending an enhanced assessment or reducing the assessment fixed by the executive authority.¹⁰⁷

Finally, the assessee himself may move the executive authority at least 30 days before the commencement of a half year by a revision petition for the amendment of the assessment of his property. The executive authority, if he is convinced of the reasons given by the petitioner, may amend the assessment.

Remission of Property Tax

Remission means exemption of a part or whole of the demand on account of vacancy, poverty or otherwise. Remission may be granted under the following circumstances. A house whose owner lives elsewhere and does not make use of the inside portion of the house even though he transacts his business in the verandah,¹⁰⁸ a vacant building left in charge of a watchman,¹⁰⁹ buildings which are under repair even though materials are stored for purposes of repairing and factories which are closed are all entitled for vacancy remission.

It is obligatory on the part of the owners to give notice to the executive authority to the effect that the building is vacant or will be vacant. When once a notice in respect of a half year is given a fresh notice is unnecessary every time it becomes vacant in the same half year.¹¹⁰

Immediately after the receipt of a vacancy remission petition, it should be entered in the Vacancy Remission Register. And it should be forwarded to the out-door staff for verification of the fact of vacancy and to watch the reoccupation of the building.¹¹¹

The remission is granted for the period commencing from the date of receipt of the vacancy remission petition,¹¹² subject to the condition that the building has been vacant for at least a minimum period of 30

104. *Special Officer's Report*, M.L.C.P., Vol. 65, p. 155.

105. M.L.C.P. Vol. 68, p. 142.

106. G.O. No. 3047. L.M. 28-6-1934. & G.O. No. 2612. L.M. 5-7-1935.

107. G.O. No. 617. L.M. 8-3-1924.

108. Advocate-General's Opinion, No. 36, dated 5-3-1934.

109. G.O. No. 3087. L.M. 5-8-1932.

110. G.O. No. 3639. L.M. 16-9-1930.

111. G.O. No. 498. L.M. 31-1-1929.

112. G.O. No. 1676. L.M. 18-5-1931.

consecutive days in a half year. Broken periods of vacancy after the building has been vacant for the minimum period may be taken into consideration. Remission should be given out of the tax on building only.¹¹³ The maximum amount of remission that may be granted should not exceed one half of the tax amount on building and it should be proportionate to the number of days during which the building has been vacant. Vacancy remission should not be refused on the ground that the tax due was not paid.¹¹⁴ In such cases, vacancy remission may be given after the payment of the tax. No remission should be granted to houses which are in ruinous state. The payment of remission should be made only when it is demanded by the person concerned in writing within the half year succeeding that in which the building has been vacant.

Appeals

Every good law contains provision for the review of the administrative acts. Review is of two kinds, administrative review and judicial review. So far as taxation is concerned administrative review of the factual issues is preferable to judicial review. Administrative review is preferable because it is better qualified to deal with concrete aspects of taxation. Whatever may be the method adopted, the basic requirement of due process, viz. the opportunity of being heard, must be observed.¹¹⁵

Provision is made in the Act for the appeals against the assessments fixed by the executive authority. The authority to hear the appeals is the council. It may delegate its power to a committee of its own. Most of the councils have a committee for the purpose. Where there is no committee the appeals are heard directly by the council itself.

The persons that may appeal are those who were assessed to any one or more of the taxes mentioned above. There is however a slight difference in the procedure in preferring appeals against property tax assessments and profession tax assessments. An appeal preferred against a property tax assessment must conclusively show that the executive authority was moved by a revision petition for the revision of the assessment and that the decision given by the executive authority is not satisfactory; that the appeal is preferred within 15 days from the date of receipt of orders on the revision petition and that the amount of tax as finally fixed has been paid within the prescribed period. As regards appeals preferred against profession tax assessments, an appeal must be preferred within 15 days from the date of receipt of the demand notice and the amount of tax fixed must also be paid within the said period. Further, the appellant must submit a statement of accounts and the

113. G.O. No. 1676. L.M. 18-8-1931.

114. G.O. No. 1777. L.M. 22-5-1925.

115. Lutz, *Public Finance*, p. 422.

reasons for objecting the assessment fixed by the executive authority. The appellate authority must insist on the production of accounts and examine them carefully before it decides on the appeal. It must also see that the appeals are in order. That is, that they are preferred within the prescribed time after the payment of the tax amount. Adjudication of appeals which are not in order is illegal.¹¹⁶

Ordinarily the appellate authority should not give greater relief than that claimed by the appellant. But if the appellant amends the claim by showing that his original claim was made on some *bona fide* mistake, the council may grant him greater relief than that asked for at first.

The appellate authority should not reject appeals, as is very often done, merely on the ground that the assessee or his agents was not present at the time of hearing the appeals. Attendance of assessee is not obligatory, though it is obligatory on the part of the council to give every opportunity to the assessee to attend and be heard fully. If the assessee does not attend, the written appeal presented by the appellant should be considered.¹¹⁷

The decisions of the appellate authority are final. They shall not be interfered with by any outside authority including a court of law, provided the appellate tribunal has exercised its quasi-judicial function in accordance with the provisions of the Act. Before setting aside the decisions of the appellate authority, it must be proved conclusively that there has been a breach of the rules or that the decision was given with a *mala fide* intention or that a manifest error was committed while adjudicating the appeals.¹¹⁸ Further, the appellate authority itself has no power to revise its decisions. That is, it has no inherent power either to cancel or to modify its previous decisions adjudicating appeals. If it does, the executive authority should treat such decisions as absolutely inoperative and void for all purposes.¹¹⁹ Finally, the appellate authority has no power to redress a wrong or overassessment either on its own motion or on the motion of the executive authority. Such cases should be dealt with only when an appeal is preferred.¹²⁰

Collection of Taxes

The chief end of all taxation is to provide revenues and if this end is to be achieved, there should be an honest effort for the collection of revenue. Otherwise the whole process of taxation will be a useless effort. Collection of revenue will be poor, where the taxpayers are not

116. Advocate-General's Opinion. No. 43, 2-4-1923.

117. Notification No. 691. 1924.

119. G.O. No. 5162. L.M. 4-12-1926.

120. G.O. No. 649. L.M. 12-12-1922.

121. G.O. No. 617. L.M. 8-3-1924.

imbued with public spirit or when they feel that the assessments have not been made equitably or when they entertain the idea that they will be able to get their taxes written off by some method or other or if the assessee is proved to be poor. But collections will be good if the assessments have been fixed equitably; if there is a tradition in favour of prompt payment of taxes; if the penalties are enforced freely and fearlessly and above all if the collection personnel is efficient and incorruptible. Finally, good collections depend upon the efficiency of the administrative machinery. Bills must be issued promptly and revision petitions and appeals must be disposed of quickly.

The procedure fixed for the collection of taxes is as follows: As soon as all the assessments have been settled and the amount of tax due has been fixed, they should be entered in their respective demand registers. Then the demand notices and the bill receipts for the different taxes should be written up in their respective forms. The memorandum attached to the bill book should also be written up. The entries made in the demand notice should be compared with the entries in the demand registers and checked by a responsible person. The bills should then be issued to the bill collectors for service on the persons concerned.

The demand notice contains a statement of the period and a description of the property occupied, profession exercised or thing possessed for which the tax is levied. It further informs the person concerned of the penalties that will be imposed in case the payment of tax is not made within 15 days from the date of service of the notice. It should be remembered that the service of a notice is a condition precedent to taking any action against any one. If a notice is not served no action should be taken.¹²³

If the owner of a house does not pay the tax, the occupier of the house may be served with an occupier's notice for the payment of the tax amount due. But a person in receipt of rents and profits of a property limited to melvaram rights should not be served with an occupier's notice for the payment of taxes.¹²⁴

After the service of bills, the collection should be taken up vigorously. The bill collectors should take with them all the bill books whenever they go out for collection. They should not accept part payments. When an assessee pays the tax amount the bill collector should note the date of payment in the receipt and also in the memorandum, sign the receipt and then detach it from the bill book for delivery to the payee. No receipt should be detached from the bill book without receiving the amount. These details are very important. For, if the date of payment is not noted in the receipt it facilitates temporary misappropriation of tax

amounts collected. Bill receipts should not be detached from the bill book and then repasted on the ground that tax was not actually received, for after the issue of a receipt, it may be secured by some means and attached to the bill book and the sum collected may be permanently misappropriated.

The bill collectors should bring all the bill books and the collection book with them when they come to the office for remitting the sums collected. The tax clerk should see that remittances are made for all the bills that are wanting in the bill book. In addition to this check by the tax clerk, the executive authority is required to go about and collect certain percentage of the receipts issued to the assessee and compare the dates noted in them with the dates on which the amounts relating to these receipts were credited. This check is intended to prevent temporary misappropriations.

In addition to these checks and cross checks, a constant watch is kept over collections. This is secured by means of a statement prepared by the tax clerk. This statement gives the number of bills issued to each of the bill collectors, the total value of these bills, the amount collected and the balance remaining uncollected. Thus the executive authority is enabled to detect the weak spots in the collection work.

Enforcement of the Penal Provisions

If a tax is not paid within 15 days from the date of service of notice, and if the person concerned has not shown cause to the satisfaction of the executive authority why it should not be paid, the amount due may be recovered by distraint and sale of the movable property of the person concerned. Before issuing a 'distraint warrant', it should be verified that a demand notice has been served. The execution of a distraint warrant without the service of a demand notice is illegal.¹²⁵ Distraint proceedings should be taken within three years from the date on which the tax became due.

The procedure to be adopted for the distraint of property is as follows: The executive authority should issue a warrant under his signature to the officer specially charged with the execution of warrants. This officer may, between sunset and sunrise, break open any door of the house concerned for distraining the movable property. But he should not enter any apartment set aside for women without giving three hours' notice for their withdrawal. He should, however, before making a distraint demand from the person concerned the payment of the tax due and the warrant fee. If the amount is paid no distraint should be made. Otherwise he should proceed with the seizure of the movable property, except-

123. *Chidambaram Municipal Council vs. Venugopala Pillai*, I.L.R. 1937, Madras, 985.

124. *Municipal Council, Anakapalli vs. Zemindar of Chemudu*, 1939, M.L.J. 304.

125. *Padmanabha Iyer vs. Coimbatore Municipality*, 74. M.L.J. 99.

ing the front door of the house as that would render the house unsafe.¹²⁶ Immediately after distraint is over, the officer should make a list of the property seized, and hand over a copy of it to the owner of the property. The property should be brought to the municipal office; it should be entered in the distraint property register and handed over to the person charged with the custody of the distrained property. The owner of the property is given the right to pay the tax and distraint charges within a fixed period—the period varies according to the kind of tax due—and take back the distrained property. If he does not do that, the property should be auctioned publicly.¹²⁷ If for any reason it is not possible to execute the warrant, it should be returned explaining the causes for the same.¹²⁸

If the amount realised after the sale of the distrained property is found to be insufficient to cover all dues, or if the distraint of property is found to be impracticable, prosecution may be launched.¹²⁹ It should, however, be remembered that prosecutions should not be launched as a matter of course. All possible means of recovering the tax should be tried before resorting to prosecution. Prosecution should be launched within three years from the date on which distraint becomes impracticable.¹³⁰

Writes Off

The Council may write off any item of revenue if it is found irrecoverable. The bill collectors must prepare a list of such items. These lists must be scrutinised and countersigned by the executive authority. They should be placed before the council¹³¹ within three years from the date on which they become due¹³² for its consideration. The council if it proposes to write off the amounts, must state in the clearest terms that the amounts are actually irrecoverable.¹³³ It cannot, after once writing off the items as irrecoverable, modify or cancel its opinion and charge the executive authority for their recovery.¹³⁴

Administrative Revenues

Administrative revenues are those obtained by the various departments in the course of performing their respective functions. The distinguishing feature between taxes and administrative revenues is that the latter is the result of some service rendered. They will not occur

if the services are not rendered.¹³⁵ For instance, fees collected in the educational institutions, fees collected for the vaccination of children at their residences, cost of the medicines supplied, cost of electric energy supplied, fees for supplying extracts from municipal records are all administrative revenues. Of all the fees, the fee collected from those who carry on the dangerous and offensive trades is the most important.

The basic principle on which fee is charged is that it is intended to cover the specific cost of the service rendered. In other words, it must be "commensurate with the extra cost entailed in granting the licence and exercising such supervision as is necessary to see that its terms are complied with". Further, there should be no discrimination in levying fees. For instance, a higher fee should not be levied on coffee hotels and a nominal fee on tanneries.¹³⁶

In practice these principles were not observed in most of the councils. Many councils levied exorbitant rates of fees on certain trades and they were challenged in courts of law. At present the councils are levying reasonable fees.

The procedure fixed for the levy of fees is as follows: The executive authority should prepare a schedule of rates of fees for several purposes. The schedule should be placed before the council for its approval. After securing the approval of the council it should be published in the district *Gazette*. The executive authority should collect the fees at the rates specified in the schedule. Any person who fails to take out a licence and defaults to pay the prescribed fee may be prosecuted.

Lease Revenues

A council may lease out properties vested in it and owned by it. It is competent to lease out its own properties for a period not exceeding three years at a time; as regards the properties vested in it, it should not lease them out for a period exceeding one year. If the councils desire to lease out these properties for a longer period the sanction of the district Collector must be secured. The properties that may be leased out are markets, cart stands and slaughter houses.

The procedure to be adopted in leasing out these properties is as follows: A preliminary notice containing the terms and conditions under which municipal properties will be leased out must be prepared by the executive authority and placed before the council for its approval. The notice must state the date on which and the place at which leases will be auctioned; it must further state the amount to be deposited as security, the number of instalments in which the lease amount should be

126. *In re. Madar Sahib*, 58. M.L.J. 193.

127. G.O. No. 3506. L.M. 8-8-1936.

128. G.O. No. 473. L.M. 10-2-1925.

129. *Roshan Chinna Mulla Sahib vs. Adoni Municipality*, 72. M.L.J. 440.

130. G.O. No. 2339. L.A. 1938.

131. G.O. No. 21. L.M. 3-1-1933.

132. Advocate-General's Opinion, No. 171, dated 27-10-1926.

133. G.O. No. 3484. L.M. 9-8-1926.

134. Advocate-General's Opinion, No. 171, dated 27-10-1926.

135. *Lutz, Op. Cit.*, p. 28.

136. *Kumbakonam Municipality vs. Ralli Brothers*, 61 M.L.J. 748.

paid, the rates at which fees would be collected and the penalties that would be imposed for the non-observance of the conditions of the lease. After the approval of the notification by the council it should be published in the district *Gazette* and also on the office notice board.

The executive authority should conduct the auction on the day appointed for the purpose and submit the list of bidders to the council. The council should invariably accept the highest bid. If for any reason the highest bid is not accepted the reasons for the same should be recorded in writing and made available to the auditor. Before permitting the person whose bid has been accepted by the council to enter on the property, the executive authority should enter into a registered agreement with him. In drafting the agreement it should be carefully seen that it contains all the conditions. A lease deed not executed according to law is unenforceable and, therefore, not binding on the contracting parties.¹³⁷ But this does not prevent the contracting parties from recovering compensation from the person who has received an advantage on the principle of *quantum meruit*.¹³⁸ Otherwise "it would be extremely inequitable to find that when a contract has not been entered into by the authorised person or found to be unenforceable for want of certain formalities, the advantages gained by a party should not be, when it was not intended to be gratuitous, restored or compensated".¹³⁹

The lease amounts should be recovered according to the conditions of lease. The penalties attached to the agreements should be enforced whenever the lessee does not observe the conditions of lease. If the lessee does not pay the lease amount it can be recovered only by a civil suit and that too within six years from the date on which it becomes due.¹⁴⁰

We have so far seen in detail the rules and regulations concerning the revenue administration in the district municipalities. It remains for us to know how far these rules and regulations were applied and honoured and how far the revenue administration was honest. A glance at the facts set below convinces one that it was neither honest nor efficient till 1933. For instance,

Firstly, many councils imposed taxes without observing the procedure fixed by the statute. And many such levies were set aside by courts of law.¹⁴¹

Secondly, many councils did not carry out the quinquennial revision of property tax as required by the Act. For instance, it was post-

137. *Madura Municipality vs. Aligiriswamy*, I.L.R. 1939, 929.

138. *Arunachala Chettiar vs. Srivilliputtur Municipality*, 67. M.L.J. 38.

139. *Madura Municipality vs. Aligiriswamy*, 1939, M.W.N. 821 & *Tiruvarur Municipality vs. Kansaswami Pillai*, 58 M.L.J. 377.

140. G.O. No. 401. L.A. 13-2-1941.

141. *Vasudevarao vs. Anantapur Municipality*, Op. Cit.

poned for a period of two years in Vaniyambadi, Salem, Conjeevaram, and in several other places.¹⁴² Even where it was carried out it was a big farce. In Chidambaram, for instance, the general revision of the property tax was carried out by allowing uniformly a ten per cent depreciation on all properties. Excepting this revision no other revision was carried out. The result was there was a fall in the demand. The quinquennial revisions carried out at Trichinopoly, Tinnevely, Vellore and Anakapalli were not done on correct principles. Discrimination in the matter of fixing of assessments was a common feature.¹⁴³ As a result there was considerable fall in the total demand. To undo the mischief made by the non-official executive, the provincial Government had to appoint special officers to carry out the general revision.¹⁴⁴

Thirdly, certain properties were not at all assessed. For instance, buildings constructed or reconstructed during the course of the year were not brought under assessment in municipalities like Ellore, Tanjore, Proddatur, Vizianagaram, Tirupur, Mannargudi, Udamalpet and Guntur.¹⁴⁵ In Coimbatore vacant sites assessed to property tax for general purposes were not assessed to water and drainage tax on the plea that they did not derive any benefit from the water supply scheme and the revenue foregone was Rs. 32,613.¹⁴⁶

Fourthly, the appellate authority was unduly generous towards the appellants. Printed appeals promising reduction of taxes if elected, were distributed by the candidates at the time of elections.¹⁴⁷ Many an appellate authority abused the power vested in them. For instance, at Tiruvannamalai, the appellate authority reduced the profession tax by Rs. 2,700 from Rs. 3,081-8-0 the amount appealed against. Further, 61 of the appeals were not preferred in accordance with the rules. Yet they were all admitted. Some of the appellants were the sitting councillors and they took part in the proceedings of the council disposing of the appeals. But the interesting fact is, these appeals were disposed of just before the general elections to the council.¹⁴⁸ In Adoni the total amount of profession tax fixed by the executive authority was Rs. 14,723 and on appeal it was reduced to Rs. 2,200, that is, to fifteen per cent of the demand fixed by the executive authority. The Dindigul Municipal council reduced a tax of Rs. 100 fixed by the executive authority to Rs. 2.¹⁴⁹ The Tadipatri council had the audacity to remit the entire tax fixed by the Revenue Divisional Officer payable by the chairman of the council.¹⁵⁰ In some

142. G.O. No. 2769. L.M. 4-10-1926.

143. G.O. No. 5478. L.M. 20-12-1934.

144. M.L.C.P. Vol. 65., p. 151.

145. G.O. No. 2769. L.M. 4-10-1924.

146. G.O. No. 1857. L.M. 9-5-1930.

147. *Taxation Enquiry Committee Report*, 1925, Vol. I, p. 307.

148. G.O. No. 1203. L.M. 24-6-1921.

149. G.O. No. 2769. L.M. 4-10-1924.

150. G.O. No. 1602. L.M. 11-5-1925.

cases the remissions granted were more than what was asked for by the appellants.¹⁵¹ In some cases appeals were admitted even though they were not preferred according to the rules.¹⁵² At times the abuse of appellate power was so very naked that the Provincial Government was forced to divest the appellate authority of its appellate power and vesting it in the special officers appointed for the purpose. For instance, the misbehaviour of the municipal councils like those of Chicacole,¹⁵³ and Anakapalli,¹⁵⁴ in the matter of disposal of appeals resulted in taking away the appellate power from them and vesting it in the Revenue Divisional Officer of the division concerned.

Fifthly, the collection of taxes was not at all good. Collection is said to be good if 98 per cent of the demand is collected; but during the period of 1920-37 it did not reach this maximum. The table given below bears testimony to this fact.

Year	Total No. of councils	Number of councils which collected tax percentages						Presidency Average	
		70 and below	71 to 80	81 to 90	91 to 95	96 to 100	Cent per cent	Total Revenue	Taxes only
1920-21	...	80	4	11	36	18	10	80.6	...
1921-22	...	80	12	20	22	12	14	70.0	...
1922-23	...	80	14	18	24	11	13	70.0	...
1923-24	...	80	13	18	24	14	11	86.0	...
1924-25	...	80	13	17	26	11	13	86.2	79.0
1925-26	...	80	11	12	19	18	20	86.0	79.0
1926-27	...	80	10	17	22	16	13	92.5	81.0
1927-28	...	80	6	17	18	21	18	90.0	86.0
1928-29	...	80	7	17	21	18	17	91.0	87.0
1929-30	...	80	7	15	24	10	17	90.0	86.0
1931-32	...	80	20	13	24	10	14	86.0	81.0
1932-33	...	80	11	18	28	12	12	87.0	84.0
1933-34	...	80	10	14	24	18	15	95.0	87.0
1934-35	...	80	3	7	24	21	26	96.0	92.0
1935-36	...	81	3	7	24	21	26	96.0	92.0
1936-37	...	81	3	5	20	25	28	97.0	92.0

From the figures given above it is evident that the collection of taxes was hopelessly bad during the period 1920-30. It was worse during the period 1920-25. There was slight improvement during the period 1930-35 and there was marked improvement after 1935. It was below 50 per cent in some of the first grade municipalities like Trichinopoly. Salem and Madura during certain years.¹⁵⁵ In some of the municipalities the uncol-

151. G.O. No. 2622. L.M. 18-6-1926.
 152. G.O. No. 907. L.M. 9-3-1927.
 153. G.O. No. 1549. L.M. 26-4-1937.
 154. G.O. No. 263. L.M. 24-11-1935.
 155. G.O. No. 2622. L.M. 18-6-1926.

lected balances exceeded one lakh. For instance, it was Rs. 5,64,477 in Madura, Rs. 2,33,203 in Trichinopoly, Rs. 1,20,694 in Tanjore and Rs. 72,587 in Bezwada on the 31st March 1927.¹⁵⁶ The tragedy of the situation was the City Fathers themselves did not pay their taxes promptly. In Madura, for instance, 21 councillors were in arrears of taxes and the total amount due from these councillors alone was Rs. 3,810-6-4 on the 31st March 1930.¹⁵⁷

As a result of bad collections many of the councils experienced deficit budgets. They were unable to pay all their liabilities. For instance, the financial position of some of these councils was as follows on the 31st March 1924 :—

Name of the Council	Adverse Balance	Outstanding Liabilities
Gudiyattam	1,732	7,128
Tirupattur	5,868	12,965
Vaniyambadi	118	19,694
Trichinopoly	58,867	18,150
Kumbakonam	31,918	9,303
Negapatam	11,918	33,384

The causes for bad collections were several. Firstly, the demand notices were not promptly issued. In most of the councils the practice was to issue the demand notices of one half-year in the succeeding half-year. Secondly, no coercive measures were taken against the defaulters. Few or no warrants were issued even when the arrears were heavy.¹⁵⁸ And even when issued they were not promptly executed. In Calicut municipality, for instance, as many as 1821 warrants were pending execution on the 31st March 1926. One of them was issued in the year 1915. Further, even when they were executed the distrained property was not sold in public auction immediately after the expiry of the period.¹⁵⁹

To crown all these things, no check was exercised over collections. The outstanding bills were not checked periodically and no supervision was exercised over the remittances made by the bill collectors. There was, therefore, complete anarchy in some of the councils in regard to collections and remittances of taxes. As a result of that large sums were misappropriated either temporarily or permanently. In some of the councils like Bezwada and Pollachi bill collectors systematically defalcated in remitting the amounts collected for a number of years. In Bezwada, for instance, Rs. 11,831-13-6 was defalcated in 1929 by the collection staff. Similarly, in Pollachi a sum of Rs. 541-7-3 was misappropriated

156. G.O. No. 962. L.M. 29-2-1928.
 157. Gopalaswamy Ayyangar Report, Op. Cit.
 158. G.O. No. 1851. L.M. 9-5-1930.
 159. G.O. No. 907. L.M. 9-3-1927.

in 1923 by the bill collectors. These defalcations were due to lack of supervision and relaxation of the account rules.

All these defects would have been avoided had a proper machinery been devised to carry on the financial administration. A sound administrative system depends upon three principles. Firstly, it should be divorced from politics; secondly, it should be entrusted to experts; and finally there should be adequate control over these experts. Administration should be divorced from politics because "elective officers are but slightly immune from gusts and passions of popular approval or prejudice".¹⁶⁰ They do not possess the faculty required for the work and the result is "inadequate returns are accepted with little question".¹⁶¹ Therefore, a "good administrative work cannot be done by a staff which is immediately dependent on the electorate and its representatives. The staff of the fiscal department should be absolutely independent of local changes, of feelings, affections and policies generally".¹⁶²

The administration should be entrusted to the charge of experts because it has become very complex and if the complexity is to be solved it must be entrusted to experts. For instance, precision in assessment is very essential and if it is to be obtained, persons who have special knowledge and training in the valuation of properties should be employed. If this contention is conceded it inevitably leads to the third principle, viz., that there should be adequate control over the administrative machinery. One of the means by which this can be attained is by provincialising the service. In other words, the administrative officers should be appointed by the Provincial Government.

Unfortunately, however, the machinery that existed in the municipalities during the years 1920-34 was not organised on these principles. On the other hand the matrimony between politics and administration was so very close that it produced disastrous results. Till 1933, the chairman of the council was the executive authority. He revised the assessments. He heard the revision petitions. He enforced the penal provisions of the Act. One can easily imagine the outcome of this arrangement. He utilised his position to further his own ends. In the very nature of the case it was not possible for him to hold the scales evenly. For instance, the chairman of the Nandyal Municipal council did not assess all the buildings to property tax. Houses belonging to his partisans were excluded. On the 31st March 1934 the number of houses assessed to property tax was 4,457 and the amount of tax realised on these buildings was Rs. 27,792. The council was superseded for maladministration in 1935 and in the same year the quinquennial revision was con-

ducted by the Special Officer. The revision revealed the fact that as many as 370 houses belonging to a particular community which supported the chairman in municipal elections were not assessed to property tax. The revision further revealed the fact that many of the buildings were under-assessed. The revision not only resulted in the increase of the number of buildings for assessment from 4,457 to 4,827 but also in the increase of revenue from Rs. 27,792 to 36,089. These facts clearly demonstrate the fact that the non-official executive authority abused the powers vested in it, by favouring partisans and oppressing opponents. The Government received several petitions from the rate-payers and sometimes from the councillors for permission to prosecute certain chairmen for under-assessing the properties of their adherents.¹⁶³

Further, the chairman was reluctant to adopt coercive measures for the collection of taxes especially towards the members of his own community.

The unholy alliance between politics and administration produced, as we had already seen, anarchy in tax administration. In order to improve matters Government suggested as early as 1925 to all the municipal councils having an annual income of Rs. one lakh and above, the appointment of a Revenue Officer to be in charge of revenue administration. Most of the councils did not pay heed to the advice tendered by Government, and anarchy in tax administration continued until matters reached a crisis in 1933. In that year the Provincial Government assumed power to appoint a paid executive officer to carry on the municipal administration. With the appointment of executive officers we witness an all-round improvement in tax administration. Dishonest administration is being replaced by honest administration. Inefficiency and incompetency are in the process of liquidation. However, tax administration is not yet completely divorced from politics. The appellate authority is still the council and whatever good work may be done by the executive authority is likely to be undone by the appellate authority. It is, therefore, essential that this power should be vested in an outside body. The proper person that may be entrusted with this power appears to us to be the Revenue Divisional Officer.

Finally, the fixation of assessments is not yet completely free from the influence of politics. At present the executive authority is given power to fix assessments. But the peculiar position which he occupies in relation to the council may impel him to be lenient in fixing assessments, the result of which may prove detrimental to the municipal treasury. Further, the assessment of properties has become very complex and the need has arisen for the employment of a staff specially trained for the purpose. We, therefore, suggest that at least the quinquennial revision of property tax may be entrusted to an outside authority. For

160. Seligman, *Essays in Taxation*, p. 291.

161. Bastable, *Public Finance*, p. 474.

162. Sir Josiah Stamp. Quoted in the *Taxation Enquiry Committee*.

this purpose we suggest that a Central Board of Commissioners appointed and controlled by the Provincial Government should be established. These Commissioners may be deputed to do the general revision of property tax. Experience clearly demonstrates that assessments made by centrally appointed officers are likely to produce good results. If the changes suggested above are carried out, tax administration will ere long reach a high level of efficiency.

CHAPTER III

GRANTS-IN-AID

The Historical Background

We notice the beginnings of grants-in-aid from the provincial funds in the contributions made to the voluntary associations that were functioning in the mofussil municipalities during the years 1865-69. In the year 1863-64 these contributions amounted to Rs. 22,729. This amount was shared by five towns: Nellore Rs. 500, Kurnool Rs. 2,150, Vizagapatam Rs. 10,072, Bimilipatam Rs. 5,384, and Vizianagaram Rs. 4,623. Under the Town Improvements Act, 1865, the Provincial Government contributed one-fourth of the sum raised by the councils as taxes to meet a part of the expenditure on police. But the Town Improvements Act of 1871 relieved the Provincial Government from the obligation to pay this contribution.¹ Later on, state aid was given to the municipal councils for several purposes. It amounted to Rs. 84,387 in 1889-90 and to Rs. 13,48,480 in 1918-19.

The significant fact which we notice in the distribution of grants before 1920 was that no principle was observed in their distribution. The Financial Relations Committee writes: "We are unable to trace any uniform principle governing the distribution of these grants among the several services or among the different local bodies. . . . In some cases the terms on which the grants are made are, in our opinion, too stringent; in other cases too lax. Grants are given for parochial purposes, while matters of imperial importance are neglected. The demand for grants has been degenerated into something like a scramble and their distribution has been made with very little attention to reason".² Grants were given, for instance, for the construction of culverts, bridges, for the ordinary maintenance of roads, for raising the salaries of the teachers, for building and repairing latrines, for improving cess pools, for levelling

1. *Report of the Local Self-Government Committee*, Madras, 1883, p. 5.

2. *Report of the Financial Relations Committee*, Madras, 1920, p. 6. See also the speech of the Hon'ble Sir Charles Todhunter, Budget Session, M.L.C.P. Vol. 12, p. 1888.

pits, for removing prickly pear, etc. Above all, grants were given in aid of general resources without examining the financial position of the councils concerned.

The Committee, therefore, recommended that a definite policy should be adopted in the distribution of grants. They objected to the payment of grants-in-aid of general resources on the ground that it would be difficult to find a just basis for their distribution and that it would be unfair to the general tax payer that he should contribute to the cost of the local services in which he had no interest. They suggested that grants should be made only for certain specific purposes which are semi-national in character. Departure from this principle may be made in the case of exceptionally poor councils which would be unable to meet their expenditure without raising their taxes to impossible heights. Before making such compassionate grants in aid of general resources, the financial position of the council concerned should be thoroughly investigated and if the financial position of the council warrants, the grant may be made. Compassionate grants may also be made to councils which are pilgrim centres and sanatoria.

The Provincial Government accepted the recommendations of the committee with the following modifications. Ordinarily grants would be made for specific purposes which are semi-national in character; no grants will be made in aid of general resources except to the councils which are pilgrim centres and sanatoria; state aid may take the shape of central administration of a service or a part of the service in which case the whole cost will be paid from the provincial funds; the Government will determine from time to time what services are to be regarded as semi-national and which of them should be centrally administered.³

Why Grants-in-Aid?

At this stage of our enquiry, we may well ask why should the Provincial Government pay grants at all? The Financial Relations Committee give five reasons; firstly, to secure the efficient performance of a service; secondly, to secure the minimum standard of efficiency in a particular service; thirdly, to improve the efficiency of staff employed in a particular service; fourthly, to induce the councils to adopt new methods or undertake new works and finally, to correct the inequalities which from economic and other causes exist between the councils.⁴ Sidney Webb makes out a case for grants on four grounds, viz., "for any equitable mitigation of the inequalities of burden, (b) to secure effective authority for the necessary supervision and control of the national government, (c) to encourage the kind of expenditure most desirable in the interests of the

3. G.O. No. 493. Finance, 11-5-1921.

4. *Report, Op. Cit.*, p. 7.

community as a whole, (d) and to make it possible to attain anything like a universal enforcement of the national minimum that parliament has prescribed".⁵

The grounds on which the case for grants-in-aid is made out both by the Financial Relations Committee and Sidney Webb are applicable to the democratic countries where traditionally and constitutionally, local administration is not highly centralised. In these countries, the only way by which national supervision and control can be secured without "offending the susceptibilities of local autonomy and without losing the very real advantage of local initiative and local freedom to experiment is by grants-in-aid".⁶ But in countries like Belgium, Germany, France and India, where local administration is highly centralised and where it is entrusted to centrally appointed officers the question of 'bribing' 'little Peddlings' by grants to do what the central government desires them to do does not arise. For, the central government has its own agents to secure effective authority for it, to enforce a minimum of efficiency, to undertake new works and to adopt new methods. Further, the local authorities in these countries do not enjoy that much of autonomy which they generally do in countries like England and America. Just as the Prussians, who were taught only to obey the ruling power, accepted the suzerainty of Napoleon as matter of course and received him with all honours at the gates of every city as the usurper approached them,⁷ the local authorities in all these countries know only one thing, namely, to obey the central authority. But we agree with the Financial Relations Committee and Webb when they say that grants may be made to correct the inequalities that may exist between the resources of one council and another.

Types of Grants

We shall now consider the types of grants that exist. The Financial Relations Committee classified all grants into four types; a percentage of some specific items of expenditure; a percentage of the total expenditure on a service; the whole of some specific items of expenditure; the whole or a percentage of the expenditure on a service subject to a maximum lump sum per unit. The above classification does not appear to be correct. For it takes into account the method of distribution of grants and not the nature of grants.

Grants have been traditionally classified into block grants and percentage grants. By block grants is generally meant that a sum of money is given for the administration of a particular service and it is revisable

periodically. By percentage grant is meant a certain proportion of the total expenditure on a particular service is given from the central funds. Dr. Finer thinks that this classification is crude. He classifies grants into two classes, allocated and block grants. The allocated grant is made to meet the expenditure of certain specified branches of service. Through the allocated grants the central authority can encourage or discourage certain services. It does not give discretion to the councils in the application of the grant amount. Block grants on the other hand are given to meet the expenditure on certain services without specifying the items on which they should be spent. Here the local authority has discretion to use these grants as they please on the service for which they are given. Dr. Finer thinks that block grants are "much suited to the complex and ever changing character of the present-day administration, and to the varied circumstances of local authorities".⁸ Both the grants, allocated and block grants, may be paid in three ways. It may be a definite proportion of the total expenditure on a service or on items of service; it may take a unit as the basis for the payment of grant; it may be on the basis of a formula taking into consideration certain facts of each case. The Government pays both the types of grants and they are paid in all the three ways. We shall now take up the purposes for which grants are made and the conditions under which they are paid.

Communications

The construction and maintenance of the trunk roads have always been the concern of the state since 1856. During the years 1865-84 the Government paid grants for the maintenance of the trunk roads. But in 1884 the payment was stopped and no grant was paid during the period 1884-1917 with the result that the councils with their slender finances were not able to maintain them in proper condition. Many of the roads fell into decay. The Decentralization Commission recommended that Government should assume control of these roads. In accordance with the recommendations of the Commission the Government of Madras decided to assume the control of the trunk roads and proposed to the Government of India for an assignment of grant. The Government of India expressed its inability to do so due to war. But as the conditions of the roads was so very bad, the Madras Government came to the rescue of the councils in 1917 and provided in the budget estimate for 1917-18 certain amount for payment as grants. However, as the definition of trunk roads was very restricted the grant was available only to few roads. But in 1920 the Financial Relations Committee defined the trunk road as one which has the following characteristic feature. It must have been originally an imperial road and maintained out of the imperial funds; or a trade

5. Webb, *Grants-in-Aid*, p. 26.

6. *Ibid.*, p. 6.

7. Dawson, *Municipal Life and Government in Germany*, p. 13.

8. Finer, *English Local Government*, pp. 446-47.

route ; or a line of through traffic from one district to another ; or a road intended for military purposes. The committee recommended that a road which has any one of the characteristics should be classified as a trunk road and should be maintained out of the provincial funds.⁹ The Government while accepting the definition given by the Committee, fixed a maximum amount per unit, viz., Rs. 1,000 per mile as grant payable to the council. The trunk road grant is only a maintenance grant intended to assist the councils in maintaining these roads that lie within their limits. It does not propose to give full relief to the council with regard to expenditure on trunk roads nor does it absolve the council from maintaining the roads in a satisfactory condition, even though it may entail additional expenditure over and above the grant.¹⁰

The conditions under which trunk road grants are given are, the estimates for the repair and maintenance of trunk roads must be submitted to the Superintending Engineer of the circle concerned for his approval. The suggestions made by the Superintending Engineer must be carried out. The collection and spreading of the material and the consolidation of the road must be over before the dates fixed by the Superintending Engineer.¹¹ No expenditure should be incurred from the grant amount on the maintenance of avenues, travellers' bungalows, chatrams, etc.¹² If the road suffers any damage on account of the failure to observe any of the conditions mentioned above the grant may be stopped.¹³ In 1936-37 the total expenditure on communications was Rs. 33.93 lakhs and the provincial grant for communications was Rs. 1.73 lakhs, i.e. 5.3 per cent.

Medical Relief

Before 1920 the Provincial Government were paying half the initial and recurring cost of hospitals and dispensaries opened after 1915.¹⁴ As regards hospitals and dispensaries opened before 1915 the Government were paying a contribution of 17½ per cent and 5 per cent respectively of the pay of the Assistant Surgeon and the Sub-Assistant Surgeon employed in such institutions, as remuneration for doing Government work. The Financial Relations Committee which enquired into this question classified all medical institutions under the control of the municipal councils into five classes and recommended that the first four should receive half the recurring cost as grant.

The Government accepted the recommendations of the Committee. But due to financial reasons the recommendations could not be given

9. Report, Op. Cit., p. 11.
10. G.O. No. 1230. L.M. 12-3-1929.
11. G.O. No. 555. L.M. 23-2-1931.
12. G.O. No. 1330. L.M. 4-8-1922.
13. G.O. No. 1761. L.M. 7-8-1921.
14. G.O. No. 493. F. 11-5-21.

effect to immediately. In the meanwhile the cost of maintaining the medical institutions increased enormously immediately after the war of 1914-18 for several reasons principal of them being the increase in prices and adoption of new scales of pay for Government servants. The slender resources of the councils were not able to meet these additional costs. The Government recognising these factors came to the rescue of the councils. The financial assistance rendered at the time was based on three principles : Firstly, the Government did not propose to disturb the existing system of percentage contribution to institutions opened after 1915 on the ground that there was no need to contribute anything more than 50 per cent of the cost already promised. As regards other institutions, the Government promised to pay the extra cost involved on account of the revision of pay of the Government Medical Officers subject to the condition that the Government were satisfied that there was need for the existence of these medical institutions, that they were maintained properly, that the council concerned employed a Government Medical Officer of the status approved by it.¹⁵

In 1923 the Government undertook to pay the entire salary of the Government Medical Officers employed in the Municipal medical institutions.¹⁶

In 1928 the Government thought that the best way by which they could relieve the councils from considerable financial strain was to take over at least municipal hospitals in each revenue division for developing them as medical and surgical centres. The Government, therefore, proposed certain conditions to the councils under which they were prepared to take over the municipal hospitals. The conditions were that the councils should agree to hand over to Government free of cost, the buildings and the sites occupied by them ; they should agree to earmark the savings occurring as a result of provincialisation of hospitals for the installation of water supply and drainage schemes. Thirty-four of the 48 councils consulted, agreed to these conditions. The rest of them stipulated certain conditions not acceptable to Government. The Government assumed control of these 34 institutions. Similarly, medical institutions intended for women and children were also taken over by Government under similar conditions.¹⁷

The provincialisation of municipal hospitals threw a great burden on the provincial finances. The Government, therefore, decided to withdraw the promise to pay half grants to all medical institutions opened after 1915. This decision, however, did not affect the institutions which were already receiving half grants on the date on which

16. G.O. No. 737. P.H. 23-5-1921.
17. G.O. No. 1687. P.H. 10-10-1923.
18. G.O. No. 897. P.H. 17-4-1928.

municipal hospitals were provincialised. It affected the institutions opened after that date. The Government, however, promised to continue the payment of half grants for the construction of medical institutions and such other capital works and also the percentage of the salary of the medical officers employed in medical institutions opened before 1915.¹⁹ To sum up, the councils are at present in receipt of grants for medical relief under four heads, viz., half the net cost of the hospitals and dispensaries opened between the period 9th March 1915 and 17th April 1928; a contribution of 17½ per cent and 5 per cent respectively of the pay of the Assistant Surgeons and Sub-Assistant Surgeons employed in institutions opened prior to 9th March 1915; half grants for the construction of medical buildings; and half grants for the child-welfare and maternity centres attached to municipal medical institutions.²⁰

Preventive Medicine

It is an admitted fact that preventive medicine has not received the consideration which it deserves even though it is of national importance. Before 1920 many of the councils, even first grade ones, had not the services of competent men as Health Officers. Madura, the biggest of the municipalities in the Presidency was without a Health Officer at a time when plague was prevalent. This state of affairs was due to the fact that competent men were not anxious to take up municipal service. In order to set matters right, Government assumed power to appoint Health Officers. They further agreed to pay three-fourths of the salary of the Health Officers from the provincial funds.

As regards water supply and drainage the principle which the provincial government followed before 1920 was to pay half the capital cost of the schemes. Though the Government did not stick to this principle very strictly, adherence to it resulted in the abandonment of a number of schemes. For, many of the councils were not in a position to bear half the cost of the schemes. The Financial Relations Committee, therefore, recommended that all the councils should levy a property tax of 12½ per cent as water and drainage tax and the first charge on the proceeds of the tax should be the cost of maintaining the water supply and drainage schemes and building up a depreciation fund. The balance, if any, should go for the liquidation of debt. The difference between the total capital cost of the schemes and the balance remaining after meeting the cost of maintenance and depreciation charges should be borne by Government.²¹ The Government did not accept the recommendation of the committee and the principle of half

19. G.O. No. 896. P.H. 17-4-1928.

20. G.O. No. 2193. P.H. 21-10-1932.

21. G.O. No. 493. Finance, 11-5-1921 and also the Report.

and half is still being observed, exception being made in the case of special localities such as pilgrim centres and sanatoria.²²

These grants are made subject to certain conditions. Firstly, the execution of large schemes involving the employment of technical skill must be entrusted to engineering firms. If some other course is proposed to be adopted the orders of Government should be obtained. The supervision of the execution of the schemes should be entrusted to the Sanitary Engineer to Government. Secondly, the council should invite tenders in the openest manner possible, select one who gives the lowest quotation and enter into agreement with him as advised by the Public Works Department Executive Engineer or the Superintending Engineer concerned, according as the amount of the contract is within the accepting powers of the Executive Engineer or the Superintending Engineer under the Public Works Department Code. Thirdly, in the case of a municipality which has no Municipal Engineer, all water supply and drainage schemes and in the case of a municipality having a Municipal Engineer, all water supply and drainage schemes the cost of which exceeds the limits upto which the Municipal Engineer is under rules competent to execute schemes, shall be executed by the Public Works Department with the consent of the municipal council as required by sub-section 3 of Section 39 of the Act.²³ Finally, surplus materials if any after the completion of the work should be taken over by the council concerned at the price fixed by the Executive Engineer.²⁴

Municipal Libraries

Grants are also paid for the maintenance of municipal libraries. The maximum grant to which a council is entitled is Rs. 400 per annum. It is paid subject to the condition that the council provides buildings, furniture, staff and contributes from its own funds or subscriptions a sum at least equivalent to the amount of grant. The library should be open to the public and located in a place accessible to all communities. The approval of the District Educational Officer should be secured for the purchase of books for the library. Further a register of books and a register of the members must be maintained for the perusal of the inspecting officers.²⁵ The grant paid by Government should be spent on the purchase of books. It will be stopped if the conditions prescribed above are not observed.²⁶

22. G.O. No. 493. Finance, 11-5-1921.

23. G.O. No. 1295. P.H. 11-6-1943. The maximum cost of scheme which a Municipal Engineer will be allowed to execute is, I Grade Municipal Engineer, Rs. 1 lakh; II Grade, Rs. 50,000; III Grade, Rs. 25,000; and the IV Grade, Rs. 20,000. In the execution of schemes the Municipal Engineers shall entirely be subordinate to the Public Works Department Executive Engineers in respect of all matters.

24. G.O. No. 1474. P.H. 3-9-1936.

25. G.O. No. 689. Law. 23-4-1933.

26. G.O. No. 157. Law. 25-1-1931.

Secondary Education

Previous to 1920, the Government was paying the councils the whole or a fraction of the total net expenditure on secondary education as grant. In the application of this principle an invidious distinction was made. If the initiative for the opening of a new institution or for the improvement of an existing one came from the council its financial position was examined to find out whether the additional sums required to meet the additional cost could not be met by the council itself. And when the Government decided to sanction a grant it was limited to one-half of the net cost, exception being made in the case of poor and backward areas. If the initiative came from the Education Department, the financial position of the council was not examined and the full additional cost was paid without any demur. But the facts show that the Government did not adhere to any principle and grants were paid according to their whims and fancies. For instance, in 1920, nineteen incomplete secondary schools were converted into complete high schools. Thirteen of them were given a grant equivalent to the net cost. The remaining six were given a grant equivalent to the net cost incurred on account of opening of additional forms. In the same year the Government sanctioned the opening of 39 middle schools. Thirty-seven of them were given a grant equivalent to the net cost and the remaining two were given three-fourths of the net cost. The net cost was arrived at by excluding certain items of expenditure such as expenditure on staff and contingencies, etc.

From these facts it is evident that Government did not follow any definite policy or principle. The Financial Relations Committee, therefore, recommended that secondary education should be a national charge; that the state should bear a greater proportion of the net cost, viz. 3/4ths; and the net cost should mean the difference between the ordinary receipts and ordinary expenditure. The Government did not accept the recommendations of the committee in their entirety and the system of paying certain percentage of the net cost was continued till 1926.

In 1926 Government came to the conclusion that the net cost system involved a lot of unnecessary work to the Director of Public Instruction as well as to the councils concerned. The Director had to scrutinise the financial statements of the councils minutely and the councils had to maintain elaborate accounts. Further, the net cost system gave no discretion to the councils to vary the scales of expenditure. The Government, therefore, decided to replace the system of net cost by annual fixed subsidies. In other words the allocated grants were replaced by block grants.

The method adopted in fixing the block grants was as follows. Firstly, in the case of schools opened before and in 1918-19, the average net expenditure incurred during the years 1922-24 was taken as the

basis. Secondly, in the case of schools, sections and forms opened in and after 1920-21 the actual additional net expenditure was taken as the basis. In the case of schools which were already receiving block grants such grants were taken as the basis.

These block grants were revisable every three years.* They were given subject to the condition that the councils maintained all the secondary schools which were in existence on the date of introduction of block grant system, in efficient manner.

In 1930 Government came to the conclusion that adequate provision has been made for secondary education and that there was no more justification for making any further grants to new secondary schools. In accordance with this decision the Government fixed the amount of grant which each council should receive. The amount which each council was receiving during 1929-30 plus 5 per cent of the amount was fixed as the amount of grant which they should receive. The amount so fixed is not revisable.*

In addition to this grant the councils are in receipt of grants for the purchase of playgrounds,† for the employment of qualified physical instructor and Hindi teacher, for the purchase of equipment and furniture and for the construction of buildings.

Elementary Education

Since the beginning of the present century, elementary education is receiving increasing, though not adequate attention, of the Government. For instance, the total expenditure and the amount of grant received during the years 1909-37 was as follows:

Year	Total Expenditure in lakhs.	Grants. Rs.	Percentage of grants (of col 3 to 2)
1909-10	2.51	4500	1.8
1918-19	4.91	2.05 lakhs	41.7
1936-37	21.99	9.52 „	43.29

It appears, however, that the principles on which grants were given were extremely complicated, during the years 1920-36. For instance, grants were given for the opening of new elementary schools, for strengthening the existing elementary schools for opening additional

27. G.O. No. 270. Edn. 19-2-1926.

* G.O. No. 1157. Law. 12-6-1930. A Special Officer was appointed to conduct a survey of secondary education in this Presidency. The Special Officer recommended that all the Municipal Secondary schools may be given a subsidy equal to one-half of the net cost. The recommendations of the Special Officer were not acceptable to the Government as that would introduce complications in the administration of grants. See G.O. No. 1157. Law, 12-6-1930.

† G.O. No. 1018. L.M. 31-5-1930.

standards," for the payment of allowance to teachers," for the employment of additional teachers," for the equipment of new schools," for the maintenance of Government schools transferred to the management of councils in 1921 and the subsequent years.²⁸ Thus there were a number of allocated grants which restrained the councils from diverting any of the subsidies for purposes other than those for which they were given except with the previous sanction of Government. If a subsidised school was closed or if a subsidised teacher's post was abolished, the resulting savings were recovered from the councils concerned. Further, elaborate accounts had to be maintained. The Director of Public Instruction had to scrutinise in detail all the financial statements relating to elementary education before ordering the payment of grants. Therefore, Government decided in 1936 to do away with the system of allocated grants and to introduce the system of block grants. In fixing the block grant the average amount which each council was receiving during the years 1932-33 to 1934-35 was taken as the basis.

Besides this block grant, the councils are also in receipt of grants under Section 37 and the proviso to Section 37 of the Madras Elementary Education Act, 1920. Section 37 provides the payment of a sum not less than the proceeds of the tax realised under Section 34 of the Elementary Education Act.²⁹ Contributions under the proviso to Section 37 represents the amount of grant paid for the maintenance of schools opened prior to 1920.

The conditions under which these grants are paid are, the schools must be maintained in efficient conditions; no school should be transferred from one locality to another without the previous sanction of the inspecting authority concerned;³⁰ every school for which a grant is received must be a complete school with five standards;³¹ admission of pupils should not be refused merely on the ground of caste or community.

Grants are also paid for capital works such as the construction of school buildings provided the councils are willing to meet half the cost of construction.³² Capital expenditure on elementary education should be met either from the general funds or from the loan funds. Under no circumstances should the funds available in the elementary education fund be spent for capital purposes as it largely consists of provincial con-

28. G.O. No. 1541. Law. 22-10-1921.
29. G.O. No. 226. Law. 27-2-1922.
30. G.O. No. 62. Law. 15-1-1931.
31. M.L.C.P. Vol. 76. p. 536.
32. G.O. No. 1479. Law. 19-9-1924.
33. G.O. No. 1024. Law. 2-9-1922. At present it is not obligatory on the part of Government to make this grant.
34. G.O. No. 97. Law. 16-1-1936.
35. G.O. No. 2564. Edn. 1-12-1936.
36. G.O. No. 172. Edn. 28-1-1928.

tributions and as it is constituted for a particular purpose.³⁷ Capital grants are given to councils which have funds to meet their share of expenditure.³⁸ Further, the work for which a grant is claimed must be completed and the grant must be claimed before the close of the financial year succeeding that in which the grant is promised.³⁹

Grants are not given for minor sanitary works, for town planning, for the construction of markets, cart stands, slaughter houses and other remunerative enterprises.⁴⁰

As regards the procedure for the application of grants it is the same as that of loans which we shall notice in the next chapter. The application for grants for the construction of educational buildings should be submitted to the Secretary to Government, Education and Public Health Department through the Director of Public Instruction⁴¹ and the application for medical buildings should be submitted through the Surgeon-General to Government to the Secretary to Government, Education and Public Health Department.⁴² All other applications should be submitted to the Secretary to Government, Local Administration Department.

Method of Payment of Grants

Before 1920 grants were paid in full and in advance. This system of payment of grants was found to be unsound and an "offence against the general taxpayer whose money gets locked up with councils who cannot spend it promptly to the detriment of local bodies who can." The unspent balances at the end of 1918 was Rs. 21.55 lakhs. These large balances were a standing temptation to the councils to go on increasing their expenditure without any idea as to how to find funds and when they had no funds of their own to encroach on the provincial grants. Deficits were set off by diversion of grants. The Financial Relations Committee, therefore, suggested the post-payment of grants by instalments. The Government accepted the recommendation of the committee and the post-payment system was introduced in 1921.⁴³ The recurring grants like the education grants are paid periodically.⁴⁴ The non-recurring grants like the capital grants are paid after the expenditure has been incurred.⁴⁵

The percentage of the grant amount received from Government and the local bodies to the total receipts was as follows :

37. G.O. No. 1046. Edn. 29-1-1932.
38. G.O. No. 1679. Law. 11-8-1928.
39. G.O. No. 1143. Law. 11-8-1932.
40. G.O. No. 446. Law. 19-2-1923.
41. G.O. No. 620. L.M. 5-2-1929.
42. G.O. No. 1700. L.M. 17-8-1925.
43. G.O. No. 336. L.M. 28-6-1921.
44. G.O. No. 842. P.H. 7-4-1930.
45. G.O. No. 2217. L.M. 11-6-1935.

Year	Total Receipts	Grant amount	Percentage of col. 3 to col. 2.
1921-22	1,11,48,648	18,60,336	16.68
1925-26	1,64,81,610	17,27,351	10.47
1929-30	2,07,06,126	19,77,743	9.55
1932-33	2,31,50,447	22,96,347	9.92
1936-37	2,22,78,615	23,47,158	10.54

In 1921-22 the percentage of the grant amount to the total revenue was 16.68 and in 1936-37 it was 10.54. Various circumstances have conspired to induce the provincial government to adopt an illiberal attitude in the matter of sanctioning grants. The first was the basis of the division of functions. Functions were divided into three groups, national, semi-national and parochial. Only national and semi-national functions were entitled to provincial subsidies and the parochial functions did not receive financial assistance from the provincial funds. Whatever might have been the original validity of the division of functions into these groups, there is no justification for it at present. For, it is difficult to say at present which of them are national and which of them are parochial. Can we say that the outbreak of cholera or plague in Madura need not be viewed with concern in Periyakulam and Kodaikanal? To which category of the services does the maternity and child-welfare belong? Is secondary education not of national importance?

Secondly, the financial position of the province has been in a straightened condition in the early years of the dyarchical period. For instance, the closing balance for the three years immediately preceding the introduction of reforms was as follows :

Year	Closing balance
1918-19	210.29 lakhs
1919-20	205.93 "
1920-21	58.78 "

The large reduction in the closing balance was mainly due to the revision of scales of pay of all officers in the Presidency. Therefore there was a sudden increase in expenditure but there was no corresponding rise in receipts. The non-co-operation movement succeeded, at least temporarily, in reducing the provincial receipts under land revenue, excise and forests. To crown all these things the Meston Award made it obligatory that this province should pay 35 per cent of the total 983 lakhs to be contributed by the provinces to the Government of India. Similarly, the economic depression of 1929-31 which was of unprecedented magnitude affected the provincial finances. The Provincial Government were, therefore, in financial difficulties and could not come to the rescue of the municipal councils.

Finally, the constitutional arrangement brought into existence by the Montford Reforms resulted in the creation of dyarchical form of Government in the provinces. It consisted of the reserved half and the transferred half. The transferred half consisted of such functions as education, public health, and communications and the key to all governmental activity, viz. finance, was in the hands of the reserved half. When any new proposal was put forward by the Minister, the departmental head had to be convinced of the soundness of the proposal. Then it was sent to the Secretariat for further examination and it was considered by the council of ministers and after approval by the Cabinet it had to go to the Finance Member. Under the devolution rules 36 and 39 the Finance Member had almost the deciding voice. If he was not in favour of the scheme or not convinced of the soundness of the scheme it was given up.⁴⁶ It was true that the minister concerned could take the matter to the notice of the Governor but as the ministers themselves depended on the goodwill of the Reserved Half for their own existence they had not the guts to fight a right royal battle with the Finance Member. For instance, the Minister for Education sent 34 schemes for the expansion of elementary education and requested the Finance Member to allot Rs. 6.60 lakhs in the budget for 1924-25 and the Minister for Local Self-Government similarly submitted 13 schemes. The Finance Member turned down all these schemes on the plea that funds were not available.⁴⁷ As long as the portfolio of finance was in the hands of a member of the ruling race, it was too difficult if not impossible, for him to view things from the Indian point of view. And as all the functions which the municipal councils were asked to carry on belonged to the Transferred Half and as the Reserved Half was in the hands of non-responsible executive councillors the ministers could not do anything. Thus the constitutional arrangement was partly responsible for the illiberal grants from the Provincial Government.⁴⁸

46. Speech of Sir A. P. Patro on the no-confidence motion moved by Mr. (now Sir) C. R. Reddi on the Panagal Ministry. See M.L.C.P. Vol. 15.

47. Speech of Sir Charles Todhunter on the Financial Statement for the year 1924-25. M.L.C.P. Vol. 17. p. 88.

48. See the interesting memorandum submitted by Sir K. V. Reddi an ex-minister to the Reforms Enquiry Committee, popularly known as the Muddiman Committee, p. 18. Sir K. V. Reddi writes, "The ministers were only three and the executive councillors were four and the former have often been obliged to yield to the latter. . . . Very often too ministers were unable to carry out schemes costing very little money . . . because the Finance Department and the Finance Member made it impossible on the strength of the powers vested in them. Equally often too were the ministers able to avoid defeats in the Legislative Council mainly with the votes of the official and nominated members. . . . Experience has shown that if that Department (Finance) and its Member take into their heads to object to any scheme, it is practically impossible to get it through, though the Minister may be keen on it and though the Legislative Council may be backing him up. . . . My experience with the Madras Finance Department was most unfortunate, annoying and soul-killing."

The legacy of dyarchy is still in existence and the basis on which grants were made during the dyarchical period still appears to continue. As it is not possible to say which of the functions are national, which of them are semi-national and which of them are parochial it is advisable to give up the distinction and find a new basis for the allotment of grants. The only just basis on which grants may be paid is to take the taxable capacity of the people of the locality concerned. At present the Provincial Government has power to fix the rate of property tax that should be levied for different purposes. It may therefore determine the rate at which the tax should be levied for several purposes and pay as grant the difference, if any, between the total tax receipts and the total expenditure. There is thus a need for the change of the illiberal attitude which the Government is adopting.

CHAPTER IV LOAN ADMINISTRATION

Place of Loans in Municipal Finance

The table below gives us an idea of the role played by loans in the financial administration of the municipalities :—

In lakhs of rupees

Year	Total receipts under all accounts except extraordinary and debt.	Total amount of loan taken.	Percentage of Col 3 to Col 2.	Outstanding balance on the 31st March.
1	2	3	4	5
1920-21	93.14.	2.07	2.22	31.94
1925-26	130.45.	7.22	5.53	50.93
1929-30	151.55	13.53	8.92	106.49
1932-33	157.91	15.77	9.98	128.09
1936-37	174.39	10.53	6.04	134.28

In a well ordered State ordinary expenditure is met out of taxation and not by borrowing. To adopt the latter policy is to steer the ship of State into the port of bankruptcy. This is a universally accepted principle. However, under exceptional circumstances—for instance, the evacuation of Vizagapatam in 1942 by the Japanese threat of invasion and the consequent fall in revenue—loans may be taken to meet the

ordinary expenditure. Generally capital expenditure, like the installation of electricity plant, execution of drainage schemes and the construction of school buildings and offices, should be met out of loans.

Why should we contract loans at all to meet the expenditure on capital works? Can it not be done by the ordinary revenues received by the council? Prof. Pigou advances two arguments in favour of loan policy. He argues that some of the works should be financed out of the loan amounts. His reasons are firstly, it avoids a heavy burden on the present rate-payers during certain years. In other words, if the capital works are to be financed out of ordinary revenues, then heavy taxes must be levied during certain years and the rate-payers concerned may not be able to bear the burden. Secondly, the amount is spread over a period approximately corresponding to the life of the asset and the tax-payers who are benefited by it pay their fair share. Prof. Pigou, however, says that before raising a loan the issue must be raised whether the type of expenditure should be financed entirely by ordinary revenues or by loans or by a combination of both.¹

But there are a number of scholars who do not agree with Prof. Pigou. They advocate the pay-as-you-go policy. That is, they urge that all expenditure whether ordinary or capital should be financed out of ordinary revenues. They argue that the contracting of loans involve the payment of large sums of money as interest. For instance, if Rs. 10,000 is borrowed at five per cent interest redeemable in 30 years, the aggregate interest payable comes to Rs. 9,515, a sum nearly equal to the principal. Further, if the expenditures, whether ordinary or capital, are met out of the ordinary revenues, the expending authorities are likely to be more careful with the use of money.² Above all, the rate of taxation will be low during certain years because of the absence of payment of interest.

In recent times another method is adopted to meet the capital expenditure without the need for borrowing. For instance, special funds have been constituted for special purposes. In Sheffield a separate fund, called the 'Purchase of Lands Fund' was constituted for the purchase or lease of lands and buildings which the Sheffield Corporation wishes to lease or acquire for the general improvement of the town. This fund is accumulated by means of annual appropriation from the rates.³

Whether the capital expenditure should be financed by borrowing or out of current revenues, depends upon particular circumstances. It is economical that small items of capital expenditure are met out of current revenues. Similarly, in the case of certain works whose execu-

1. Pigou, *A Study in Public Finance*, p. 231.

2. *Public Administration*, 1928, pp. 16-23.

3. *Public Administration*, 1935, pp. 293-300.

tion is spread over a number of years, the pay-as-you-go policy may be adopted. For instance, the gradual improvement of the surface of the roads may be carried out by a programme spread over a number of years. Such schemes may be financed out of current revenues. But the orthodox application of the principle of pay-as-you-go for all works is not a possibility. For the execution of works of great magnitude, like the water works and drainage, which have to be completed within a short period so as to be benefited by their results, borrowing is inevitable. Otherwise we would not be enjoying many of the amenities now provided by the councils. For, it is practically an impossibility to charge large items of capital expenditure to revenue account without seriously affecting the rates of taxes. If the entire expenditure on a project like water-works or drainage is to be met out of current revenues, imagine the violent fluctuations in the rates of taxes. But the greatest danger in following such a policy is this. If the current revenues are not in a position to finance them they will be abandoned and the progress of municipal life will come to an end.

From the above discussion it must be evident that either method may be followed under certain circumstances and within certain limitations or a combination of both under other circumstances.

The Historical Background

In the Madras District Municipalities no distinction was made between capital and ordinary expenditure before 1920. As a result of it, much of the capital expenditure was met out of current revenues at the expense of necessary services. Further, the policy followed by Government in the matter of granting loans was unduly timid. The total amount of loan standing against the 79 municipalities on the 31st March 1919 was Rs. 31.94 lakhs.

The Financial Relations Committee, therefore, recommended that a clear distinction should be made between ordinary and capital expenditure; that all capital works should be financed out of loans subject to two qualifications, viz. where there is a surplus of revenue after meeting ordinary expenditure, it may be diverted for expenditure on capital works and items of capital expenditure which involve petty amounts such as annual additions to library, purchase of medical instruments and furniture need not be met out of loan amounts.

The Committee further recommended that loans may be borrowed in three ways: by floating loans in the open market; by borrowing from the Government of India; and by borrowing from the Government of Madras. The Committee laid emphasis on the first method on the

ground that it would educate the local bodies and suggested that in order to enable the local bodies to float loans in the open market successfully, Government should guarantee the payment of interest and the repayment of principal. They further recommended that the applications for loans below certain amounts from bigger councils like Madura and Trichinopoly should be rejected. They also suggested the constitution of a 'Local Loans Fund' on the lines analogous to 'Public Works Loan Fund' in England to finance all capital expenditure. The Fund should be constituted out of the surplus funds available with the local bodies and the annual contributions to be made by Government. The administration of the fund should be entrusted to a 'Board of Commissioners'.

The Government accepted the recommendation of the Committee that a distinction should be made between capital and ordinary expenditure and that capital expenditure should be financed out of loans but rejected all other recommendations. The present position is that all loan applications should be made to Government.

Purpose of Borrowing

Prof. Bastable limits borrowing only for remunerative enterprises. He says "non-economic, i.e. non-remunerative expenditure is primarily to be met out of ordinary income. . . . National culture, education, the promotion of social progress are all most desirable; but their promotion is not so pressing an object as to need borrowing by the public powers. It is indeed true that much of the State expenditure may be regarded as productive as likely to add to the national income in the future. A loan for the purpose of extending education or for improving housing of the workers . . . may . . . increase the income of the community as to make the tax receipts greater without any increase either in rates or in rigour of collection. Regarded in the abstract such a proceeding seems defensible; the real objection to it applies from the difficulty of application. The results of expenditure of the kind are hard to trace or measure, and any statement respecting them must rest in a great degree on conjecture. . . . Prudence seems accordingly to suggest that borrowing should hardly ever be adopted except for strictly economic expenditure."* Prof. Bastable's contention does not hold water at present. With the change in the social values there is also a change in the attitude of the State towards the individual. The State at present is not merely a police State but also a social service State. It is under an obligation to provide all the necessities of life and in the pursuit of this policy it may have to resort to borrowing. For instance, loans may have to be contracted for the construction of educational buildings.

4. *Public Administration*, 1935.

5. *The Report of the Financial Relations Committee*.

6. Bastable, *Public Finance*, pp. 670-71.

The purposes for which loans may be taken are many. They may be taken for the construction of school buildings, office buildings, markets, bridges, culverts, for the acquisition of sites, for the formation of parks,⁷ cart stands, house sites, burial and burning grounds, sanitary lanes and widening of streets. Loans may also be taken for financing schemes such as the purchase of plant for the generation of electricity and the distribution of electric energy; for the construction of water works and drainage schemes; for the establishment and maintenance of relief works in times of famines; for the prevention of outbreak of dangerous epidemic diseases or for any measure connected with or ancillary to the last of the items or for the repayment of a loan previously borrowed.⁸

Methods of Raising Loans

The method by which loans may be raised are two, either by floating a loan in the open market or by borrowing from Government.⁹ In practice, municipal councils are not permitted to raise loans in the open market.

Limitations

There are however, certain limitations which the councils are required to observe before borrowing funds. Firstly, no municipal council should borrow money for any of the purposes specified above unless the work to be carried out is either within the limits of the council concerned or is intended for the benefit of the people living within these limits. Secondly, non-Governmental loans exceeding 25 lakhs should not be raised unless the terms including the date of floatation of such loans have been approved by the Provincial Government and the Government of India.¹⁰

That there is need for some such checks is self-evident. The existence of these checks compels the local authority concerned to be somewhat critical of the capital expenditure, and also checks the councils with no monetary interest from burdening the property owners with a load of debt. It must be said that this control is not a peculiar feature of this Presidency. In France, for example, the approval of the Prefect is required for all loans exceeding a certain amount. If loans involve the levy of a special tax, the approval of Government at Paris is required.¹¹ In some of the American cities, only certain percentage of the assessed value of the property should be raised as loans. In Washington for instance, the total loan taken in any year should not exceed 1½ per cent of the assessed value of property. In Virginia it should not exceed 18

per cent of the assessed value of the property.¹² All these statutory safeguards have been devised so that irresponsible councils may not embark on an un-controlled loan policy and thus disturb the financial stability of the council concerned.

Procedure

The procedure to be observed in obtaining a loan is as follows: The council which is in need of a loan must pass a resolution approving and authorising the application for a loan. Then the Executive Authority will make an application to Government for the sanction of a loan. Along with the loan application the following details also should be furnished. The cost of the work for which the loan is required and the amount of loan required; the fund on the security of which it is proposed to borrow; the law under which the said fund is levied or received or held; the dates on which the loan amount is required; the rate of interest which the council is prepared to pay; the period within which the loan amount will be paid; the method by which the loan amount will be paid; a statement showing the financial position of the council; and a statement of the existing charges on its funds.¹³ The financial statement should give sufficient details. For instance, the receipts under ordinary revenue should be given, but receipts under loans and deposits or investment of sinking funds should be excluded as well as all the items of income of abnormal character. On the expenditure side interest on debts and payment of sinking funds should be included and all expenditure for loan funds and repayment of advances or deposits should be excluded. When the project for which the loan is being contracted is an extensive one, the councils should submit a comprehensive work plan and loan programme, i.e. the expected annual expenditure and the amount of loan required for that purpose.¹⁴

The schemes submitted along with the loan application should be classified as follows:¹⁵

- A. Bridges — Causeways — Roads,
Trunk Roads,
Second class roads,
Other roads.
- B. Educational Buildings,
Secondary Education,
Elementary Education,
Other Institutions.

7. G.O. No. 1693. L.M. 10-5-1927.

8. *Local Authorities Loan Act, 1914, Sec. 3.*

9. G.O. No. 663. *Finance*, 9-9-1923.

10. *Ibid.*

11. Munro, *Government of European Cities*, p. 281.

12. Knier, *Materials on Municipal Administration*.

13. G.O. No. 2878. L.M. 11-10-1924.

14. G.O. No. 1800. L.M. 12-2-1921.

15. G.O. No. 669. *Finance*, 9-9-1921.

16. G.O. No. 1937. L.M. 5-10-1921.

C. Medical Relief.

D. Minor Sanitary Works.

The schemes under each head should further be arranged in the order of urgency under the following heads :¹⁷

A. Schemes under execution.

B. Schemes sanctioned for execution.

C. Schemes which are really urgent for which plans are ready but have not received the technical sanction of the competent authority.

Further, it must be definitely mentioned that the schemes and,—if it involves the purchase of land—land also, have been approved by the inspecting authority concerned. Where land has to be acquired with a loan, the estimated cost of the land should be given separately.¹⁸

Before applying for a loan, the plans and estimates of the work concerned must be prepared and the technical sanction of the competent authority should be obtained. Before 1930 the practice was to prepare only preliminary estimates and plans alone for submission to the authority concerned for the provisional approval of the schemes. A copy of the provisional approval was submitted to Government along with the loan application. Detailed plans and estimates were prepared and submitted to the technical authority after obtaining a promise from Government that the loan would be sanctioned.¹⁹ The Government made provision in the civil budget estimate for loans on the assumption that the detailed plans and estimates would be ready in time. But in many cases plans and estimates were not ready on the due date and as a consequence the amounts provided in the civil budget estimate under loans lapsed. The Public Accounts Committee, therefore, recommended that provision for loans in the civil budget estimate should be made only when all plans and estimates are ready and that the money is likely to be spent in the year in which loans are required. The recommendation of the Committee was accepted by Government and at present provision is made in the civil budget estimate for such of the schemes as are ready for execution, i.e. schemes which have secured the technical sanction of the competent authority. Further, the loan application should state definitely whether the council will be able to find funds required over and above the loan amount. The applications which do not furnish the information mentioned above will not be considered by Government.

17. G.O. No. 443. L.M. 19-2-1923.

18. G.O. No. 670. L.M. 22-2-1932.

19. G.O. No. 2681. L.M. 28-7-1928.

All applications must reach the Government before the prescribed date.²⁰ The Government will not ordinarily consider loan applications unless they are satisfied that the council concerned cannot find the amount from its own funds. For, it is uneconomical for the councils to borrow money, when they can find necessary funds by a temporary or permanent diversion of their funds.²¹

The Government may cause a local enquiry on the loan application and if they are satisfied, the application will be published in the Fort St. George *Gazette* and in prominent places in the municipal area concerned. One month after the publication of the application, Government may reject or sanction the loan applied for. The decision of the Government is final and there is no appeal against its orders.

Conditions under which Loans are sanctioned

While sanctioning a loan, Government may fix any condition they may please provided such conditions are not inconsistent with the Local Authorities Loan Act and the rules made thereunder. For instance, they may fix the period within which the loan amount ought to be paid; the rate at which interest should be paid; the conditions under which the loan amount should be spent. If the loan sanctioned happens to be a non-Governmental loan, the council should not vary the date of raising the loan without the approval of the Government. Further, Government should have the right to determine the agency that should execute the works and inspect the accounts of the works for which loans have been contracted.²² Again, unexpended balances of the loan amount should not be utilised on purposes other than those for which they are borrowed nor should they be diverted for other purposes without the sanction of Government.²³ Finally, the council concerned should take over the surplus materials at a fair valuation which will be fixed by the Public Works Department and the Sanitary Engineer to Government.²⁴

If the Council violates any of the conditions mentioned above, Government may stop the further payment of loans and may order the council to repay the amount already taken with interest.

The councils are informed of the amount of loan provided in the civil budget estimate so that they may apply for funds.

20. In England the appropriate department to which loan applications must be submitted is generally the Ministry of Public Health. For details see Macmillan, *Op. Cit.*, Vol. 2, p. 203.

21. G.O. No. 763. L.M. 9-2-1934.

22. G.O. No. 1117. P.H. 7-6-1927.

23. G.O. No. 2344. L.M. 30-11-1921.

24. G.O. No. 1116. L.M. 16-3-1935.

If for any reason it is not possible for the councils to spend any portion of the amount provided in the budget, the Government should be informed of the fact before the 10th January. If additional amounts are required the application for the same should be submitted to Government before the end of January.

Redemption of Debts

The method by which loans may be redeemed are three. The first is the instalment system. That is, payment of the principal in equal instalments together with interest on the diminishing balance. Under this system heavy amounts will have to be paid in the earlier years. The second method is the annuity system. By the annuity system is meant the payment of loan in equal instalments consisting of principal and interest during the loan period. The third method is the establishment of sinking fund for the purpose of redeeming the entire loan amount after the expiry of the loan period. The fund is built up by annual or half-yearly appropriations fixed by Government.

Practical examples of the three methods will illustrate their cost. Let us assume that the loan taken is £10,000 at 5 per cent interest per annum. Under the instalment system the cost of redeeming the loan in ten years will be as follows :

	Principal paid off	Interest	Total charges
1st year	1000	500	1500
2nd year	1000	450	1450
3rd year	1000	400	1400
4th year	1000	350	1350
5th year	1000	300	1300
6th year	1000	250	1250
7th year	1000	200	1200
8th year	1000	150	1150
9th year	1000	100	1100
10th year	1000	50	1050

Under the annuity system the cost of redemption of the debt will be as follows :

25. These illustrations are taken from Burton's *Finances of Local Authorities*, Chapter IV.

	Amount outstanding at the end of year	Principal paid off	Interest	Total charges
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
1st Year	9,204 19 1	795 0 0	500 0 0	1,295 0 11
2nd Year	8,370 3 1	834 16 0	460 4 11	1,295 0 11
3rd Year	7,493 12 4	876 10 9	418 10 9	1,295 0 11
4th Year	6,573 5 0	920 7 4	374 13 7	1,295 0 11
5th Year	5,606 17 4	966 7 8	328 13 3	1,295 0 11
6th Year	4,592 3 3	1,014 14 1	280 6 10	1,295 0 11
7th Year	3,526 14 6	1,065 8 9	229 12 2	1,295 0 11
8th Year	2,408 0 4	1,118 14 2	176 6 9	1,295 0 11
9th Year	1,233 7 5	1,174 12 12	120 8 0	1,295 0 11
10th Year	...	1,233 7 5	61 13 6	1,295 0 11

Under the sinking fund system the cost of redemption of the debt is as follows :

Year ending	Annual instalments charged to revenue to accumulate at 5 per cent	Annual interest earned on investment of funds	Annual payment into the sinking fund	Total amount available in the sinking fund at the end of the year
	£. s. d.	£. s. d.	£. s. d.	£. s. d.
31st March 1921	795 0 11	.....	795 0 11	795 0 11
" " 1922	795 0 11	39 15 0	834 15 11	1,629 16 10
" " 1923	795 0 11	81 9 10	876 10 9	2,506 7 7
" " 1924	795 0 11	125 6 4	920 7 3	3,426 14 10
" " 1925	795 0 11	171 6 9	966 7 3	4,393 2 8
" " 1926	795 0 11	219 13 2	1,014 14 1	5,407 16 7
" " 1927	795 0 11	270 7 10	1,065 8 9	6,473 5 4
" " 1928	795 0 11	323 13 3	1,118 14 2	7,591 19 6
" " 1929	795 0 11	379 12 0	1,174 12 11	8,766 12 5
" " 1930	795 0 11	438 6 8	1,233 7 7	10,000 0 0

Under the sinking fund system the contribution and the interest already earned will be invested at five per cent interest. The relative cost under each system is as follows :

	Method No. 1 Instalment system	Method No. 2 Annuity system	Method No. 3 Sinking Fund system
	£. s. d.	£. s. d.	£. s. d.
Principal	10,000 0 0	10,000 0 0	7,950 9 2
Interest	2,750 0 0	2,950 0 0	5,000 0 0

The above tables lead us to the conclusion that method No. 1 is cheaper than the second and third methods. But they all labour under a number of disadvantages. Under the first method the foremost dis-

advantage is the heaviness of the burden which a council will have to bear in the earlier years. The system is suitable and economical when the financial position of the council is strong. Under method No. 2 the advantages are, accounts are simple and there is uniformity in the payment of annual charges ; but it also suffers from the disadvantages which the instalment system does. The sinking fund system is the method *par excellence* when the loan has to be repaid in one lump sum and where the staff is a highly trained one. The one great advantage of the sinking fund is that it can be used to redeem other loans as they fall due. But the disadvantages are the difficulty in finding suitable investments for the fund ; accounts are complicated ; and there is greater risk for fraud. Finally, there is greater need for supervision. Of the three systems the annuity system is preferable because of its simplicity and uniformity in payment.

So far as the Government loans are concerned they are repaid by the annuity method. However, the councils may at any time repay the whole or any part of the loan taken in advance of the period fixed, for the redemption of a loan. In the case of non-Government loans, payment may be made by any of the three methods. In case the sinking fund system is adopted, the amount to be contributed to the fund periodically is fixed by Government. The accounts of the sinking fund must be submitted to the Accountant-General, Madras, periodically, and if he certifies that there is a deficiency in the amount contributed, it should be made good.²⁶

Period of Redemption of Debt

We now come to the period within which the loan should be redeemed. Prof. Bastable says that the period during which the loan should be redeemed should be during the utility of the service created. He contends that it is not just, nor is it equitable to ask those who are not benefited by such work to pay for it.²⁷ In other words, no person should be permitted to cast a burden on the shoulders of others even though it may be for their own good "unless he bears a goodly share of it."²⁸ Further, the period should not also be longer, for it will result in the payment of heavy interest.

The maximum period fixed for the redemption of loans taken from Government is ordinarily 20 years. This does not imply that the maximum period is worked out in all cases. As a matter of fact the important fact that determines the period is the nature of the work for which the loan is contracted, its utility, its probable life, its intrinsic

26. G.O. No. 669. Finance, 9-9-1929.

27. Bastable, *Op. Cit.*, p. 718.

28. *Public Administration*, 1928, pp. 16-23.

worth and durability. The period is fixed by the Provincial Government.²⁹

If the loan amount is not paid according to the terms agreed to, the funds which have been pledged may be attached.³⁰ Before a fund or funds are attached, Government should issue a notice to the municipal council concerned prohibiting the collection and management of such a fund or funds and appoint a special officer to carry on the administration of the fund. The Special Officer should collect the monies and pay the debts.

In 1934 all the loans granted to the municipal councils from time to time with varying rates of interest were consolidated into a single loan bearing an interest of four and three-fourths per cent per annum. The consolidated loan was to be redeemed in 40 equal instalments including principal and interest.

One thing remains to be said before we conclude. What was the part played by loans in financing capital expenditure ? It must be said that there was no forward loan policy and the attitude of the Government was unduly conservative. As a matter of fact a large part of the capital expenditure was met out of ordinary revenues. The table given below illustrates the point.

Year	Total Capital expenditure	Sources from which it was financed. (in Lakhs)				
		Service Receipts	Endowments	Grants	Loans	Contributions from the general funds
1920-21	22.23	2.61	4.75	—	—	13.33
1924-25	20.37	1.88	0.45	5.41	8.72	3.87
1928-29	40.04	7.45	5.76	6.28	12.07	10.48
1932-33	34.64	5.26	0.35	5.04	14.45	9.54
1936-37	26.67	1.70	1.04	3.80	10.64	1.53

From the above table it is evident that in all the years excepting in 1936-37 a large part of the capital expenditure was met out of the ordinary revenues. The diversion of the ordinary revenues for capital purposes resulted in deficits. The Government warned the councils time and again to refrain from following this suicidal policy because some of the

29. In England under the Local Government Act of 1933, the maximum loan period is 60 years. But it is not worked out for all loans. For instance, the loan period for freehold lands is 60 years ; for buildings, sewers, water mains 30 years ; for new roads 20 years ; machinery and furniture 15 years ; engines and road rollers 10 years ; gravel footpaths and soft wood paving 5 years.

30. See Sec. 5, *Local Authorities Loan Act*, 1914.

essential services were starved for want of funds. But the councils should not be blamed for following this suicidal policy. Some of the councils which were anxious to provide some of the amenities embarked upon capital expenditure and financed it from their ordinary revenues when they could not get loans from Government. It is the Government that should be blamed for this state of affairs. The policy adopted by Government was unduly timid and the procedure adopted in sanctioning loans was unnecessarily rigid. The only remedy to get out of this evil is to constitute a separate fund analogous to the Public Works Fund in England to finance the capital works of the local authorities. The fund may be built up as suggested by the Financial Relations Committee by the surplus funds available with the local authorities and by a fixed contribution payable to the Fund by Government annually for a fixed number of years. The administration of the fund should be vested in a Board consisting of the representatives of the Local authorities, the Accountant-General, the Examiner of Local Fund Accounts, and the Minister for Local Administration.

CHAPTER V. EXPENDITURES

The total expenditure in all the municipalities during the years 1920-21 to 1936-37 was as follows :

Year	Total Expenditure		
1920-21	...	...	1,26,40,351
1925-26	...	...	1,64,34,580
1931-32	...	...	2,01,87,341
1932-33	...	...	1,94,63,704
1933-34	...	...	1,97,44,646
1934-35	...	...	2,08,33,091
1935-36	...	...	2,06,40,222
1936-37	...	...	2,09,37,793

The outstanding feature of the table given above is the steady increase in municipal expenditures. It was 126 lakhs in 1920-21 and in 1936-37 it was 209 lakhs. The causes for the increase are not difficult to see. With the introduction of the Reforms of 1919, the Department of Local Administration was transferred to the control of ministers. The ministries undertook a number of nation building activities which were in the previous years either starved or neglected and entrusted a number of these functions like elementary education, town planning and maternity and child-welfare to mention a few of them to the charge of the municipal councils. Consequently there was an increase in expenditures.

The objects for which municipal funds may be applied have been classified into two, obligatory and discretionary. Obligatory expenditure includes the maintenance of principal municipal office and the record room ; the maintenance of municipal property and monuments vested in the council ; the payment of salaries, pensions, gratuities and allowances to the municipal establishment ; the lighting of public streets ; the maintenance of burial and burning grounds ; the maintenance of hospitals and dispensaries ; the treatment of the poor sick, free of charge ; the control of infectious diseases ; the provision of public instruction ; the registration of births and deaths ; the vaccination of unprotected children ; the maintenance of slaughter houses ; the payment of interest and amortization of debt and payment of election expenses, etc. The expenditure on the various objects was as follows during the years 1920-37 :—

Objects of Expenditure	1920-21	1925-26	1931-32	1936-37
1. General Administration including collecting charges ...	16,52,042	14,40,091	15,51,883	15,48,778
2. Public Safety—fire-fighting, lighting and communications ...	4,62,254	6,76,917	17,33,577	19,08,432
3. Public Health—Water supply, drainage, sanitation, hospitals, dispensaries, vaccination, registration of births and deaths and Public Works ...	71,05,364	79,83,631	91,79,314	81,03,605
4. Public Instruction ...	12,59,297	20,64,916	29,81,426	31,08,820
5. Contributions ...	16,465	...	...	...
6. Miscellaneous ...	5,51,004	96,247	2,05,146	3,95,998
7. Investments ...	15,93,882	41,72,778	45,35,995	58,72,160
Total ...	1,26,40,351	1,64,34,580	2,01,87,341	2,09,37,793

The striking feature in the distribution of funds on the various objects is the dominant position which public health occupies. It was 71 lakhs in 1920-21 and increased to 81 lakhs in 1936-37. Next to public health, public instruction occupies an important position. The expenditure on public instruction was only 12.50 lakhs in 1920-21 and it shot up to 31 lakhs in 1936-37. Public safety occupies the third place in the matter of expenditure. It was 4.62 lakhs in 1920-21 and increased to 19.08 lakhs in 1936-37. Of the 19.08 lakhs 14 lakhs was incurred on lighting alone.

Control of Expenditure

We shall now consider the control exercised over these enormous expenditures. It is exercised by three agencies, the council, outside authorities, viz. the Government and the Departmental Heads and the executive authority. Audit also is a means by which control is exercised over expenditures. But that is done after the payment is made. We are concerned in this chapter with the control exercised immediately before a payment is made. It is also said that public opinion exercises control over expenditure. But we are not aware of its effectiveness or of the results produced by such control. Let us, therefore, confine our attention to the three agencies mentioned above.

The council exercises control in two ways. Firstly, the sanction of the council must invariably be obtained before incurring any expenditure on any item. Mere provision in the budget does not authorise the executive authority to incur expenditure without the sanction of the council. Even in cases where the executive authority has the statutory power to remit or reduce a tax and the party concerned is entitled for the refund of the amount, the sanction of the council must be obtained before payment is made. The power to reduce or remit a portion of the tax does not mean the power to order the refund of the reduced portion of the tax.

Whenever the sanction of the council is sought for incurring any expenditure, the council should insist on the executive authority placing before it a certificate in the following form :

The amount may be met from the budget allotment of Rs. ...	
The amount spent under this head up to date is	Rs. ...
The amount sanctioned up to date but not spent is	Rs. ...
The amount to be sanctioned now is	Rs. ...
	Total Rs. ...
The balance remaining will be	Rs. ...

The purpose of the certificate is to enable the council to know whether there is budget provision for incurring the expenditure. If there is no budget provision and if the council decides to incur the expenditure, the executive authority must first secure funds either by re-appropriation or by a supplemental budget estimate before sanctioning expenditure. From the above it is evident that the sanction of the council must be secured for every item of expenditure.

However, there are exceptions to this general rule. The executive authority may, without obtaining the sanction of the council, incur expenditure, on works in regard to which the scales and rates, amounts,

estimates and allotments have been previously sanctioned or approved by the council, or by the Government or by some other competent authority. Similarly, the council sanction is not necessary for expenditures relating to petty contingencies and contingent charges connected with hospitals and dispensaries, vaccination, conservancy and lighting.

The second method by which the council exercises control is the scrutiny of all paid vouchers which must be placed before it by the executive authority at every monthly meeting.

Even though the councils have adequate powers to exercise control over expenditure, in practice, it is done ineffectively and inefficiently. In a number of councils estimates are not subjected to close scrutiny and the paid vouchers are not at all scrutinised. The writer attended the meetings of three councils. At one meeting a number of estimates for the repair of roads costing about Rs. 10,000 were sanctioned without any comment or criticism, within the twinkling of an eye. One of the councillors, when questioned about the scrutiny of the estimates, informed the writer in one sentence, 'the commissioner is an honest man'. As regards the paid vouchers, these three councils passed them without opening the bundle containing the vouchers. Many commissioners told the writer that 'the councils never bother themselves about the paid vouchers'. From these facts it is evident that the control exercised by the councils over expenditures is not as effective as it ought to be. The reasons are obvious. The council is not the body suited for this purpose and this function can be done very effectively only by a small, strong and well informed committee. A dispassionate consideration of all expenditures in a council is not a possibility. Further, very many of the councillors are incapable of perceiving the financial implications of all proposed expenditures unless they are brought to their knowledge. But a committee will look at all projects from a purely financial point of view. Further, all the financial proposals will receive exhaustive examination in the committee stage. There is already a committee of the kind suggested above in some of the councils like Coimbatore. But most of the councils do not have it. We, therefore, suggest the constitution of a committee to scrutinise all financial proposals before they reach the council.

The foregoing survey may leave an impression on the mind of the reader that the councils are all powerful in sanctioning or refusing expenditure. As a matter of fact they enjoy no such prerogative. On the other hand minute control is exercised over municipal expenditure by Government and its subordinates. For instance, the Collector of the district may in cases of emergencies suspend a resolution of a council sanctioning an expenditure and report the matter to Government. Until the receipt of the orders on the subject the councils are prohibited from

incurring any expenditure on the object concerned. Again, the Government itself may cancel any resolution of the council if it feels that the council exceeded its powers in sanctioning an expenditure.

Besides this statutory power, Government issued a number of orders from time to time either requiring the councils to obtain the previous sanction of an outside authority or prohibiting or restricting certain items of expenditure. For instance, the sanction of Government is required for the diversion of a loan amount, or 'any earmarked fund either permanently or temporarily for purposes other than those for which they have been raised, received or earmarked.' Similarly, the sanction of the Government must be secured for the utilization of the sale proceeds of capital assets for ordinary purposes;¹ for making contributions to Sanskrit schools and for schools for defectives,² or to any properly organised fund for the relief of widespread calamity,³ for the payment of conveyance allowance to the chairman,⁴ for the investment of general funds in the approved banks,⁵ for the payment of fees to vakils in excess of the regulation fee involving an amount exceeding Rs. 100,⁶ for the purchase of slates for the use of poor pupils belonging to the scheduled castes and Muslim community,⁷ for making a contribution to summer schools started to give physical training, for making contributions to associations engaged in conducting educational exhibitions and monthly central classes for the instruction of elementary school teachers,⁸ for contributing more than Rs. 2,000 from the general funds to the water and drainage fund and lighting fund to cover deficits in these funds,⁹ for the construction of street fountains,¹⁰ for the payment of stipends to students,¹¹ for the supply of clothing and food free of cost to menial servants of the council on the festival days,¹² for the purchase of any portrait, statue, or bust of any person other than Their Majesties,¹³ for the celebration of birthdays of any person,¹⁴ for the celebration of education week,¹⁵ for awarding midwives for conducting more labour cases than the prescribed minimum,¹⁶ for the purchase of khaddar bandage,

1. G.O. No. 3372. L.M. 27-11-1924.
2. G.O. No. 2778. L.M. 5-5-1921.
3. G.O. No. 2013. L.M. 22-7-1924.
4. G.O. No. 1702. L.M. 30-4-1936.
5. G.O. No. 2357. L.M. 29-11-1922.
6. G.O. No. 1418. L.M. 28-4-1927.
7. G.O. No. 1290. Edn. 25-7-1932.
8. G.O. No. 195. Edn. 16-2-1932.
9. G.O. No. 218. Edn. 16-2-1932.
10. G.O. No. 1459. L.M. 9-4-1926.
11. G.O. No. 1247. L.M. 27-2-1927.
12. G.O. No. 1283. L.M. 29-3-1929.
13. G.O. No. 4228. L.A. 5-2-1941.
14. G.O. No. 307. L.A. 5-2-1941.
15. G.O. No. 297. L.A. 5-2-1941.
16. G.O. No. 5246. L.M. 19-12-1935.
17. G.O. No. 1979. P.H. 19-10-1935.

gauze or longcloth for use in the municipal hospitals and dispensaries,¹⁸ for the purchase of magazines,¹⁹ for the payment of fees to a vakil engaged in connection with an appeal against a surcharge certificate issued by the auditor against the chairman or any other councillor.²⁰

The sanction of the Inspector of Municipal Councils and Local Boards must be obtained before making any contribution to a University or to a tuberculosis clinic; it must also be obtained for the provision of electric lighting to private buildings and private streets,²¹ for the investment of surplus funds of the council if the sum involved exceeds Rs. 5,000 and more, for the payment of travelling allowance to the chairman, municipal councillors and the municipal establishment,²² and for engaging a counsel other than the standing counsel.

The sanction of the district Collector must be obtained for the payment of fees to a vakil in excess of the regulation fee involving an amount of less than Rs. 100.²³

The approval of the Surgeon-General must be obtained for the payment of grant-in-aid to private Allopathic medical institutions.²⁴

The sanction of the District Educational Officer should be obtained for the purchase of journals for secondary and elementary schools and for printing question papers for the elementary schools.²⁵

Besides the power to sanction, the Government also fixes the maximum amount of expenditure that may be incurred on certain objects and prescribes the conditions under which it may be incurred. For instance, the maximum amount of expenditure that may be incurred on the presentation of addresses to the Hon'ble Ministers in each case is Rs. 25. This amount should be spent for printing the address and the invitation cards only. No part of the amount should be spent on the purchase of caskets or on entertaining the Hon'ble Ministers.²⁶ Similarly, the maximum amount of expenditure that a council may incur in giving a reception to His Excellency the Governor is Rs. 500.²⁷ The travelling allowance payable to the chairman and the municipal councillors should not exceed the rates fixed in the Madras Travelling Allowance Rules.²⁸ The maximum amount of advance that may be sanctioned to a member of the staff for the purchase of a conveyance

18. G.O. No. 4651. P.H. 4-10-1940.
19. G.O. No. 786. L.A. 21-3-1941.
20. G.O. No. 4937. L.M. 19-11-1926.
21. G.O. No. 1864. L.M. 7-5-1936.
22. G.O. No. 2357. L.M. 29-11-1922.
23. G.O. No. 4550. L.M. 8-7-1926.
24. G.O. No. 257. P.H. 3-3-1932.
25. G.O. No. 2331. Law. 4-12-1935.
26. G.O. No. 92. L.M. 9-1-1932.
27. G.O. No. 71. L.M. 6-1-1928.
28. G.O. No. 3140. L.M. 9-8-1932.

should not exceed the amount equal to four months' pay.²⁹ The expenditure on the purchase of prizes for distribution on the anniversary days should not exceed on the average Rs. 10 per school,³⁰ and whenever a contribution of this kind is made from the municipal funds to private organizations, which organizes inter-school sports, it should be seen that 90 per cent of the municipal contribution is spent on the purchase of prizes.³¹ Expenditure on the purchase of books for use in the municipal libraries should be restricted to those approved by the text-book committee. Grants to private medical institutions may be made subject to the condition that it employs qualified medical men, that it is subject to inspection by such officers as the local Government may specify, that it renders free treatment to the poor sick and that the area served by it is not adequately served by any other medical institution.³²

We now come to the expenditure prohibited by Government. For instance, no expenditure should be incurred on works which have not received the technical sanction of the competent authority,³³ or in the employment of unqualified candidates or on persons who were previously dismissed.³⁴ Further no contribution should be paid to elementary schools under private management which are recognised and aided by the Education Department.³⁵ No expenditure should be incurred from the Elementary Education Fund on mid-day meals for poor pupils.³⁶ No expenditure should be incurred or contributions paid for the celebration of the Jubilees of Political Organizations,³⁷ or for the maintenance of the All-India Spinners' Association,³⁸ or for sending telegrams conveying good wishes or condolences of the council to political leaders like Mahatma Gandhi.³⁹

We have so far seen the various restrictions imposed and the control exercised by outside authorities. Ultimately, however, the real control is exercised by the executive authority. As the paying authority he wields this power with great effect. He is not under obligation to carry out resolutions which are clearly illegal and *ultra vires* or resolutions which have been suspended or cancelled by Government.⁴⁰ But he is under an obligation to inform the council through a note, on all proposed expenditures, whether the council is competent to incur the expenditure, i.e. whether the proposed expenditures are permissible under

29. G.O. No. 642. L.M. 19-2-1932.

30. G.O. No. 2247. Edn. 23-11-1928.

31. G.O. No. 1956. Law. 5-9-1934.

32. G.O. No. 257. P.H. 3-3-1932.

33. G.O. No. 1911. P.H. 15-9-1928.

34. G.O. No. 3947. L.M. 1-10-1928.

35. G.O. No. 223. Law. 12-2-1927.

36. G.O. No. 1890. Law. 3-12-1924.

37. G.O. No. 5304. L.M. 9-5-1927.

38. G.O. No. 1644. L.M. 1927.

39. G.O. No. 1644. L.M. 14-5-1925.

40. *Md. Raza Khan Belgrami vs. Sadasivarao*, I.L.R. 49, Mad. 57.

the Act and the Rules made thereunder and whether they require the previous sanction of a higher authority. If the executive authority fails to bring these facts to the notice of the council, he will be held responsible for all illegal expenditures. If the council decides to incur an illegal expenditure even against the advice of the executive authority, the executive authority should take it to the notice of the Government or the Inspector of Municipal Councils as the case may be for orders. In exceptional circumstances where there is no time to consult the Government or the Inspector, the Executive Authority may carry out the resolution.⁴¹

The control exercised by the executive authority is in the procedure prescribed for the payment of claims. For instance, any person having a claim against the council must present a bill in a proper form. The bills are sent to the Accountant for check. The Accountant sees whether there is council sanction for incurring the expenditure, whether the claim is permissible under the Rules, whether there is budget provision for it and finally the mathematical accuracy is checked. If a bill satisfies all these checks it is submitted to the executive authority through the manager of the office for approval. Every bill must show the allotment for that particular head under which expenditure is proposed to be incurred for that year, the amount already spent and the balance available.

	Rs.	As.	Pa.
—			
Allotment for the year.			
Expenditure including this bill. ...			
Balance available. ...			

These details are intended to enable the executive authority to be within the budgetary limits.

Before ordering a payment he should attest a variety of certificates. For instance, before approving a travelling allowance bill he should certify as follows :

"I certify that I have taken pains to ascertain the length of the marches and have shown them accurately to the best of my knowledge and belief."

The certificate of a pay bill should be as follows :

41. G.O. No. 2041. L.A. 26-7-1941.

"Certified that no person . . . has been absent . . . during the month. Certified that all posts . . . are held by duly qualified men or men who have been exempted by competent authority."

The certificate of a contingent bill should be as follows :

"I certify that the expenditure charged in this bill could not with due regard to interests of the public service, be avoided, and that, so far as I could ascertain, the rates allowed are reasonable and do not exceed the current rates. I have satisfied myself that the charges entered in this bill have been really paid or will be paid on receipt of the money drawn on this bill. . . . I have, so far as possible, obtained vouchers for the sums and I am personally responsible that they have been so defaced that they cannot be used again. Certified that the work turned out is satisfactory and is worth the amount paid for it. Received the above articles in good condition. Quantities are correct and qualities good and suitable for the purpose."

The certificate to be attested before paying a contractor should be as follows :

"I certify that the work was duly check-measured by me on . . . Certified that the work has been completed in accordance with the plan and estimate in substantial and satisfactory manner."

Let us now see how far these rules and regulations were observed. So far as the Government was concerned it had no agency to see that the rules issued by it were observed by the councils till 1933. Until that date it had to depend on the non-official executive, viz. the chairman of the council for the enforcement of the rules issued by it. The result of this arrangement was the executive authority was either indifferent to the rules and regulations of the Provincial Government or flouted its authority openly. A glance at the Administration Reports and the Annual Audit Reports shows that the executive authority of many a municipal council simply scrapped all the rules and carried on the administration according to their whims and fancies. For instance, the chairman of the Madura municipality, Mr. L. K. Tulasiram, incurred an expenditure of Rs. 68,000 without obtaining the previous sanction of the council.⁴² Madura was not the only municipality nor Mr. Tulasiram the only executive authority that violated the rules. Incurring of expenditure without the previous sanction of the council was a feature common to most of the councils.

Secondly, earmarked funds were diverted to meet ordinary expenditure without the previous sanction of Government. The Nandyal muni-

cipal council diverted Rs. 15,776 from the provident fund, Rs. 3,156 from deposits, Rs. 2,438 from the provincial grants and Rs. 7,005 from the capital account to meet the ordinary expenditures."

Thirdly, no advance should be given without the sanction of the council for any purpose. This rule was systematically violated in most of the councils. The chairman of the Erode Council drew an advance of Rs. 700 without the sanction of the council and unauthorisedly utilised a portion of the amount for purposes other than those for which it was drawn. Out of this amount he showed an expenditure of Rs. 110-6-0 on account of a journey performed to Madras and back, though in fact he never performed the journey to Madras. This gentleman was 'grossly careless' in dealing with municipal funds and his manipulations of municipal funds created a grave suspicion in the minds of Government."

Fourthly, double payments were made in a number of cases.⁴³ In some cases double payments were averted in the last minute.⁴⁴ This shows that there was no check of the claims made, by the office and the executive authority.

Fifthly, expenditure was incurred on works without obtaining the previous technical sanction of the competent authority. The executive authority of the Trichinopoly council carried out the repairs to the municipal drains at a cost of Rs. 9,883 without obtaining the technical sanction of the Sanitary Engineer.⁴⁵ Similarly, the executive authority of the Chidambaram municipal council constructed quarters for menial servants of the council without obtaining the technical sanction of the Sanitary Engineer.⁴⁶ Later on the Sanitary Engineer condemned these quarters and ordered their demolition which was accordingly done. This cost the poor ratepayers of Chidambaram Rs. 4,345.

Sixthly, the rule that no payments should be made to contractors without measurement and check-measurement of the work concerned was also violated. The executive authorities of Coconada, Narasaraopet and Palghat councils made part payments to contractors without taking measurements of the work done and in some cases final payments were made without check-measuring the works.⁴⁷

43. M.L.C.P. Vol. 79.

44. G.O. No. 3930. L.M. 9-9-1926. The worst part was advances were given to the Municipal Councillors to execute certain works and to purchase certain articles. Thus opportunities were afforded for the mis-use of Municipal funds. See also G.O. No. 2769 L.M. 4-10-1924.

45. G.O. No. 2622. L.M. 8-6-1926.

46. *Ibid.*

47. G.O. No. 1851. L.M. 9-5-1930.

48. *Ibid.*

49. *Ibid.*

42. Gopalaswamy Ayyangar Report, Op. Cit.

Seventhly, prudence was not shown in contracting loans. For instance, loans were taken when there was no immediate necessity for them and that resulted in the payment of heavy amounts as interest. For instance, the Karur council drew a loan of Rs. 15,500 in 1925 for the construction of a municipal market and the council hall. But the amount was not utilised for a year. The interest on the loan for that year, Rs. 891-4-0, was paid for nothing.⁵⁰ The Trichinopoly council obtained a loan of Rs. one lakh on 4-10-1927 and spent out of it only Rs. 3,193 till 31-3-1929. The balance was lying idle in the treasury. A second loan of another lakh was taken in 1929 even though there was no immediate need for it. The Coimbatore, Hindupur, Karur, Anakapalli, Nellore, Kumbakonam and Salem councils obtained loans in a similar manner. Had these councils invested these amounts they would have earned interest which would have gone to reduce the interest charges. But that was not done.

This state of affairs continued till 1933, i.e. till the appointment of commissioners. Till that date there was neither economy nor honesty in municipal expenditures. The responsibility for this state of affairs must also be shared by the Government. They at times connived at these omissions and commissions. However, we find a change for the better since 1933. The executive authority is exercising effective control over all expenditures.

One fact which arrests our attention in the above survey is that the control exercised by the Government is unduly excessive and unnecessarily rigid. In recent times there has been an increasing tendency in this respect. Excessive control leaves very little scope for administrative discretion. It stifles all initiative for economy and efficiency and produces callousness in the minds of administrators. It also makes the central authority petty-minded. For instance, the councils were at first prohibited from purchasing the facsimile signature of the executive authority without imagining for a moment how it would be possible for him to issue thousands of bills under his signature.⁵¹ Similarly, the councils were at first prohibited from incurring any expenditure on the presentation of addresses to the Hon'ble Ministers. But at the same time they were permitted to incur an expenditure upto Rs. 500 to give a reception to His Excellency the Governor. These instances show the petty-mindedness of the Government. We, therefore, suggest that the present attitude of distrust—a heritage of the past—should be replaced by trust and that minute control should be displaced by broad lines of control.

50. G.O. No. 907. 9-3-1927.

51. G.O. No. 2487. L.M. 10-6-1926.

CHAPTER VI

PURCHASING

Every council spends several thousands of rupees a year on the purchase of supplies, equipment, immovable properties. Purchasing is very important because it affords unlimited opportunities to practice frauds and if this aspect of administration is not fool-proof, public confidence cannot be maintained especially when we remember the ease with which the disappointed tenderers can create scandals. It is, therefore, essential that municipal authorities should maintain a high standard of integrity in purchasing their requirements.

Authority to Make Purchases

Till 1933 the council was the authority to enter into a contract for any purpose. It could delegate this function to a committee of its own and these committees had power to enter into any contract the value of which did not exceed Rs. 500. For all other cases, the council alone was the competent authority to enter into contracts. But in 1933, a committee known as the Contracts Committee was created.¹ This committee—a statutory committee—exists in all the councils and it has power to nominate contractors for all works whose estimated value does not exceed Rs. 500 and dispose of all tenders whose estimated value does not exceed Rs. 1,000. As regards works whose estimated value exceeds Rs. 1,000 the council is the competent authority to enter into contracts.

The one notable feature of this arrangement is the centralisation of purchases in the hands of a single authority. The estimates of all supplies required for a year by all departments are sent to the Accounts section. All the requirements are consolidated and the supplies are purchased at wholesale prices, a procedure which is certainly economical when compared with purchasing by dribs and drabs.

The purchase of all articles whose estimated cost exceeds Rs. 500 should be by tenders. Before inviting tenders, the executive authority must get the contract document prepared. The document includes a complete set of drawings showing the general dimensions of the work, a complete set of specifications of the work to be done and the materials to be used, a schedule of the quantities of the various materials of various descriptions and finally the conditions to be observed by the successful bidder. If the document is related to the purchase of some articles like paper, it should specify the quality and quantity of the paper required and the place at which it should be delivered. After the docu-

1. Sec. 10, Act X, Madras, 1933.

ment is prepared sealed tenders should be invited in the most open and public manner possible. In other words tenders should be advertised widely. The advertisement should state where and when the contract document can be seen, where and when the tenders must be presented where and when the tenders will be opened, the nature of security to be furnished in case the tender is accepted, the amount of earnest money to accompany the tender and finally the authority that will accept or reject the tender.

In selecting contractors from among the bidders, other things being equal, the lowest tender should be accepted.² If for any reason the lowest tender is not accepted the contracting authority should give reasons in writing for the same and make it available for the purposes of audit. Lowest tender should not be rejected merely on the ground that the contractor is not a solvent person. In such cases extra security may be taken from the tenderer. If for any reason lowest tender is not accepted the next lowest tender should be accepted. However, in selecting a contractor for supplying electrical and mechanical plants and equipment, the contracting authority should not be guided by the tender price alone; attention should be paid to the efficiency and durability of the materials to be supplied and the reliability and technical qualifications of the contractor.³

In some of the councils the practice was the executive authority negotiated with tenderers with a view to securing a reduction in the rates quoted by them. This is an objectionable practice and therefore the executive authorities are prohibited from carrying on such negotiations with the tenderers. If the rates quoted by them are not acceptable to the contracting authority, he should cancel all the tenders and invite fresh ones.⁴ Before rejecting all tenders the previous sanction of the Government should be obtained.⁵ There should not be any delay in the disposal of tenders.

After the tenders have been accepted, an agreement in the prescribed form should be obtained from the contractor. The conditions in the agreement should be precise and definite. If necessary legal and financial advice should be taken in drafting the agreement. The terms of the contract should not be materially altered without the sanction of the competent financial authority. Further, provision should be made in the agreement for safeguarding the municipal property that may be entrusted to the care of the contractor.⁶ Without obtaining an agree-

2. G.O. No. 2585. L.M. 4-7-1935.
G.O. No. 2248. L.A. 31-7-1942.
G.O. No. 2456. L.A. 25-8-1943.
3. G.O. No. 1968. W. 31-8-1934.
4. G.O. No. 4633. L.M. 22-10-1934.
5. G.O. No. 1620. L.A. 4-5-1940.
6. G.O. No. 89. L.M. 8-1-1930.

ment, no contractor should be permitted to proceed with the execution of the work.

The aim and purpose of the tender system described above is to create confidence in the public and the tenderers. Otherwise honest and efficient men will not come forward to tender and the councils are likely to get the services of ill-equipped and dishonest contractors.

However, the tender system may be dispensed with in the case of certain articles. For instance, books, maps and science articles required for the use of the secondary schools,⁷ and elementary schools,⁸ may be purchased in the open market subject to the condition that quotations are called for from the standard firms and publishers for all the articles required. Before inviting quotations, a list of articles required together with their quality and quantity should be supplied to all the standard firms and publishers. Here also the lowest quotation should be accepted.

Before purchasing any article, the limitations imposed on the purchasing power of the councils should be noted. For instance, accounts forms available with the 'Central Press' and the Government Press should be purchased from them only and not from any one else.⁹ Modern medicines required for the medical institutions should be obtained from the Madras Medical Stores. They should not be purchased locally. If the Medical Stores is not able to supply the required medicines, quotations should be called for from the standard firms and the order should be placed with the firm which gives the lowest quotation.¹⁰ Medicines and instruments not procurable in India but available in England should be indented through the Indian Stores Department. Gauze and bandage cloth should be purchased from the Jail Department and soaps from the Government Soap Factory, Calicut.¹¹ The midwifery outfit for the maternity and child-welfare centres should be secured from the Madras Medical Stores.¹² The acquisition of land should be entrusted to the Revenue Department. The Inspector of Boilers should be consulted before purchasing steam road rollers which have boilers.¹³

How far these rules were observed in practice is the question. A perusal of the Annual Audit Reports for the years 1920-30 clearly establishes the fact that most of the councils did not observe most of the rules either in letter or in spirit. A number of councils did not invite tenders even for works whose estimated cost exceeded Rs. 500. In some

7. G.O. No. 3250. L.M. 9-7-1929.
8. G.O. No. 1231. L.M. 5-4-1932.
9. G.O. No. 4054. L.M. 13-10-1932.
10. G.O. No. 2888. P.H. 7-7-1941.
11. G.O. No. 5799. P.H. 9-12-1940.
12. G.O. No. 2609. P.H. 19-7-1933.
13. G.O. No. 4597. L.M. 8-11-1935.

cases, tenders were not invited in the most open and public manner.¹⁴ But the worst part of this affair was the splitting up of contracts with a view to avoid the invitation of competitive tenders. In other words, the estimated value of the work was artificially reduced below Rs. 500 so that the contracting authority may nominate its own favourites as contractors. This practice was prevalent in a great majority of the councils during the period under review. For instance, in Tanjore, materials required for water works costing Rs. 10,000 were purchased not from one person and at one time but from different persons at different times and the cost of each purchase did not exceed Rs. 500.¹⁵ Similarly, in Chittoor and Palakole estimates were split up with a view to avoid the technical sanction of the Sanitary Engineer. The Palakole municipal council sanctioned 12 estimates for the construction of a single building and the estimated value of each estimate did not exceed Rs. 1,000.¹⁶ This was done because all estimates whose estimated value exceeds Rs. 1,000 must be submitted to the Sanitary Engineer for technical sanction and in order to avoid that, estimates were split up.

But the distressing feature was the prevalence of corruption in some of the councils in the disposal of tenders. To be a member of the Contracts Committee was a lucrative business. The members of the Committee were paid a certain percentage of the estimated value of the works by the successful tenderers, and the nominated contractors. In one council, a certain percentage of the estimated value of all works was systematically collected from all contractors to build up a party fund to fight municipal elections.

We notice, however, a change with the appointment of commissioners. Tenders are being invited for all works. The nomination of contractors has practically come to an end and the scandals associated with it are also disappearing. Tenders are being disposed of in the presence of the tenderers on the very day of their receipt. Thus there is a remarkable improvement in the situation.

CHAPTER VII

ACCOUNTING

A municipal council possesses vast properties, derives large sums of money through its power of taxation, borrows large amounts for capital expenditure and spends the whole lot for the purchase of services, materials and supplies. If the function of collection and disbursement of public

14. G.O. No. 907. L.M. 9-3-1927.

15. G.O. No. 1851. L.M. 9-3-1927.

16. G.O. No. 907. L.M. 9-3-1927.

funds is to be carried on economically and efficiently, a sound system of accounting must exist. The purpose of accounting is "to record in detail the business activities, in order that at any time there may be obtained a complete picture of the fiscal conditions of the city".¹ If accounts are not maintained properly chaos will reign supreme in the field of financial administration. There will be no watch over the revenues and no control over the expenditures. Public property may pass over into private hands. It is, therefore, not unreasonable on the part of the Provincial Government to insist on the councils for the maintenance of accounts satisfactorily as a condition precedent for the sanction of a loan or a grant from the provincial funds. For, a council which is unable to look after its own funds properly is incapable of administering funds belonging to others carefully.²

The essential feature of a sound system of accounts is the proper classification of accounts into several heads. The system of accounts that existed before 1920 was defective in this respect. The accounts were classified as follows :

REVENUES

- | | |
|---|--|
| 1. BALANCE BROUGHT FORWARD. | (i) Interest on investments. |
| (a) Municipal funds. | (j) Premium on loans. |
| (b) Endowments. | 3. REALISATIONS UNDER SPECIAL ACTS. |
| (c) Lighting Tax Fund. | (a) Pounds. |
| (d) Water & Drainage tax fund. | (b) Ferry rents. |
| (e) Water & Drainage tax. | (c) Fees under the Act, 1888. |
| (f) Tax on vehicles. | 4. REVENUES DERIVED FROM MUNICIPAL PROPERTY. |
| (g) Tax on animals. | (a) Rents on lands & houses. |
| (h) Tax on carts. | (b) Conservancy receipts. |
| (i) Tax on servants. | (c) Income from educational institutions. |
| (j) Tolls. | 5. GRANTS AND CONTRIBUTIONS. |
| (k) Penalties. | (a) From Government. |
| 2. MUNICIPAL RATES AND TAXES. | (b) From Local Bodies. |
| (a) Taxes on carts. | (c) Other Grants. |
| (b) Taxes on buildings. | 6. MISCELLANEOUS. |
| (c) Taxes on lands. | (a) Recoveries on account of services rendered to private individuals. |
| (d) Lighting tax on buildings and lands. | (b) Other items. |
| (e) Income from medical institutions. | 7. EXTRAORDINARY. |
| (f) Income from markets and slaughter houses. | |
| (g) Other fees. | |
| (h) Fines. | |

1. Upson, *Practice of Municipal Administration*.

2. G.O. No. 2622. L.M. 18-6-1922.

EXPENDITURES

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| <p>1. GRANT. NO. I. PUBLIC WORKS.</p> <p>(a) New Works</p> <ol style="list-style-type: none"> 1. Communications. 2. Buildings. 3. Drainage. 4. Water Supply. 5. Miscellaneous. <p>(b) Repairs.</p> <ol style="list-style-type: none"> 1. Communications. 2. Buildings. 3. Drainage. 4. Water Supply. 5. Miscellaneous. <p>(c) General Establishment.</p> <p>(d) Tools and plants.</p> <p>(e) Contributions.</p> <p>2. GRANT NO II. EDUCATION.</p> <p>(a) Training Schools.</p> <p>(b) Municipal Schools.</p> <p>(c) Grants-in-aid.</p> <p>(d) Miscellaneous.</p> <p>(e) Contributions to local bodies.</p> | <p>3. GRANT. NO. III LIGHTING & MISCELLANEOUS.</p> <p>(a) Lighting.</p> <p>(b) Markets.</p> <p>(c) Choultries.</p> <p>(d) Travelling Bungalows.</p> <p>(e) Avenues.</p> <p>(f) Public Gardens.</p> <p>(g) Survey of lands.</p> <p>(h) Fire.</p> <p>(i) Pounds & other charges.</p> <p>4. GRANT NO. IV SUPERVISION & MANAGEMENT.</p> <p>(a) General Establishment.</p> <p>(b) Contributions.</p> <p>(c) Pensions & Superannuation.</p> <p>(d) Donations to Services Fund.</p> <p>(e) Contributions to P. F. Fund.</p> <p>(f) Extraordinary & Debt.</p> <p>(g) Interest.</p> <p>(h) Advances.</p> <p>(i) Refunds.</p> <p>(j) Discounts.</p> <p>(k) Investments for purposes of sinking fund.</p> |
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The classification given above suffered from several defects. The chief of them was that classification of accounts was less intelligible and did not help the administrator to know the entire cost of any particular service. For instance, the cost of education was shown as follows: The salaries paid to the school masters, contingencies, laboratory charges, apparatus and furniture appeared under the head 'schools' in Grant No. 2; provident fund contribution under 'superannuation' in Grant No. 4; cost of repairs to buildings under 'buildings' in Grant No. 1; the cost of stationery, printing, etc. in Grant No. 4 and the cost of administration under another head. It was, therefore, not possible to know the cost of one service, say education, at a glance. Further, there was no distinction between ordinary and capital expenditure. As a result of it many municipal councils sold away their properties and capital assets and diverted the sale proceeds into ordinary expenditure.

The Financial Relations Committee which enquired into the system of municipal accounting recommended that the accounts should be so divided or grouped as to show the objects rather than the subjects of expenditure; that "all the expenditure on a service should as far as possible, appear in one place; and in order to secure this end separate accounts or separate sections of the main account should be maintained

3. G.O. No. 1383. M. 30-7-1920.

for each of the following services—Management, Communications, Education, and Public Health. The cost of constructing or repairing the buildings should be debited to the service for which these buildings exist or used and not, . . . to the omnibus head 'Civil Works'; that a distinction should be made between capital and ordinary expenditure.

The Accounts Committee accepting these principles, recommended that the accounts should be divided into two parts, the 'General Account' and 'Subsidiary Accounts'. Each account is further divided into 'Capital' and 'Ordinary'. The accounts form is exactly similar to the budget form which we had already seen in the first chapter. The subsidiary accounts are, the lighting account, elementary education, water supply and drainage, town planning, deposits, endowments and advances. All these accounts have their own revenues and expenditure. Each one of them may require the assistance from the general funds. Therefore heads of appropriation have been provided under appropriate sections of the main account for this purpose. The endowments created for specific purposes have a separate account with their own receipts and expenditure. The account form devised by the Committee is properly classified with sufficient details. The great merit of the form is the introduction of cost accounting for the first time in the history of municipal accounting.

The authority responsible for the preparation of accounts is the executive authority. He is assisted in this task by the accounts section. The one good feature of municipal accounting is its centralisation in the hands of one person. He is responsible for the proper maintenance and preparation of accounts.

The accounts section is divided into two sections, the cash section and the accounts section and each section is kept in charge of distinct persons. The person in charge of the cash section is called the shroff and the person that heads the accounts section is called the accountant. The basis of this division is that the person compiling accounts should not receive or collect any monies due to the council.

It is an obligatory duty of the executive authority to prepare the accounts of the previous month before the end of the current month for submission to the auditor.⁴ Further he should also prepare a statement of the financial position of the council for the previous month and place it before the council at its monthly meetings. The statement should give particulars as to the balance under each account, the amount of arrears under various items of revenue and the expenditure under several heads.⁷

4. Report, pp. 41-42.

5. G.O. No. 341. L.M. 24-2-1921.

6. G.O. No. 1599. L.M. 2-5-1932.

7. G.O. No. 4774. L.M. 31-10-1934.

This statement is called the 'D. C. B.'—demand, collection and balance-statement.

Let us now see how the accounts are prepared. To understand this we have to know the procedure adopted for the payment of claims from municipal funds and remittance of monies due the council into the municipal treasury. We have to know something about the various registers maintained for this purpose. The main books of accounts maintained by the shroff are the chitta and the petty cash book. All the monies received by the shroff are entered in the chitta and all the amounts drawn in favour of the executive authority are entered in the petty cash book. The other main registers are the cash book, the register of animals and vehicles, miscellaneous licence registers, miscellaneous demand registers, miscellaneous receipts register and tax registers. These books are maintained by the accountant and his assistants. The accountant enters all receipts and payments in the cash book by reference to the registers mentioned above and the paid vouchers. As a matter of fact no payment is made without first entering it in the cash book.

In addition to these registers the accountant must maintain a register called the posting register. The contents of this register are the same as those given in the accounts form. The register is prepared by reference to the subsidiary registers. The information that should be given against each head is as follows :

Head of Account	Budget provision	Credits for April	Credits for May	Totals from April to May	Credits for June	Totals from April to June
General Taxation and Miscellaneous revenue ...						
(a) Taxation						
1. Property Tax .						
2. Profession Tax						
3. Tax on servants ...						

Thus the posting register gives the credits for each month commencing from April to March and at the end of every month the total receipts and the total expenditure for all the previous months commencing from 1st April is also given. The posting register enables even a layman to know at once the fundamentals of municipal accounting. It gives the budget provision and the total receipts and the total expenditure up-to-date. The monthly and the yearly accounts are prepared by reference to this register.

All the sums received must be remitted to the credit of the municipality in the Government Treasury and nowhere else. No portion of the money received, should be spent for any purpose, without being remitted in the Treasury. If money is required for payments it should be drawn from the Treasury. It is the duty of the Executive Authority to see that the closing balance standing in the Treasury Pass Book and the Cash Book agree. If they do not, the cause for disagreement should be enquired into and a reconciliation should be brought about. The cash book should be closed before the 10th of the current month and the fact intimated to the Examiner of Local Fund Accounts.

It now remains for us to see how the accounts were prepared. Even here the municipal councils did not acquit themselves creditably. In 1922-23 only 16 out of the 80 councils maintained the accounts satisfactorily ; in 1923-24 the number was only ten ; in 1925-26 the position deteriorated and only three councils maintained their accounts properly ; and in 1928-29 only ten councils maintained the accounts properly. Some of the councils like Rajahmundry, Bezwada, Vizianagaram, Tinnevely, Trichinopoly and Nandyal did not maintain their accounts properly consecutively for a number of years. In addition to this, accounts were not prepared promptly in most of the councils for submission to the auditor. As a result of that the auditing of accounts of these councils had either to be postponed to a latter date or given up. The main cause for this state of affairs was that the accounts section of the municipal councils was manned by inefficient personnel. Many of them were unqualified to handle the accounts, and further there was no effective and intelligent supervision over the accounts section. The chairman who was also the executive authority till 1933 allowed the accountant and his assistants to have their own way in the preparation of accounts. But we notice a change since 1931. In that year the number of councils whose accounts were prepared satisfactorily were 54. The number rose to 64 in 1932-33. Since then there has been no appreciable increase in the number of councils which are maintaining accounts properly.

CHAPTER VIII

AUDIT

Audit is the final aspect of financial administration. It is at the end of a long sequence of events commencing from budgeting and ending with the payment of monies. By auditing we mean a "systematic examination of the books and records of a business or other organization in order to ascertain or verify, and to report upon the facts regarding its

financial operations and the results thereof" by a person who had no part in their preparation.¹

Kinds of Audit

Audit is of three kinds, post-audit, pre-audit and administrative audit. Post audit is performed at the end of a given period. It is sometimes referred to as "locking the barn door after the horse is stolen."² That is, post audit is conducted after the payment of monies in satisfaction of claims. It discovers and not prohibits the misuse of funds. With a view to secure the latter end pre-audit has been instituted in some countries. Pre-audit is conducted before the payments are made. Of the two, pre-audit is the most effective. It checks wastefulness. It compels the executive to stick to budgetary provisions. In other words, money will be spent economically and according to the wishes of the budget-sanctioning authority.³ However, post-audit is in use in a great majority of the countries. Post-audit may be either a detailed audit or a test audit. Test audit scrutinizes a part and not the entire financial transaction and is satisfied if the portion selected for the purpose reveals no irregularities. The basis of test audit is confidence in the administration. For instance, the audit of profession tax items and the receipts of secondary schools is a test audit. Administrative audit occurs prior to the payment of monies and is done by the accounts section and the executive.

Basic Objectives of Audit

The basic objectives of municipal audit are three. The first object is the "settlement of and adjustment of claims". In other words, the auditor must satisfy himself that all the sums due to the Council have been properly brought to account. It is called in popular language the "audit of receipts"—rather a misleading term. By settlement of and adjustment of claims we mean that executive authority determines the claims, the auditor checks these claims and settles them. Thus the assessments and levies made by the executive authority are provisional in character and the auditor is authorised to go into the facts of these assessments and closely scrutinise and discover any omission in assessments or wrongful assessments. For instance, if the council levies a tax or a fee which is otherwise illegal, the auditor may direct the refund of the amount to the person concerned. If a claim falls short of the amount due, the auditor may direct the person concerned to make good the loss. But it is not the business of the auditor to see that sums due to the

1. White, *Introduction to the Study of Public Administration*.

2. Buck, *Municipal Finance*, p. 110.

3. Willoughby, *Principles of Public Administration*, pp. 630-35.

council are collected. All that it must concern itself is to determine and settle the claim.

The second object is to see that the funds have been expended on purposes for which they are intended and in accordance with the conditions prescribed by rules and regulations and discover any fraud or embezzlement committed or any wrong application of funds. This is called the audit of expenditures. In performing this function he should bring to light not only cases of irregular expenditure but also expenditures which in his judgment appear to be improper and wasteful even though the accounts may be in order and no obvious irregularity had been committed. In discharging this function he may fix up standards of expenditure to which the council must conform.⁴ The mission of audit is therefore not merely to discover cases of bad faith but also to "protect the rate-payers from the effects of honest stupidity or unpractical idealism."⁵

The final object of audit is to surcharge persons responsible for the irregular expenditure disclosed by audit. Here also audit decides the question of quantum. It determines how much of an item of expenditure is lawful and how much is unreasonable and unlawful and therefore recoverable. Power to disallow a payment *prima facie* includes power to allow a severable part of it. Thus the auditor occupies the position of a judge and determines what is legal and what is not legal.

Relations with the Provincial Government

The Local Fund Audit Department, from its inception was under the control of the Auditor-General. With the introduction of the Reforms of 1919, the Local Fund Audit was declared a provincial subject. At present it forms a part of the Finance Department, Government of Madras. The Examiner is the ex-officio Under-Secretary of the Finance Department. But he is independent of Government in the sense that he is endowed with authority by the Act to exercise control over municipal accounts, and to issue surcharge certificates on persons responsible for irregular expenditure or for short collections of the claims due to the council. Even if Government gives a direction to him not to surcharge a particular item of expenditure, the auditor may ignore such an order and proceed to surcharge the person or persons concerned leaving it to Government to pass such orders as it pleases on the statutory appeal that may be preferred by the aggrieved party. Therefore, Government has no power to interfere with the discretionary powers vested in the Examiner. Further, an order of Government condoning an illegal expenditure can only succeed but cannot precede an order of

4. *A Century of Municipal Progress*, p. 434.

5. Lord Sumner's judgment in the famous Poplar Wage Case.

surcharge. From the above facts it must be evident that the auditor is not expected to seek and the Provincial Government is not expected to offer advice as regards the propriety of surcharge in any given case.⁶

Limitations

There are, however, certain limitations which the auditor should observe. Firstly, as the audit is conducted on behalf of Government, the auditor should not criticise the orders issued by Government. Nor should he prescribe the rules that should be observed by the councils. Secondly, he should not survey or review the administrative functions of the various departments. He should confine himself to the criticism of the accounts placed before him. Thirdly, he should not suggest new sources of taxation. But he may make a running commentary on the financial position of the council. Fourthly, the auditor is prohibited from conducting independent enquiries from private individuals for obtaining information connected with audit.⁷ Whatever information he wants he should ask the executive authority to furnish and if he fails to do so he may issue summons to him in the following form :

To,
Mr. A. B. C.,
Municipal Commissioner,
E. F. G.

Sir,

You are hereby required to produce or cause to produce before me on the 4th Day of December 1944 at 12 o'clock the following documents, the perusal or examination of which is believed to be necessary for the elucidation of accounts of the year 1943-44.

Yours,
H. K.,
Auditor.

Fifthly, it is not his business to pass judgment on the wisdom or intelligence or diligence of an employee of the council. Sixthly, while

6. Speaking about the relationship between himself and the Auditor, the Minister for Public Health said in the House of Commons: "It has been said that the Auditors are my auditors. They are not my Auditors. They are entirely independent of me. I have never attempted to give a District Auditor instructions as to what he should do; I have never sought to influence a District Auditor in carrying his duties. . . . As a matter of fact the action of the District Auditor has often been the cause of some embarrassment." Speech of Mr. Neville Chamberlain, Hansard, 13-12-1927.

7. But, the auditor may summon any person to produce any book, deed, contract, account, voucher, receipt or other document which he believes necessary for the elucidation of accounts, and answer any question relating thereto. It should be remembered that there is a distinction between enquiry and summons. See Rule 57, Sch. IV, Madras Act V, 1920.

financial rules and orders must be observed, he should not enforce them rigidly and literally lest the audit may degenerate into an unintelligent audit. Undue insistence on trifling errors and technical irregularities should be avoided and more time should be devoted to important aspects of financial administration. Finally, all his observations in regard to the irregularities noticed in the course of audit, should be accurate, dispassionate, and couched in courteous language. Innuendo is prohibited.

Historical background

Let us now turn our attention to the historical development of audit. Under the Town Improvements Act of 1871, the Provincial Government had power to determine the persons by whom and the manner in which the municipal accounts should be audited. However, in practice, the "commissioner" (now called councillors) appointed local auditors to audit municipal accounts. As auditing of accounts by local auditor was lax, the Committee on Local Self-Government, 1883, recommended that they should be audited by the Inspector of Local Fund Accounts.⁸

Under the Act of 1884, the Inspector of Local Fund Accounts, a subordinate of the Accountant-General was appointed to audit municipal accounts. Under him there were about ten Assistant Inspectors with headquarters at Madras and in each district there was a district auditor. The accounts of the bigger councils were audited by the Assistant Inspector assisted by the district auditor and the accounts of the smaller councils were audited by the senior clerks of the district audit office. The audit was an annual one. It was found to be unsatisfactory and gave place to a half-yearly audit in 1903.⁹ After the 2nd half year's audit, a report containing the results of audit for each council was sent to Government. This was the position in 1920.

The main defect of the audit was that it was not concurrent. It took place once in a half year and over-payments and frauds generally associated with non-official administration came to light long after the event. It afforded opportunities to persons dishonestly inclined to practise frauds and to make up false vouchers. The Financial Relations Committee accepting the principle laid down by the Government of India that the audit of municipal accounts should not in any way be less strict than that applied to provincial expenditures, recommended the centralisation of audit under the immediate supervision of the Examiner. That is, all the vouchers were to be forwarded periodically to the Examiner's office at Madras for audit.¹⁰

8. *Report of the Local Self-Government Committee*, 1882, p. 57.

9. *Report of the Financial Relations Committee*, p. 43.

10. *Ibid.*, p. 44.

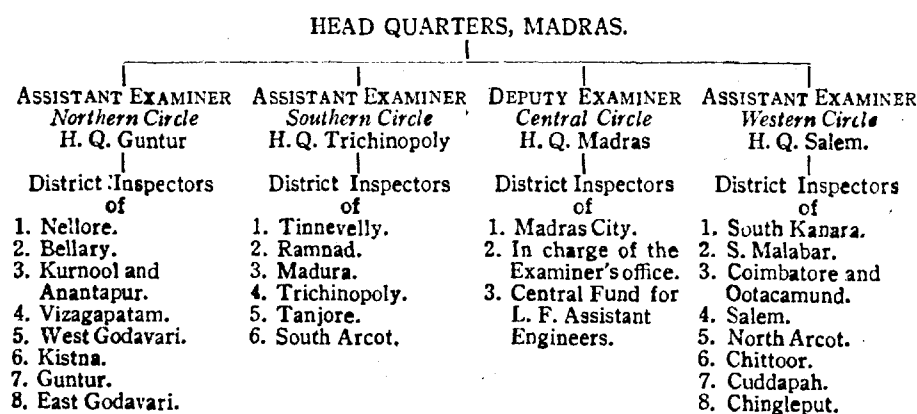
The Accounts Committee did not accept the recommendations of the Financial Relations Committee. It came to the conclusion that the maximum of efficiency would be obtained only by centralizing audit at each district headquarters. They, therefore, recommended the appointments of District Officers to be in charge of all local fund audit for each district and a number of Assistant Examiners to supervise the work of these district officers and to assist the Examiner in the discharge of his duties as a Presidency Officer.¹¹

A scheme for the reorganization of the audit department on the lines recommended by the Committee was prepared by the Examiner. The main features of the scheme were, the Presidency should be divided into three circles and each circle should be placed in charge of a gazetted officer. One of these three should be designated as Deputy Examiner of Local Fund Accounts with headquarters at Madras. Secondly, there should be in each district a senior officer called the Inspector of Local Fund Accounts. Thirdly, the audit should be concurrent in the case of headquarter municipalities and quarterly in the case of other municipalities.

The Government accepted the scheme as prepared by the Examiner, but deferred its execution to a later date due to financial reasons.¹² In 1924 Government ordered quarterly audit for the outlying municipalities and concurrent audit for the headquarter municipalities.¹³ Later on the entire scheme of the Examiner was put into execution.

At present the audit department is organised as follows :

EXAMINER OF LOCAL FUND ACCOUNTS



11. Report of the Accounts Committee.

12. G.O. No. 1016. Finance, 27-2-1922.

13. G.O. No. 3155. L.M. 8-2-1924.

The diagram given above is self-explanatory. The Deputy Examiner is immediately under the Examiner to assist him in the administration of the department.

As regards the functions of the various officers the Examiner is the Presidency Officer. He supervises the general administration of the department; he inspects the offices of the Assistant Examiner and the District Inspectors. He exercises the powers of disallowance and surcharge.

The Assistant Examiner supervises the work of the district officers, scrutinises and approves the audit reports prepared by the district officers; he inspects the accounts of the municipal councils once a year; he reviews the latest audit report and discusses the pending objections at the time of annual inspection with the executive authority.

The duties of the District Inspector of Local Fund Accounts are arduous and responsible. He is given several items of original work. He is also responsible for all audit conducted by his subordinates. Often he is required to arrive at decisions on important questions arising in the course of audit.

The difference between the audit conducted under the Madras District Municipalities Act and the audit conducted under the Local Government Act of 1933, England, is that the Minister for Public Health in England has power to order an extraordinary audit of any account. But the Madras Act does not make similar provision.¹⁴

Procedure

We now come to the procedure adopted for conducting municipal audit. It is an obligatory function of the executive authority to prepare accounts in the prescribed form before the prescribed date and submit the same to the auditor.¹⁵ After the receipt of accounts the auditor informs the executive authority of the probable dates when he will take up the audit.¹⁶

The auditor is generally assisted by an assistant. Both of them divide the work among themselves. Generally the auditor takes up

14. *Tulasiram vs. Chairman, Municipal Council, Madura*, 62. M.L.J. 77.

15. G.O. No. 4264. L.M. 4-2-1927.

16. The procedure adopted in England is as follows: At least seven days before the date fixed for audit, the accounts of the council must be made available for inspection by any interested person; and all such persons are at liberty to take extracts or copies from the same without paying any fee. If the officer concerned either refuses or neglects to allow any person for the inspection of records he shall on proof be liable to a penalty of £5. The right to inspect accounts includes the right to employ accountants for the purpose of taking notes and extracts. Further any ratepayer or owner of property may present himself at the time of audit and object to the entry of any item in the accounts. See Robson, *Local Government Audit*, p. 22.

the expenditure side and the clerk the revenue side of the accounts. While checking the revenue side of the accounts it is particularly seen whether all the outstanding items of revenue have been verified by the executive authority and entered in the arrear demand register ; whether the bills relating to the outstanding items are intact ; whether the demand notices for all taxes were issued in time ; whether the bills were checked by the executive authority before they were issued ;¹⁷ whether there was periodical check of the outstanding bills by some responsible officer ; and whether any improper collections were made by means of forged bills.

Further, he must also see that the levy of the taxes has been authorised by law and that the prescribed procedure has been observed ; that the rates of taxes levied has not exceeded the prescribed limits ; that there has been no omissions in assessment ; that exemptions have been granted only to persons eligible to receive them ; that the growth of revenue has been watched ; that the amounts written off were really irrecoverable ; that remissions were given according to rules ; that all collections have been remitted by the bill collector in time in the municipal treasury ; and that the arrears have not been allowed to become time-barred.

While checking the revenue derived from the properties leased out, it must be seen whether the properties usually leased out have been leased out ; whether all the leases have been publicly auctioned after sufficient publicity ; whether the highest bid has been accepted by the council ; whether a registered agreement has been obtained from the lessee and whether the amounts due from the lessee have been realised according to the agreement.

Finally, he must see whether all the grants due from the Government have been claimed in time.

The auditing of the expenditure side of the accounts consists in checking all the paid vouchers. All the vouchers are sorted out into several categories, viz. establishment vouchers, public works vouchers and contingencies vouchers. The establishment vouchers are audited by reference to entries in the establishment audit register. While auditing public works vouchers it must be seen whether an estimate has been prepared for each work ; whether it has the sanction—technical and financial—of the competent authority ; whether tenders have been invited publicly and the lowest tender has been accepted ; whether the work has been measured and check-measured and whether it has been executed to the satisfaction of the check-measuring officer.

17. G.O. No. 2268. L.A. 15-8-1941.

After the audit is over the auditor must personally discuss the results of audit with the executive authority and settle as many objections as possible and then decide as to which of the objections are to be included in the audit report and which of them in the audit objection statement.

Audit Report

The audit report of the general funds is divided into four parts. The first part deals with the financial position of the council, whether it is deteriorating or improving. If the financial position is bad the auditor should comment upon it. The second part deals with financial administration. It informs us whether all the revenues have been realised ; whether any expenditure has been incurred in excess of the budget provision ; whether the interests of the council have been disregarded ; whether illegal payments have been made ; whether earmarked funds have been diverted for purposes for which they were not intended ; whether all surplus funds have been invested and whether there have been any defalcations. If defalcations have been rendered possible as a result of the relaxation of rules, the fact should be mentioned. Defalcations detected during the course of audit should be reported fully. The third part deals with the accounts irregularities, i.e. with the preparation of accounts, violation of account rules, etc. In the last part, the results of audit are mentioned. It simply says whether the financial administration was 'satisfactory' or 'fairly satisfactory' or 'unsatisfactory'. In characterising audit, complete objectivity must be shown and it should be fully supported by omissions and commissions noted in the report.

Minor irregularities are noted in the audit objection statement.

The Audit Report and the Audit Objection Statement must be sent to the council concerned within six months from the end of the financial year the accounts of which were audited.¹⁹ The executive authority should rectify the defects noted in the report and the statement. He must also prepare answers to the objections raised in the report and the statement, place them before the council for its consideration,²⁰ and forward the report together with the replies and a copy of the council resolution, to the Examiner of Local Fund Accounts within two months from the date of its receipt.²¹ If the Report together with the replies is not returned to the Examiner within the prescribed time, Government may proceed to take such action as they deem fit.²²

19. G.O. No. 3204. L.M. 22-8-1927.

20. G.O. No. 2449. L.M. 25-5-1929.

21. G.O. No. 4000. L.M. 14-9-1926.

22. G.O. No. 1639. L.A. 26-4-1939.

The Examiner forwards the replies received from the executive authority to the Secretary to Government, Local Administration Department and Education and Public Health Department as the case may be²³ together with his remarks in which he may draw the attention of the Government to the various irregularities noted during the audit; he may request the intervention of the Government to enforce an audit objection; he may suggest disciplinary action against an officer responsible for gross negligence; or he may ask for the interpretation of rules which are contested.

The Government reviews the replies furnished by the executive authority and the forwarding remarks of the Examiner and passes orders.

Warning Letter

Apart from the audit report the Examiner issues warning letters to the individual persons who are responsible for any improper expenditure or illegal remission. The warning letter invites the attention of the person concerned to the irregularities noticed by the auditor and informs him that if he does not rectify the same within a period of two months from the date of receipt of the letter, action would be taken against him under the surcharge rules. The letter is accompanied by particulars of the irregularity.²⁴

The persons who are surcharged are normally the councillors. But such of them as did not attend the meetings of the council when the subject of surcharge was considered and such of those who voted against the subject are not surcharged. Further surcharge certificate should not be issued against the legal heirs of the deceased person. But if the surcharge proceedings had been served on the person concerned before his death it should be enforced against his heirs to the extent of his assets in their hands.²⁵ Again municipal commissioners should not be surcharged and such cases should be taken to the notice of the Inspector of Municipal Councils and Local Boards. If the Municipal Commissioner happens to be a member of the Indian Civil Service or the Provincial Civil Service the matter should be referred to the Government.

The surcharge certificates should be in the following form :—

“I . . . , Examiner of Local Fund Accounts, Madras, do hereby certify under Rule No. 60 of the Schedule IV of the Madras District Municipalities Act as amended that a sum of Rs. . . . being the loss caused to the . . . Council is surchargeable on and due from Sri . . . Chairman . . . Council, ex-councillors . . . Municipality named below jointly and severally for the reasons set below.”

23. G.O. No. 1373. L.M. 25-8-1924.

24. G.O. No. 7010. L.M. 26-1-1929.

25. Memo. No. 2986. L.A. 20-9-1940.

Before 1930 it was the peremptory duty of the auditor ‘to disallow every item contrary to law and surcharge the same on the person making or authorising the making of illegal payments’. But in that year it was made a discretionary duty by an amendment to the surcharge rules,²⁶ for the reason that the auditor had no option in the matter of surcharge and the surcharge certificates had to be issued even for small items. In order to save the Examiner from this unprofitable labour and to relieve the executive authority from the consequent annoyance the issue of surcharge certificates was made a discretionary function. The discretion thus conferred on the Examiner is unfettered. However the Examiner is required to observe certain instructions issued by the Government. For instance, no surcharge certificates should be issued against the servants of the council; secondly, no surcharge certificates should ordinarily be issued in respect of items involving a total amount of Rs. 50. But this concession does not apply to the councils which are habitual offenders,²⁷ or to councils which were grossly negligent in financial matters.

Surcharge and Disallowance

Let us now examine the principles on which a surcharge is made. It is well at this stage to know the distinction between the two terms, surcharge and disallowance. Disallowance broadly means the refusal of the auditor to allow an item of expenditure to stand in the accounts. Every disallowance must be followed by some consequence and the exact consequence depends on the circumstances. It may be a recovery of the amount disallowed or it may be a mere transfer from one account head in which it is improper to another account head in which it is proper. Surcharge means broadly, charging the person responsible for the loss incurred or the deficiency caused by the negligence or misconduct of the person. That is, before issuing a surcharge certificate it should conclusively be proved that there was gross carelessness or wilful defiance of rules on the part of the person concerned. Otherwise there would be no negligence or misconduct within the meaning of the term.²⁸ Mere imprudence is not enough, or grave error of judgment is not enough or mere want of judgment is not enough.²⁹ For instance, mere payment of penal interest does not entitle an auditor to issue a surcharge certificate. If the council had funds and even then payment was not made in time, then *prima facie* it is a case of negligence. Otherwise not.

Supposing provident fund amount recovered from the employees was not remitted in the postal savings bank before the 4th of the month

26. G.O. No. 3144. L.M. 4-8-1930.

27. G.O. No. 1424. L.M. 30-4-1931.

28. R. S. Naidu vs. Examiner, I.L.R. 1943, M. 282-90.

29. Robson, *Local Government Audit*.

as required by rules, due to a *bona fide* mistake in the interpretation and application of rules or to an honest belief that it was proper to retain the amount for meeting the current expenses, there is no case for the issue of a surcharge certificate.

Again, incurring of expenditure without the previous sanction of the competent authority cannot be a ground for the issue of a surcharge certificate. It does not matter whether the sanction is obtained previous to or subsequent to expenditure. All that is required is the sanction of the competent authority.

A question has been raised whether the payment of monies for works for which tenders have not been invited is legal and whether a surcharge certificate can be issued against persons who make such payments. Here the learned Advocate-General held the view that if it is possible to fix the exact loss caused as a result of not inviting tenders surcharge certificates may be issued. If it is argued that in as much as the terms of the statute have not been observed requisite for a valid contract, the contract itself is unenforceable and therefore any payment made in pursuance of the contract is illegal and therefore surchargeable, it raises a delicate question. If the council received 'quid pro quo' it has benefited itself to that extent. To surcharge it under such circumstances is neither reasonable nor just. If there is no 'quid pro quo' the payment is illegal and it may be surcharged.

Supposing the executive authority does something relying on the confidence of his staff and if that results in loss to the council it cannot be said that the executive authority was negligent. "Business cannot be carried upon the principle of distrust" observed the learned judge. "Men in responsible positions must be trusted by those above as well as those below them, until there is reason to distrust them. . . . If every one is distrusted, it is impossible to have any intelligent devolution of labour".³⁰

The grounds on which surcharge certificate may be issued are several. Firstly, a council may be surcharged if it allows the taxes and fees due to the council to become time-barred. The Bezwada Municipal Council, for instance, failed to recover the electricity fees due from a councillor, even though the audit department specially requested it to do so, and allowed the amount to become time-barred. Subsequently, the council wrote off the amount. The audit department objected the write off and surcharged the councillors concerned.

Secondly, relaxation of account rules resulting in loss to the council may occasion the issue of a surcharge certificate.³¹ For instance, the

30. R. S. Naidu vs. Examiner of Local Fund Accounts, I.L.R. 1943, M. 282-90.
31. G.O. No. 315. L.M. 25-1-1927.

executive authority of the Tinnevely municipal council permitted the lessee of the municipal market to enter on the municipal property and exercise the rights of a lessee without taking the lease deed. The lessee defaulted in the payment of the lease amount and the court held that in the absence of a registered agreement the council was entitled to recover only the sum equivalent to the advantages received by the contractor and not the entire lease amount. As the executive authority relaxed the rule by permitting the lessee to enter on the property without taking the lease deed and thus caused the loss to the council he was surcharged.³²

Any expenditure incurred in connection with an appeal against a surcharge certificate, without the previous sanction of Government is surchargeable.³³

Any expenditure incurred on conveyance of the use of councillors or inspecting officers for the inspection of municipal institutions is illegal and therefore surchargeable. The Bezwada Municipal Council hired a taxi to take the District Educational Officer for the inspection of municipal schools. The expenditure incurred on the taxi was disallowed and surcharged.³⁴

Fee concessions granted, not in conformity with the educational rules and the loss thereby caused to the council is surchargeable.³⁵

The closure of schools on days other than holidays recognised by the Education department and the consequent expenditure incurred on the establishment on those days is illegal and wasteful and therefore surchargeable.³⁶

Any expenditure incurred on educational institutions which are not recognised by the Government is illegal and therefore surchargeable. The Guntur Municipal council resolved to introduce the so-called national system of education during the non-co-operation days in all the institutions under its management; to dispense with grants and to conduct municipal elementary schools without the supervision of control of the education department. The Government informed council that the expenditure on such schools was not legal. The auditor surcharged the chairman and the councillors for incurring an expenditure which had been declared to be illegal by the Government. The surcharge was upheld by the Madras High Court.³⁷

32. Examiner's Office L.F. No. 26, dated 20-6-1941.
33. G.O. No. 2490. L.M. 10-6-1926.
34. G.O. No. 4425. L.M. 14-10-1926.
35. G.O. No. 3109. L.M. 15-3-1927.
36. G.O. No. 2235. L.M. 7-5-1934.
37. Belgrami Sahib vs. Sadasivarao, I.L.R. 49, M. 57.

Any expenditure incurred in connection with the employment of unqualified or dismissed persons is illegal and therefore surchargeable.³⁸

Filing of law suits even though advised by legal opinion not to do so and the consequent expenditure on them is wasteful and therefore surchargeable. For instance, the Revenue Department claimed the payment of ground rent from the Coimbatore municipal council for the land occupied by the municipal market. The council objected the claim and threatened to file a suit. The Collector of the district, the legal adviser of the council and the Government advised the council to pay the ground rent. The council did not pay heed to the advice rendered and filed a suit in a court of law and the decision of the court was not favourable to it. The auditor surcharged the council on the ground that the decision to file a suit against the Revenue Department was taken in defiance of the rules even after its attention was drawn to them by Government, the Collector and the municipal vakil.³⁹

Acceptance of a higher tender without adequate reasons may occasion the issue of a surcharge certificate. The Guntur municipal council accepted a higher tender for laying a shellcrete road on the ground that the tenderer was an Andhra. In selecting tenderers, other things being equal, the lowest tender should ordinarily be accepted. The lowest tender may be rejected only if the tenderer is not a solvent person or has not enough technical equipment. The community or domicile of the tenderer does not and cannot in any way affect the satisfactory execution of the contract. Therefore the ground on which the lowest tender was rejected was not sound. The chairman and the councillors were surcharged for accepting a higher tender.⁴⁰

Payment of salaries in excess of the scales fixed by the Government or the payment of gratuity to persons not eligible to receive it,⁴¹ or expenditure even of a moderate character on lunches are all illegal expenditures and therefore surchargeable.

Appeals

Any person aggrieved by a surcharge may appeal either to a court of law with original jurisdiction or to Government. That is, a person who prefers an appeal to Government cannot have recourse to legal action after having received an adverse decision from the Government. But if the surcharge certificate itself is not validly issued, the person

38. G.O. No. 3028. L.M. 26-6-1927.

39. Examiner's Office L.F. No. 440, dated 24-4-1934.

40. Examiner's Office L.F. No. 3634, dated 6-9-1929.

41. Ibid., L.F. No. 3970, dated 2-9-1941.

aggrieved has a right to go to a court of law if the Government does not give him adequate relief.⁴²

The court or the Government have powers to confirm, vary or squash the surcharge certificate of the auditor. If the order of surcharge is reversed all the persons surcharged will be benefited. If it exonerates one as not responsible for the act done, he will be benefited.

Further, the Government has power to waive at any time the recovery of the whole or any part of the amount certified to be due by the auditors. We are unable to understand the need for the possession of such an extensive power by the Government, especially when a considerable provision has been made for appeal. In the opinion of the writer this power is intended to be exercised when cases of surcharge upheld by a court of law come before them. This power enables the Government to reopen such cases and waive the recovery of the amount certified to be due. The possession of this power by Government is not desirable, for they are exposing themselves to the possibility of pressure of an unpleasant kind from party men. In order to check the Government from exercising the power injudiciously, an amendment was proposed that whenever an order is issued waiving the recovery of a surcharged amount, the reasons for the same should be recorded in writing and laid on the table of the House.⁴³ The Minister for Local Administration did not accept the amendment on the ground that it is difficult to place them (the reasons) on the table of the House and demanded for a *carte blanche* and the House without demur acceded to the demand.⁴⁴ The House does not seem to have realised the dangers involved in conceding this power to the Government.

The above survey reveals the position which the Examiner occupies. Not only is he given power to issue surcharge certificates but also to determine what is lawful and what is unlawful. The system as it stands at present may give opportunities to the auditor to override the views of the elected councillors. It may therefore be asked whether the Examiner has the necessary training and knowledge of local affairs to exercise this enormous power. Dr. Robson argues that the auditors

42. *Tulasiram vs. Municipal Council, Madura*, 62. M.L.J. 83. The facts of this case were, the Government ordered a special audit of the accounts already audited. The appellant contended that the Act does not contemplate a second audit. The defence counsel pleaded that the appellant had no right of appeal to a Court of Law on the ground that he had already appealed to the Government. The Court held that inasmuch as the Act does not contemplate a second audit, the surcharge certificate issued by the examiner as a result of it was not valid. The learned judge observed: "It is idle to suggest that force and effect is to be given to a so-called certificate given on an audit unauthorised by rules and further to suggest that the aggrieved party has no remedy against this illegal demand being enforced against him under the summary procedure of certification except that provided by the rules which are framed for an entirely different purpose."

43. Speech of Mr. G. E. Walker, M.L.A.P., Vol. 12, p. 256.

44. Speech of Mr. Gopala Reddi, Ibid.

are not fitted by any training to exercise such extensive powers over the financial administration of the council; that they do not possess a knowledge of the local affairs; that their outlook is excessively narrow and lacking in vision." He therefore suggests the establishment of an audit commission, consisting of representatives of all the local authorities, the Ministry and the Finance Department. The Commission should inherit all the powers now exercised by the Local Administration Department.

Dr. Robson's suggestion if accepted will result in the creation of a complex and costly machinery. Further, he seems to exaggerate the abuse of powers by auditors. The writer has made a careful study of a number of surcharge certificates issued by the Examiner, some of which have already been referred to and he is convinced that there was no such abuse of power by the auditor. This conclusion is supported by the fact that the number of surcharge certificates issued was comparatively few and the amounts involved were also infinitesimal when compared to the total amount brought under audit. The table given below illustrates the point:—

Year	Number of surcharge certificates issued	Total revenue of the councils (in Lakhs)	Amount surcharged	Appeals filed before		Number of certificates set aside by		Amount Recovered	Amount waived
				Court	Govt.	Court	Govt.		
1931	2	.....	Rs. 1,059	...	2	...	2	Rs. 100	Rs. 959
1932	2	196.05	396	...	2	6	1	281	15
1933	21	203.16	8,424	4	14	2	11	1,413	372
1934	21	204.07	8,075	3	15	3	14	1,814	5,681
1935	5	216.42	930	1	2	1	2	229	610
1936	7	209.49	4,489	3	4	1	4	411	1,979
1937	13	222.73	6,007	4	8	4	4	6	3,370

During the years 1938-44, only 37 surcharge certificates were issued involving an amount of Rs. 16,256. The total number of surcharge certificates issued during the period 1st June 1931 to 10th August 1944 was 108. That is, on the average eight certificates were issued annually. To go into the details is still more interesting. Of the 108 certificates, 56 were issued to the councils situated in the Andhra Districts, 50 to Tamil Nad and remaining 2 to the West Coast. Of the 82 councils, only 37 of them received all the 108 certificates. Of the 37 councils, the municipal council, Guntur, had the unique honour of receiving the largest number of them, viz. 14. Chidambaram got 8, Coimbatore

45. Robson, *Development of Local Government*.

6, Conjeevaram and Palni 5 each; nine councils got each 4 certificates; two got 3 each, seven got 2 each and fourteen got each one. Some of these councils got this honour during the chairmanship of particular individuals. For instance, most of the surcharge certificates issued to the Guntur, Chidambaram and Madura councils related to the period when Messrs. N. V. L. Narasimha Rao (Guntur), Venugopala Pillai (Chidambaram) and R. S. Naidu and L. K. Tulasiram (Madura) were the executive authorities of the respective councils.

Of the 108 certificates, 34 were challenged in a court of law and 60 before the Provincial Government. The courts set aside 13 of the 34 certificates and the Government allowed 39 appeals fully and 13 partly and confirmed the remaining 8.

All these facts show that the number of surcharge certificates issued was not great and the amount involved was not even one-twenty-fifth per cent of the total revenues audited even in the year when largest number of certificates were issued; that the number of appeals set aside by courts either fully or partially did not exceed 33 per cent of the total number of appeals filed before them and a careful reading of the judgments of the Madras High Court reveals the fact that most of the appeals were allowed merely on technical grounds. Therefore, there was no abuse of authority on the part of the auditor in issuing certificates of surcharge. It is true that the Provincial Government allowed 70 per cent of the appeals filed before them. But this does not mean that there was an abuse of discretionary authority vested in the auditor. Far from that. On the other hand, the surcharges found the filing of a revision petition before Government to be less costly and less difficult with greater chances of getting the surcharge certificates set aside. If only we can get at the political relationship that existed between the surcharges and the Minister for Local Self Government and the forces and motives which impelled the latter in allowing the appeals we are sure to get at the most interesting materials. But space and time forbids us to go into these details. Suffice it to say that Government were not always guided by altruistic motives in allowing appeals.

As regards the charge that auditors have no knowledge of local affairs and therefore not fitted to exercise the powers of surcharge, we fail to understand the need for the possession of local knowledge or of local politics. It appears to us that the absence of such knowledge is very essential for conducting audit in an impartial manner. Further, the auditor is concerned with the auditing of municipal accounts and we fail to understand the relation between local knowledge and municipal audit.

In conclusion it must be said that the audit administration was thoroughly efficient especially after its reorganisation in 1922. But for

audit large amounts would have been defalcated and many cases of corruption would not have been brought to light. The auditor had a difficult time especially when non-officials were the executive authorities. He did not get adequate co-operation from them." The Councils did not submit their replies to the audit reports in time," and some of the councils showed persistent indifference in the settlement of audit objections.⁴⁸

However, there is an improvement in the situation with the appointment of municipal commissioners. But one thing appears to be lacking. There does not appear to be that mutual trust and co-operation between the auditor and the municipal staff. Some of the auditors seem to have that mentality of a police officer who always distrusts human nature and thinks that all human beings are habitual criminals. They are under the impression that municipal administration is largely incompetent and corrupt—an impression formed in them when the executive authority was the non-official chairman. They still carry this impression with them even though conditions have changed. Further, they assume that they are the agents of the Provincial Government sent to check, to control and to teach the erring council. The municipal staff on the other hand look upon the auditor as an intruder, an alien and not a friend, philosopher and guide and adopt at times an unreasonable attitude of non-co-operation. We trust that in course of time these clouds of suspicion and mists of misunderstanding will be removed and a perfect understanding of each other's function will be established.

Maharashtra Divisional Conference of Local Bodies

Resolutions passed unanimously at the Maharashtra Divisional Conference of Local Bodies held at Ahmednagar on 24th and 25th January 1947. The Conference was inaugurated by Shriyut Nana Patil and was presided over by Shri S. S. More, B.A., LL.B.

1. This Conference regrets the serious accident in which the President-elect Shri R. B. Raut, M.L.A. was involved and congratulates him on his narrow escape from serious mishap and wishes him long life.

2. This Conference places on record its sense of deep sorrow at the sad demise of Khan Bahadur Dorabjee Eduljee Nagarwala, who was for a number of years President of the Ahmednagar Municipality and to whom Ahmednagar is indebted for a number of civic services.

3. This Conference urges upon the Local Self-Government Institute to impress upon Government to give effect to the Resolutions of Conferences of Local Bodies passed from time to time.

4. (a) This Conference views with apprehension the reports appearing in the press that Government contemplate taking over from local bodies the entire administration of primary education. It is true that local finance will not be able to bear any additional burden. Local Bodies, moreover, welcome the formulation of a central policy of primary education throughout the province. The Conference, however, wishes to point out that the suggestion of taking over of administration of primary education into Government hands—though logical and a drastic culmination of the reactionary policy initiated in the amendments of the Primary Education Act in 1938—is undemocratic and impracticable and should therefore be rejected.

It is indeed bad logic and undemocratic to argue that because local bodies have not the necessary finance and because the Government have or can find necessary funds to finance the present and future administration of primary education—therefore, the actual management of primary education should be withdrawn from local bodies and should, as a corollary, vest in the hands of the paid servants of the State. The real remedy for a democratic and representative Government would be to expand the sources of revenue of local bodies to enable them to share some burden, if necessary. Whether local bodies are able to finance the administration of primary education or not—it would be not only undemocratic in principle but impossible in practice to conduct satisfactorily the administration of primary education except through the agency of local bodies—which consists of responsible representatives of the people. A centrally framed policy can be made successful only by vesting the responsibility of management in the hands of local bodies.

(b) This Conference is of opinion that the amendment of the Primary Education Act by amending Act XII of 1938 by which the Government has taken away the executive powers of management and control of the School Boards and

vested them in the Administrative Officers appointed by Government has not improved administration of Primary Education and is certainly undemocratic and retrograde and requests the Government to restore the said powers to the School Boards.

5. This Conference is grateful to the Government of Bombay for the interim relief, from 1st April 1946, by way of grant-in-aid to the District Local Boards, equal to 50% of the expenditure incurred by them on dearness allowance paid to their staff and to the Municipalities (except those with a population of over one lac) equal to half the expenditure incurred in payment of dearness allowance to their Sanitary Staff—(G. R. G. D. 3874/33 dated 6—11—46).

This Conference, however, requests Government to declare a further instalment of relief as early as possible. 50% relief as mentioned above is absolutely inadequate and does not meet the situation to any appreciable extent because of the abnormal financial depression of Local Bodies. Local Bodies expect that the further instalment of interim relief will be substantial and will go a great way in doing justice to the claims and needs of Local Bodies in this behalf. The further instalment should provide for 100% grant on expenditure incurred by Local Bodies on dearness allowance. The grant should be in respect of the dearness allowance to the whole staff (including primary teachers and other staff of School Boards) and not restricted to sanitary staff. This relief should be granted with retrospective effect and should extend to the whole amount spent by all Local Bodies including those with a population of over one lac, because their financial position is equally precarious.

6. This Conference requests Government to implement all the recommendations of the Kale Committee regarding the improvement of the finances of Local Bodies. The financial condition of Local Bodies has considerably deteriorated since these recommendations were made by the Kale Committee and on the other hand the position of provincial finance has considerably improved. The case for widening the sources of income of Local Bodies has been stronger than ever. The finances of Local Bodies, it appears, will never improve unless Government comes forward to part with a substantial share of Land Revenue which has at present been wholly appropriated by Provincial Government for its own use. Government is, therefore, requested to take this most urgent step to rehabilitate the finance of Local Boards. Municipalities are also groaning under burden of expenditure far beyond their capacity. A comprehensive survey of financial conditions of Local Bodies is, therefore, urgently called for. It is expected that the Government will not delay such enquiry and will declare their policy without delay.

7. This Conference respectfully draws the attention of the Provincial Government to the recommendation of the Kale Committee regarding the encroachment on the powers of Local Bodies by the appointment of *ad hoc* Bodies like the Rural Development Boards and others and regrets to note that such appointments are still continued. These *ad hoc* Bodies are undemocratic in character and they deprive the local bodies (which represent the Local Self-Government Voters)

of a training ground in a sphere rightly belonging to them. This Conference, therefore, strongly urges upon Government to abolish all such *ad hoc* Bodies which encroach upon the functions assigned by Law to Local Bodies and which imply unjustifiable censure of local bodies by Provincial Government.

8 (a) This Conference is of opinion that the imposition of Sales Tax has dealt a further blow to finance of local bodies who are not exempted from the payment thereof on the purchases made by them and thereby have raised their expenditure on purchases by 3½%. This is a very regrettable feature which should have been foreseen and Local Bodies should have been exempted from the operation of the tax. It is now high time that these exemptions are granted soon.

(b) A more bitter complaint, however, in respect of the sales tax is that Government have made no provision for giving any share of the proceeds of sales tax to local bodies and have thereby deprived them of a source of income which local bodies in foreign countries are enjoying. This tax has further encroached upon another source of revenue of local bodies, viz. the Octroi because simultaneous imposition of both Octroi and Sales Tax would be onerous. These facts considered with the possible abolition of terminal tax at a future date render the position of Local Bodies much more precarious. Under the circumstances Government is requested that a substantial share of the proceeds of sales tax should be given to Local Bodies on some equitable basis.

9. This Conference welcomes Government decision as disclosed during the discussions held during District Conferences held under the presidentship of the Reconstruction Minister to entrust execution of reconstruction work to local bodies. Where particular local bodies are held by Government as not having competent superior officers under their service to execute particular works, Government is requested to make suitable grant to local bodies to enable them to engage such competent staff.

10. This Conference requests Government to come forward to bear a substantial share of the expenditure on schemes of Local Bodies for housing their sanitary and menial staff.

11. This Conference requests Government to encourage municipalisation of public utilities and should institute inquiries as to which local bodies are capable of undertaking them, with such technical, financial and other aid which Government is able to give. As a first step, transport service should be municipalised and handed over to individual local bodies where service is confined to their respective jurisdictions or to joint boards of local bodies where more than one local body have jurisdiction over the transport route.

12. This Conference is of opinion that the Roads which have been damaged by Military traffic should be reconstructed at provincial expenses and no part of this expenditure should fall on local bodies. Government should take early steps to give effect to this resolution because expenditure on repairs or reconstruction of such roads is too heavy for local bodies' finance to shoulder.

13. This Conference is of opinion that Government grants for Drainage and Water Works should be at least 50% even in case of Borough Municipalities.

14. This Conference notes with regret that grants in respect of communications are continually being reduced. Government is, therefore, requested to restore these grants and to augment them in view of the deterioration of Roads and of the necessity of reconstructing and modernising them. This Conference would like to impress upon the Government the necessity of laying down equitable principles for distribution of Communications Grant in order to do justice to every Local Board and with a view to avoid the impression that these grants are not impartially distributed.

15. This Conference requests Government and representatives of our Province on the Constituent Assembly to see that local bodies are given special representation on Provincial Legislature so that the grievances of Local Bodies can be directly represented thereon. This is absolutely necessary in view of the fact that after the introduction of Provincial Autonomy Local Bodies' finances have ceased to have separate existence and are included under Provincial finance.

16. This Conference requests Government to exempt T. P. Scheme plots from payment of non-agricultural assessment and for the purpose to extend the limits of Village sites, or 'Gaathan Lands' wherever it is necessary to do so for extension of Town limits by launching T.P. Schemes.

17. As the economic conditions prevailing in the villages have grown worse owing to high cost of living and hardships caused by ill-health, plague, cholera etc. this Conference is of opinion that the peasants will not be in a position to bear the additional burden of taxation due to raising of the cess to 3 annas. It is further of opinion that even with the raising of the cess as proposed by Government there will be very small increase in the income of the District Local Boards and that too will not be adequate enough to meet the every day demand made on its finances. This Conference, therefore, respectfully protests against the advice given by Provincial Government to Local Boards to raise the local fund cess to 3 annas in a rupee and requests Government to provide the local authorities with all the necessary funds to bear the additional expenditure due to new scales of pay etc.

18. This Conference requests Government that it should make available to Local Bodies free of charge technical advice regarding schemes of Water Supply, Land Acquisition, Epidemic Relief and other technical subjects where Government have under their employment experts maintained at the expense of Provincial Government. Legal advice free of charge may also be provided.

19. This Conference requests Government to pay grants towards expenditure on the following items which expenditure is held inadmissible for Government Grant at present:—

(1) Cost of buildings. (2) Expenditure on Drawing Teachers. (3) Expenditure on Music teachers. (4) Expenditure on Physical Instructors. (5) Expenditure on Books and Prizes. (6) Expenditure on Hindusthani Schools. (7) Expenditure on Visual Instruction. (8) Expenditure on additional servants entertained after the transfer of control. (9) Expenditure on Contingency and Magazines in excess of Datum line expenditure.

20. Whereas the percentage of Literacy in our Province is very low and whereas the cinema shows have become a valuable source of propagating information to the population, Government is requested to get prepared cinema Films on subjects of contagious Diseases like Plague, Cholera, Small-pox, Malaria, Typhoid etc., together with preventive remedies to combat these diseases.

21. (a) This Conference requests Government to make necessary amendments in Municipal Acts with a view to effective recovery of taxes by sale of immoveable properties and transferring of possession thereof.

(b) This Conference requests Government to make provision in Municipal Acts authorising Municipalities to inspect relevant entries in Dealers' Accounts with a view to avoid leakage in Octroi Revenues.

22. Government is requested to amend the Municipal Acts with a view to provide remedies to avoid Deadlocks which sometimes occur owing to the difference of opinions between the President and majority of members who express non-confidence in the President.

23. This Conference regrets that undue burden has been placed on Municipal finance due to expenditure on the working of the Shops and Establishment Act and requests Government to shoulder this expenditure.

24. Government is requested to issue instructions to the Collectors to make out a case for every local body within his jurisdiction for recovery of taxes on Railway properties for being submitted to the Government of India in order that local bodies may not lose this substantial source of revenue particularly in view of the fact that small local bodies require such guidance from the collectors.

25. Government is requested that wherever they declare increase in dearness allowance, interim relief, bonus, etc., to Government staff, they should simultaneously announce grants to local bodies to cover expenditure for granting similar relief, increment etc., to their own staff to avoid dissatisfaction amongst them.

26. Government is requested to provide for suitable priority to Presidents of Local Bodies in the "order of precedence" and to issue instructions to Government District Officers to give due respect to such priority.

27. As Local Bodies are managing certain functions transferred to them by Government it is necessary for due discharge of these that the same facilities as are available to Government Departments in respect of expert legal and technical advice, should be also available to Local Bodies and this Conference recommends to the Government that the said advice should be given gratis.

28. This Conference requests Government to allocate to local bodies a substantial share of income from N.A. Assessment, Court fee stamp, stamps on transfers of properties, petrol tax etc.

29. Government is requested to give facilities to local bodies to incur capital expenditure by providing for loans at lower rate of interest and for expeditious disposal of their loan applications.

30. This Conference is of opinion that all open lands within Municipal limits excepting private lands and lands specially reserved by Government should vest

completely in Local Bodies. Local Bodies should have unrestricted right to let them or put them to special use. Government should not claim any share in the income derived from this source.

31. This Conference is of opinion that expenses for maintaining lunatics as well as anti-rabic charges within Municipal area should not be recovered from municipalities but should be borne by Government.

32. This Conference is of opinion that the recovery of Centage charges from Local Bodies on public works is highly inequitable and should be immediately given up by Government and is further emphatically of opinion that Local Bodies should be helped by giving such expert advice by Government as may be necessary for the purpose without charging anything whatsoever.

33. This Conference is of opinion that the share under the Motor Vehicles Tax Act after abolition of toll system, received by the Local Bodies is quite inadequate and further adds that Government should distribute the total proceeds equitably amongst the Local Bodies.

34. This Conference is of opinion that in view of the present meagre resources at the disposal of the Municipalities, most of them find it impossible to take up and carry out schemes of :—(1) Road-widening (2) Slum-clearance (3) Opening of Conservancy Lanes (4) Drainage (5) Water Supply Schemes, etc., which are of vital importance to the health of the citizens. The Conference, therefore, recommends to Government to pay to Municipalities grant-in-aid equal to 2/3rds of the expenditure on the above mentioned schemes.

35. This Conference is of opinion that Section 123 of the Bombay Municipal Boroughs Act, 1925, should be amended so as to empower the Chief Officer, under the written orders of the General Board to demolish any kind of structure or construction of any kind of building or a portion thereof, if so built by the house-owner or occupier without the written permission from the Municipality or if encroached upon, beyond the written permission, already granted by the Municipality.

36. Whereas Under Section 89 (1) the Standing Committee has been empowered to record the transfer of titles and since, under Sections 87 & 88 the Chief Officer is authorised to receive notices of the transfer of titles and to call for additional information, this conference is of opinion that the Chief Officer should be empowered to record the transfer of titles instead of the Standing Committee in order that the cases may be disposed of promptly.

37. Whereas there is no provision in the Municipal Acts to put up either a chain or barrier across the roads near the Octroi Nakas in order to stop the vehicles to enable the Municipal Staff to inspect the contents of the lorries and other vehicles for the purpose of recovering the Octroi Duty, particularly during night-time and whereas it has been experienced that the drivers do not stop the vehicles at the Nakas inspite of warning by the red-lamp and whereas the District Magistrate does not allow to put up the barrier or chain, in the absence of any provision in the Municipal Acts, this Conference requests that provision should

please be made in the Act to enable the Municipalities to put such chains or barriers, without which they are suffering heavy loss of revenue from Octroi.

38. Several articles liable to Octroi Duty are received in the City by post, and the same cannot be detected as the articles are delivered directly to the merchants concerned by the Postal Department. The result is that the Municipality is losing its revenue from Octroi on such articles.

The Post Master General, Bombay, was requested to instruct the local Post Masters to supply the list of parcels containing the articles liable for Octroi or give the names and addresses of the persons to whom the parcels are delivered, or allow the Municipal Nakedars to take necessary information from the records of the Post Offices. But all the proposals of one of the Municipalities were refused by the Post Master General recently on the ground that the existing rules of the Department do not allow to do so.

The Local Bodies are Semi-Government institutions and it would be quite justifiable, if they claim co-operation from Government in such matters. In the Indian Post Office Act 1898 there is provision to detain the Postal articles liable for duty at the Post Office. However as the word "duty" in the said Act is interpreted as Government duty, the local bodies do not get the benefit of this provision for the purpose of recovering Octroi Duty.

It is feared that there will be some inconvenience caused if some Municipalities resort to their legal powers to enforce inspection etc.

Under these circumstances, Government is requested to apply the provisions of the Indian Post Office Act 1898, for the purpose of recovering the Octroi Duties of Local Bodies, or to instruct the Postal Authorities to render co-operation to the Local Bodies by furnishing necessary information to enable them to recover Octroi.

39. Government is requested to pay 50% grant-in-aid over the amount spent by the Municipalities on the salaries and allowances of Water Works & Drainage Engineers of all Municipalities to enable them to appoint such Officers, as Sanitary Engineering works are essential for the sanitation of urban areas.

40. This Conference appoints the following Committees to wait in deputation upon the Hon'ble Minister for Local Self-Government and to impress upon him the necessity of implementing the Resolutions passed at this Conference.

(A) Deputation regarding Local Board affairs :—

1. Shri. R. B. Raut, M.L.A., Chairman.
2. Mrs. Hirabai P. Bhapkar, President, District Local Board, Ahmednagar.
3. President, District Local Board, East Khandesh.
4. Shri. S. G. Chavan, Administrator, District Local Board, W. K.
5. President, District Local Board, Nasik.
6. Shri. A. G. Awate, President, District Local Board, Poona.

7. Shri. D. S. Desai, B.A., LL.B., President, District Local Board, Satara.
8. Shri. J. R. Pawar, B.A., LL.B., President, District Local Board Sholapur.

(B) Deputation regarding Municipal affairs :—

1. Shri R. B. Raut, M.L.A., Chairman.
2. Shri. C. M. Warud, Sholapur.
3. Shri. B. N. Sanas, Poona.
4. Abdul Razaque Moulvi Abdul Majid, Esqr., Malegaon.
5. Shri. S. R. Chaugule, Karad.
6. Shri. P. R. Kabirbuwa, Alandi.
7. Rao Saheb V. H. Patil, Savda.
8. Shri. N. M. Gujarathi, Nandurbar.
9. Shri. U. R. Bogawat, Ahmednagar.

Gujarat Divisional Conference of Local Bodies

Resolutions passed at the Gujarat Divisional Conference of Local Bodies held at Nadiad on the 1st and 2nd February 1947 under the presidentship of Dr. Chandulal M. Desai.

1. (a). This Conference views with apprehension the reports appearing in the Press that Government contemplate taking over from Local Bodies the entire administration of primary education. Though the Conference welcomes the formulation of the central policy of primary education throughout the Province, the Conference wishes to point out that the suggestion of taking over of administration of primary education into Government hands is undemocratic and impracticable and should therefore be rejected.

It is not proper to argue that because local bodies have not the necessary finance and because the Government have or can find necessary funds to finance the present and future administration of primary education, therefore the actual management should be withdrawn from local bodies and should as a corollary vest in the hands of the paid servants of the State. The real remedy would be to expand the sources of revenue of local bodies to enable them to share some burden if necessary. It would be impossible in practice to conduct satisfactorily the administration of primary education and to carry out Government policy of compulsory basic and adult education etc., except through the agency of local bodies which consist of responsible representatives of local people who are in daily contact with them.

(b). This Conference is of the opinion that the amendment of the Primary Education Act by amending Act XII of 1938 by which the Government have taken away the executive powers of management and control of the School Boards and vested them in the Administrative Officers appointed by the Government has not improved administration of Primary education and is certainly undemocratic and retrograde and requests the Government to restore the said powers to the School Boards.

2. This Conference appreciates the interim relief granted by the Government from 1st April 1946 by way of grant-in-aid to the District Local Boards equal to 50% of the expenditure incurred by them on dearness allowance paid to their staff and to the Municipalities (except those with a population over one lac) equal to half the expenditure incurred in payment of dearness allowance to their sanitary staff. (G. R. G. D. 3874/33 dated 6-11-46).

This Conference however requests the Government to declare a further instalment of relief as early as possible. 50% relief as mentioned above is absolutely inadequate and does not meet the situation to any appreciable extent because of the abnormal financial depression of local bodies. Local bodies expect that a further instalment should provide for 100% grant on expenditure incurred by

local bodies on dearness allowances. The grant should be in respect of the dearness allowance to the whole staff (including primary teachers and other staff of School Boards) and not restricted to sanitary staff. This relief should be granted with retrospective effect and should extend to the whole amount spent by local bodies including those with a population over one lac because their financial position is equally precarious.

3 (a). This Conference is of the opinion that in order to improve the finances of Local Boards and Gram Panchayats, it is absolutely necessary that Government should part with a substantial share of land revenue which has at present been wholly appropriated by Provincial Government for its own use.

(b) This Conference is of the opinion that Municipalities big as well as small are groaning under burden of expenditure far beyond their capacity. This Conference therefore urges upon Government that immediate relief should be granted to them, priority being given to small Municipalities whose finances are particularly bad.

4. This Conference invites the attention of the Provincial Government to the recommendation of the Kale Committee regarding the encroachment on the powers of Local Bodies by the appointment of *ad hoc* bodies like the Rural Development Boards and others and regrets to note such appointments are still continued. These *ad hoc* bodies are undemocratic in character and they deprive the local bodies (which represent the Local Self-Government voters) of a training ground in a sphere rightly belonging to them. This Conference therefore strongly urges upon the Government to abolish all such *ad hoc* bodies which encroach upon the functions assigned by Law to local bodies and which imply unjustifiable censure of local bodies by Provincial Government.

5. This Conference is of opinion that in the imposition of Sales Tax, local bodies should have been exempted from the operation of the tax in respect of materials purchased by them. Local Bodies should be exempted from payment of this tax by immediate executive action and effect should be given to such exemptions retrospectively and the amounts so far collected from local bodies should be refunded to them.

6. This Conference regrets that Government have made no provision for giving any share of the proceeds of Sales Tax to local bodies and have thereby deprived them of a source of income which local bodies in other countries are enjoying. In the circumstances Government is requested that a substantial share of the proceeds of Sales Tax should be given to local bodies on some equitable basis.

7. This Conference requests Government to bear a substantial share of expenditure on schemes of local bodies for housing their Harijan staff, suitable sites for the purpose being given to local bodies free of cost by Government.

8. This Conference requests Government to encourage municipalisation of public utilities and to institute inquiries as to which local bodies are capable of undertaking them, with such technical financial and other aid which Government

is able to give. As a first step, transport service should be municipalised and handed over to individual local bodies where services are confined to their respective jurisdictions or to joint boards of local bodies where more than one local body have jurisdiction over the transport route.

9. This Conference is of the opinion that Government grants for Drainage and Water Works and other Public Health Schemes should be at least 50% even in case of Borough Municipalities.

10. This Conference notes with regret that grants in respect of Communications are continually being reduced. Government is, therefore, requested to restore these grants and to augment them in view of the deterioration of Roads and of the necessity of reconstructing and modernising them. This Conference would like to impress upon Government the necessity of laying down equitable principles of distribution of Communications grant in order to do justice to every Local Board and with a view to avoid the impression that these grants are not impartially distributed.

11. This Conference requests Government to exempt T. P. Scheme plots from payment of non-agricultural assessment and for the purpose to extend the limits of village sites, or "Gaathan Lands" wherever it is necessary to do so for extension of town limits by launching T. P. Schemes. If, however, the N.A. assessment is continued to be recovered by Government, the proceeds should be handed over to local bodies concerned.

12. This Conference is of opinion that Local Fund Cess should be raised to three annas and that fifteen pies thereof should be contributed towards P.E. Fund provided however that Government make it clear that (1) all expenditure beyond that covered by 15 pies contribution to P.E. Fund out of the Local Fund Cess of three annas shall be borne by Government on a permanent basis and that the control of primary education shall be left with the Local Authorities, and that (2) Local Authorities should not be called upon to pay a pie if control of primary education is taken over from Local Authorities.

13. This Conference requests Government that it should make available to local bodies free of charge technical advice regarding schemes of water supply, land acquisition, epidemic relief and other technical subjects where Government have under their employment experts maintained at the expense of Provincial Government. Legal advice free of charge may also be provided.

14. This Conference requests the Government to pay grants towards expenditure on the following items which expenditure is held inadmissible for Government grant at present :—

(1) Cost of buildings (2) Expenditure on Drawing teachers (3) Expenditure on Music Teachers (4) Expenditure on Physical Inspectors (5) Expenditure on Books and Prizes (6) Expenditure on Hindustani Schools (7) Expenditure on Visual Instruction (8) Expenditure on additional servants entertained after the transfer of control (9) Expenditure on contingency and Magazines in excess of datum line expenditure.

15 (a). This Conference requests Government to make necessary amendments in Municipal Acts with a view to effective recovery of taxes by sale of immoveable properties and transferring of possession thereof.

(b) This Conference requests Government to make provision in Municipal Acts authorising Municipalities to inspect relevant entries in Dealers' Accounts with a view to avoid leakage in Octroi revenues.

16. Government is requested to amend Municipal Acts with a view to provide remedies to avoid deadlocks which sometimes occur owing to the difference of opinions between the President and majority of members who express non-confidence in the President.

17. This Conference regrets that undue burden has been placed on the Municipal finance due to expenditure on the working of the shops and establishment Act and requests Government to shoulder this expenditure.

18. Government is requested that whenever they declare increase in dearness allowance, interim relief, bonus, etc., to Government staff, they should simultaneously announce grants to local bodies to cover expenditure for granting similar relief, increment, bonus etc., to their (Local Bodies') own staff to avoid dissatisfaction amongst them.

19. This conference requests the Government to allocate to local bodies a substantial share of income from entertainment tax and electricity, surcharge and stamps on transfers of properties, petrol tax etc.

20. Government is requested to give facilities to local bodies to incur capital expenditure by giving loans to local bodies at an easy rate of interest and for expeditious disposals of their loan applications.

21 (a). This Conference is of the opinion that all open lands belonging to Government within Municipal limits except lands required by Government for their own purpose should vest completely in Municipalities. Municipalities should have unrestricted right to let them or put them to special use. Government should not claim any share in the income derived from this source. If necessary, Government may impose a condition that realisation from such lands should be used only on capital works. Government is requested to give effect to this resolution immediately.

(b). This Conference is of the opinion that the wells, tanks, trees, etc., at present under the management of Local Boards and Panchayats should vest wholly in them for all public purposes.

22. This Conference is of the opinion that charges levied for maintaining lunatics as well as for anti-rabic treatment from Municipalities should be appreciably reduced.

23. This conference is of the opinion that centage charges fixed by Government for preparation of plans, scrutiny and estimates in respect of schemes of sanitation such as Drainage Works and of Water Works are very high. It is the duty of Government to help the Local Bodies in these matters through their Public

Health Department free of cost, or at nominal charges only. As regards the execution of such works Government should not levy charges higher than the cost actually incurred by them.

24. This conference is of the opinion that the share under the Motor Vehicles Act after abolition of Toll System received by the Local Bodies is quite inadequate in view of the fact that Government income from this Source has considerably increased, and therefore requests Government to distribute the total proceeds equitably amongst the Local Bodies.

25. Whereas under section 89 (1) the Standing Committee has been empowered to record the transfer of titles and since under Sections 87 & 88 the Chief Officer is authorised to receive notices of the transfer of titles and to call for additional information this Conference is of the opinion that the Chief Officer should be empowered to record the transfer of titles instead of the Standing Committee in order that the cases may be disposed off promptly.

26. Whereas there is no provision in the Municipal Acts to put up either a chain or barrier across the roads near the Octroi Nakas in order to stop the vehicles to enable the Municipal staff to inspect the contents of the Lorries and other Vehicles for the purpose of recovering the Octroi Duties, particularly during night time and whereas it has been experienced that the drivers do not stop the vehicles at the Nakas in spite of warning by red lamps and whereas the District Magistrate does not allow to put up the barrier or chain in the absence of any provision in the Municipal Acts this Conference requests that provision should be made in the Act to enable the Municipalities to put such chains or barriers without which they are suffering heavy loss of revenue from Octroi.

27 (a). Several articles liable to Octroi duties are received in the City by post, and the same cannot be detected as the articles are delivered directly to the merchants concerned by the Postal Department. The result is that the Municipality is losing its revenue from Octroi on such articles. Government of Bombay is requested to devise means to see that this severe leakage is stopped.

(b). Government is also requested to consider the question of similar leakage in respect of articles transported through Railways and Customs Authorities.

28. In view of the fact that Municipal taxes and cess are the first charges on immoveable property, this Conference requests Government to amend Municipal Acts to enable these taxes to be recovered by execution through Civil Courts without filing suits by the Municipalities.

29. This Conference earnestly requests the Bombay Government to immediately hand over the balance of 'harsod' which is lying with Government with effect from the date on which the Anderson Scheme came into effect.

30. This Conference is of the opinion that judicial administration of offences under the Municipal Acts, By-laws, food laws, small civil claims, minor offences under the Indian Penal Code, Primary Education Act, Shops and Establishments

Acts, Weights & Measures Act, and other allied Acts should be entrusted to Stipendiary Magistrates to try the matters locally.

31. This Conference is of the opinion that those Municipalities within whose limits there are Railway buildings and lines, platforms, and other properties should have a right to levy taxes in the same manner as they levy taxes on private properties. This Conference therefore requests the Minister for Local Self-Government to move the Government of India in the matter with a view that the Municipalities may be able to levy such taxes.

32. Municipalities which were Local Authorities under Primary Education Act and which have now ceased to be so due to taking over the control of School Boards since 1938 should be called upon to pay only 33% as other non-Local Authority Municipalities are called upon. It is inequitable and unjust to demand 50% from such Municipalities. This Conference is therefore of the opinion that the amounts recovered in excess of 33% should be refunded and where the amounts are not recovered they should be remitted.

33. This Conference is of opinion that Gram Panchayat Finance requires to be substantially strengthened. The only means by which this can be done is by allocating at least 15% of the land revenue recovered by Government from the Village concerned. The Government is therefore requested to make such allocation of land revenue without delay.

34. This Conference requests Government to introduce the system of compulsory distributive voting in all elections to local bodies.

35. This Conference requests Government to devote an appreciably greater proportion of expenditure out of the Provincial Budget on Public and Social Works in rural areas.

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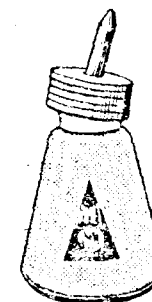


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CONTROL OF MUNICIPAL ADMINISTRATION IN THE MADRAS PRESIDENCY

By V. VENKATA RAO, M.A., M.Litt.,

Politics Department, Madras University.

Introduction

All organisations, if they are to function properly, should be subjected to proper control. The degree or the kind of control that may be exercised depends on the nature of organisation. National cabinets are controlled by national representative institutions and they in their turn are controlled periodically by the electorate. Similarly, municipal councils are subjected to a variety of controls by outside authorities. Their daily activities are closely supervised by the administrative departments of the Provincial Government. They live and grow as designed and ordered by the Provincial Government.

There seems to be a sentimental belief in the value of local independence. Some of the eminent publicists like Lord Eustace Percy¹ and the Webbs share this belief. Lord Percy argues that the administration of the services provided for the benefit of the individuals of a locality should be handed over to small autonomous units. Similarly, the Webbs have laid great stress on the advantages of making wards of a council as administrative units. Both of them contend that it is only by "reducing the size of the units of administration that we can in these days preserve any real democracy". Both of them seem to believe that by this method alone local knowledge and skill can be utilised. But both of them seem to miss the essential point. Efficient management, especially of electricity, water supply and roads requires not only larger areas but also technical skill which cannot be supplied by local talent. The common sense of the municipal councillors on which so much stress is laid cannot solve the intricate and complex problems of administration. On the other hand what we find at present is a deliberate attempt to exclude the municipal councillors from having anything to do with administrative details. Economic and technological factors are largely responsible for undermining the so-called independence of the councils. Recent experiments carried on in the Tennessee Valley clearly demonstrate

1. Percy, *Government in Transition*, p. 127.

The writer desires to express his gratefulness to Dr. E. Asirvatham, Head of the Department of Politics and Public Administration, Madras University, and to Professor M. Venkatarangiah, Ex-President of the Indian Political Association, for reading the typescript and making many useful suggestions.

the fact that independent policies carried on within narrowly limited areas are a costly luxury. Efficient administration requires broader areas and control by independent outside authorities. "The present state of efficiency of the local government services and administration in Great Britain has been largely due to the ever-increasing pressure of the departments of the Central Government".

Why should the Provincial Government interfere in the affairs of the municipal councils? When people congregate in a particular place they give rise to a number of problems. The behaviour of one affects the rights of others. In a similar way the activities of one council may cause harm to another. For instance, the Trichinopoly council may discharge its sewage water at a place where Srirangam municipality has its sources of water supply. The Conjeevaram municipality may refuse to pay the contribution from the tolls collected to the Chingelput District Board. Therefore, to decide the conflicts that may arise between the councils on the one hand and other local authorities on the other there should be an outside authority.

Secondly, the municipal councils are deficient in knowledge in very many respects, for their field of observation is narrow and their experience limited. Further, there is frequent change in their personnel. With every election new members come into office. Being essentially politicians, the municipal councillors do not possess that knowledge which is very essential for administering such services as education and public health. And this deficiency can only be supplied by the provincial government whose field of observation is large and experience unrivalled.

Thirdly, the councils actuated by political and communal considerations may act in a manner prejudicial to the community as a whole. For instance, a council may decide to give licence for the supply of electricity to a particular concern in which some of the councillors have pecuniary interests. Their action may result in laying a heavy burden on the future tax-payers. But if it is provided that before sanctioning such licences, the approval of the Electrical Engineer to Government should be secured, an opportunity is given to an outside authority to view things dispassionately and thus prevent a fraud being committed.

Fourthly, some of the councils are financially backward and are not in a position to undertake the responsibility of providing such services as water supply and drainage, maternity and child welfare centres and secondary education. To secure the minimum social welfare the provincial government may have to be approached for

financial assistance which is not ordinarily given without conditions being imposed.

Finally, there is a general repugnance on the part of the municipal councils to impose taxation. Every one wants to be careful with his own money and the idea of common good is very often imposed than realised. In other words many councils do not want to levy taxation and without adequate taxation all the social services cannot be provided. In order to provide some of the essential social services for the benefit of the people of the locality the provincial government may have to interfere under extraordinary circumstances and impose new taxes even against the wishes of the council. For these and similar reasons there is need for the control of administration by the provincial government and its departments.

The control exercised is of three kinds, legislative, judicial and administrative.

I. LEGISLATIVE CONTROL

The activities of the councils are regulated by the District Municipalities Act. The limits within which they should act are set out in it. The Provincial Legislature can alter their constitution. It can take away the powers given to them. It can entrust them with new functions from time to time. The legislative control may therefore be considered supreme. The familiar way by which this control is exercised is by amending the Act. The amendments to the Act may be moved by the Government or by private members. Very rarely amendments of the private members are accepted by the legislature. The one notable non-official amendment to the Act which effected great improvement in municipal administration was that moved by Mr. A. Ranganatha Mudaliar proposing the appointment of executive officers to the municipal councils.

II. JUDICIAL CONTROL

We now come to the second method of control, viz. the judicial control. The remarkable feature of the present-day administration is the endowment of immense powers in the municipal councils to decide questions of a kind which were formerly referred to courts of law. A great majority of the matters with which they deal are of great importance and a good number of their decisions are as conclusive and binding as those of the formal courts of law. The centre of gravity has shifted from the judiciary to administration. These immense powers afford opportunities for corruption and unfair dealings. Further, the supervising authorities are far away from the municipal councils and local affairs may appear to them to be

trifling. It is, therefore, essential that there should be an independent authority like the judiciary to see that law is properly interpreted and that the individuals are protected from the petty tyrannies of municipal authorities.

Legal Liability of Municipal Authorities

The principle that municipal authorities are liable for the acts of their servants was settled in the middle of the nineteenth century. They can be sued for misfeasance and non-feasance. "If as Coke contended, it has no soul to be excommunicated, it has now a mind to which malice may be imputed. If it has nobody to be beaten, it can beat and be made to pay the penalty in an action for assault and battery. It can be indicted not only for non-feasance but also for misfeasance."²

From the above it is evident that municipal authorities are in no better and in no worse position than other commercial organisations. Nonetheless, unlike the commercial agencies, they enjoy a certain amount of immunity from legal action in virtue of their statutory position. We are often told by courts that municipal authorities are not liable for non-feasance in the case of statutory duties. That is, if any private person suffers any special damage because of the failure of a municipal council to perform its statutory duties, he cannot sue the council concerned. For example, a municipal council is not liable to any one who has suffered a damage as a result of its failure to construct a new system of drains which is a statutory duty. This does not mean that municipal councils are completely immune from all legal action. They are liable for non-feasance when it takes the form of an omission to act when they are in duty bound to act. For example, if a municipal council constructs an air raid shelter in the middle of a road and leaves it without properly lighting it, with the result that someone falls into it and is injured, the municipal council concerned is liable to a judicial action as any other private person and it cannot escape by pleading the statutory nature of duty. In such cases the negligence of the municipal council takes the form of misfeasance,³ and the local authority may be sued for damages.

2. Introduction by Professor Morgan in Robinson, *Public Authorities and Legal Liability*, p. 7.

3. The distinction between non-feasance and misfeasance is this. Non-feasance is said to be an offence of omission while misfeasance is said to be a misdeed or trespass; also the improper performance of some lawful act. For instance, if a municipal council is endowed with power to perform some act, they must perform it in such a manner as not to interfere with a legal right vested in another. If a municipal council negligently permits a quantity of metal to remain by the roadside for an unreasonable time with the result that some one's carriage is overturned, the municipal council is liable to a judicial action.

It might be argued that municipal authorities have no powers except those given by the legislature and the legislature has given them no authority to commit wrongs. Therefore, local authorities cannot be held responsible for the acts of its servants. But inasmuch as a municipal council is a fictitious person distinct in law from its members, it is not capable of acting except through its agents. All the acts and therefore all the wrongful acts of a municipal council are in fact the acts of its agents. "Every act done, authorised or ratified on behalf of a Corporation by the supreme governing authority of that corporation or by any person or body of persons to whom the general powers of the corporation are delegated, is for the purpose of the law of torts an act of the corporation itself whether *intra vires* or *ultra vires* of the corporation and the corporation is liable accordingly for that act or for any tort committed in respect of it by any agent or servant of the corporation within the scope of his authority or employment."⁴

Basic Principles of Control

The courts as such do not enjoy unbridled freedom to interfere with the affairs of the municipal authorities. Judicial control is based on certain principles. What are they?

Firstly, as long as an administrative department has acted or appears to have acted within the authority given to it by statute, the courts should refrain from enquiring whether it has exercised its discretionary powers soundly. This principle has been clearly stated in *Roberts v. Hopwood*. Lord Sumner said:

Much was said at the Bar about the wide discretion conferred by the Local Government Acts on the Local Authorities. In a sense this is true but the meaning of the term needs careful examination. . . . There are many matters which the courts are indisposed to question. Though they are the ultimate judges of what is lawful and what is unlawful they often accept the decisions of the local authorities simply because they are themselves ill-equipped to weigh the merits of one solution of a practical question as against another. This however is not a recognition of the absolute character of the local authority's discretion but the limits within which it is wise to question it. There is nothing about a council that corresponds to autonomy. It has great responsibilities but the limits of its powers and of its independence are such as the law mostly statutory may have laid down and there is no presumption against the accountabi-

4. Salmond, *Law of Torts*, p. 78.

lity of the authority. Everything depends upon the construction of the sentences applicable.⁵

Secondly, where the municipal councils entrusted with judicial functions have exercised them *bona fide*, not influenced by extraneous or irrelevant considerations the courts will not interfere. This principle was laid down as early as 1911 in *Board of Education v. Rice*. Lord Loreburn said:

I need not add that the Board of Education must act in good faith and fairly listen to two sides for that is a duty lying upon any one who decides anything. But if the court is satisfied that the Board have not acted judicially in the way I have described above or have not determined the questions which are required by law, the courts may interfere.⁶

This principle was restated in another case in 1915 by Viscount Haldane. The Noble Lord said:

My Lords, where the duty of deciding an appeal is imposed, those whose duty it is to decide it must act judicially. They must deal with the question referred to them without bias and they must give to each of the parties the opportunity of adequately presenting the case made. The decision must be come to in the spirit and with the sense of responsibility of tribunal whose duty it is to mete out justice.⁷

But where discretion is exercised in an arbitrary manner, or without jurisdiction, the courts may step in and check the municipal council concerned. This principle was laid in *Metropolitan Asylum District v. Hill*. The facts of the case were the appellants had erected a hospital near the residential quarters of the respondents for the reception of persons suffering from small-pox and other infectious and contagious diseases and thus committed nuisance. The appellants pleaded the statutory nature of duty. The court held that the local authority did not exercise its discretion properly. In delivering the judgment Blackburn J. said:

Where legislature directs that a thing shall at all events be done the doing of which if not authorised by the legislature would entitle any one to an action, the right of action is taken away. . . . The legislature has very often interfered with the right of private persons but in modern times it has generally

5. *Roberts v. Hopwood*, A.C. 1925, pp. 603-07.

6. *Board of Education v. Rice*, 1911 A.C., 179.

7. *Local Government Board v. Arlidge*, 1915 A.C., 133. In this case Lord Moulton said, "the Ministry of Health need not act in a purely judicial capacity. Nevertheless, it should act in a judicial temper and must treat the matter in a judicial spirit."

given compensation to those injured, and if no compensation is given, it affords reason though not a conclusive one, for thinking that the intention of the legislature was, not that the thing should be done at all events but that it should be done, if it could be done without injury to others. It is clear that the burthen lies on those who seek to establish that the legislature intended to take away the private rights of individuals, to show that by express words and by necessary implication such an intention appears.⁸

Thirdly, statutes creating duties frequently prescribe a particular procedure for the performance of those duties. As long as the authority concerned observes the procedure and acts within its jurisdiction, it is immune from judicial interference. But as soon as it ventures outside its jurisdiction it immediately becomes exposed to the chill winds of legal liability and the immunity fades away more quickly than the setting sun.

Fourthly, the courts do not interfere as long as municipal authorities do not commit an act of misfeasance. For example, on the 26th September 1940 one Mr. Fox while riding on a cycle at about 9.30 p.m. during the blackout days ran into an air raid shelter which had been erected by the Newcastle-Upon-Tyne Corporation under the authority conferred upon it by Section 9(1) of the Civil Defence Act, 1939. The plaintiff sustained injuries to his cycle, clothing and person and claimed damages on the ground that the accident was caused by the neglect of the corporation in failing to light it or to paint it white. The Corporation denied the charges and took objection that action was not maintainable as there was no duty on them which they had failed to discharge. The Kings Bench held that as there was no duty or obligation upon the corporation to light the shelter under the statue or under common law the suit was dismissed.⁹

Fifthly, courts are prohibited by the statutory provisions from interfering with certain classes of cases. But where there is no such exclusion the local authorities may be compelled by the courts to act within their jurisdiction.

Finally, courts should not interfere with the decisions of the municipal authorities on the ground that the reports and records, on the basis of which orders were issued, have not been made available and that the procedure usually followed in the courts of law has not

8. *Metropolitan Asylum District v. Hill*, 6 A.C., 203-8. See also *Mohammed Mahideen Sait v. Municipal Commissioner for the City of Madras*, 25 I.L.R. (M), 118.

9. *Fox v. Newcastle-Upon-Tyne*, 1941, 2 K.B., 121.

been observed in deciding the case. This principle has been clearly stated in *Local Government Board v. Arlidge*. In that case it was stated that the municipal authorities need not follow the procedure usually followed in the courts of law. They may follow any procedure they think fit. They need not administer oath and need not examine witnesses. They may obtain information in any way they think fit, so long as the parties are given an opportunity to cover and contradict statements likely to prejudice them. Lord Shaw of Dunfermline paying particular attention to the contention of Mr. Arlidge that he was denied access to the reports of the Inspector on the basis of which the final decision of the Local Government Board rested said:

- The demand is a grotesque one. And I feel certain that if it were laid down in courts of law that such disclosure could be compelled a serious impediment might be placed upon the frankness which ought to obtain among a staff accustomed to elaborately detailed and often most delicate and difficult tasks. The very same argument would lead to the disclosure of the whole file. It may contain and frequently does contain the views of inspectors, secretaries, assistants and opinions may differ but all of which form the material for the ultimate decision . . . and the disclosure of such reports would be inconsistent with efficiency, with practice and with true theory of complete parliamentary responsibility for departmental action.¹⁰

We have so far seen the circumstances under which the courts of law interfere with the discretionary functions of municipal authorities. We shall now consider the means by which redress is secured to the individual sufferers. Before we proceed with that we shall note the procedure to be observed before taking legal action against a municipal authority.

Procedure

Under Section 350 of the Madras District Municipalities Act, a suit for damages or compensation may be instituted against "the Municipal Council, or any municipal authority, Officer or servant or any person acting under the direction of the same, in respect of any act done in pursuance or in execution or intended execution of any rule or bye-law regulation or order" subject to the following conditions. Firstly, every such suit should be commenced within 6 months after the date on which the cause of action arose. Secondly, a notice stating the cause of action and the relief sought should be delivered or left at the municipal office and wait for a month's time

so that the defendant may tender amends to the satisfaction of the plaintiff. Lastly, the sanction of the provincial government should be obtained before taking any action against the Chairman, every councillor or the executive authority for any offence alleged to have been committed by him while acting or purporting to act in the discharge of his official duty. Further, the Provincial Government, the District Collector, the Revenue Divisional Officer, the Chairman, the Executive authority and every officer or servant are indemnified against legal liability in respect of anything done in good faith.¹¹

Means of Judicial Control

The judicial remedies available to the public have been classified by Dr. Jennings into two, ordinary and prerogative.¹² Ordinary remedies are declaration, injunction and damages. Prerogative remedies are certiorari and mandamus. The above five are the most important means by which the courts exercise control over municipal authorities.

Declaration

According to Section 42 of the Specific Relief Act any person entitled to any legal character or to any right as to any property may institute a suit against any person denying or interested to deny his title to such character or right. The object of this section is to perpetuate and strengthen the title of the plaintiff so that the adverse attack may not weaken it. The policy of the Legislature is not only to secure to an aggrieved party a right taken away from him but also to see that he is allowed to enjoy that right peacefully. In other words, if a cloud is cast upon his title or legal character he is entitled to seek the aid of the court to dispel it. If some step is not taken at once to have all the doubt and difficulty removed it may at a later time be difficult for the plaintiff to prove his title. Evidence now forthcoming may not be available hereafter. This remedy is therefore designed to make things clearer and prevent future litigation. It confers no new rights. All that it does is, it clears up the mist that has been gathering round the plaintiff's title.

This section may be invoked for the declaration of the plaintiff's right to vote and stand as a candidate for a municipal election or that he was duly elected; or that the order of the Returning Officer summarily rejecting a nomination is wrong; or that a particular election is invalid; or that the assessment of a piece of property is *ultra vires* of the powers of the municipality.

10. *Local Government Board v. Arlidge*, 1915, A.C. 120.

11. Sections 337, 352, 353, 353A of the Madras District Municipalities Act, 1920.
12. Jennings, *Local Government Law*, p. 253.

The conditions under which a declaratory decree may be granted are, the plaintiff should, at the time of the suit be entitled to any legal character or to any right as to any property and the defendant should have denied or is interested in denying this character or right. Therefore the plaintiff should show to the satisfaction of the Court that he is entitled to the legal character or right and that the defendant is denying such character or right.

It should, however, be said that the issue of a declaratory decree is within the discretion of the Courts. It is not granted as a matter of right. The courts may refuse to pass a declaratory decree where the real object of the plaintiff is to evade stamp laws; or where the plaintiff is entitled to get relief in some other effective way; or where the case is of such a nature that the decree if passed might immediately be rendered nugatory by an action of the defendant; or where it is not of practical use or where it will not render substantial relief; or where there is no substantial injury; or where the suit is filed with a fraudulent intention.

Injunctions

The next means by which courts control the municipal administration is by means of injunctions. An injunction is a "judicial process by which one, who has invaded or is threatening to invade the rights, legal or equitable, of another is restrained" from committing such wrongful acts. Injunctions have been classified into two, temporary and perpetual. Temporary injunctions are issued with a view to preserve the property in dispute in *status quo* until further orders. Perpetual injunctions are issued after considering the merits of the case. It prohibits the defendant from the assertion of a right. It is in effect a decree and concludes a right.

The conditions under which an injunction may be granted are as follows. The plaintiff asking for an interim injunction must make out a strong *prima facie* case and satisfy the court that its interference is necessary to protect him from the irreparable damage that will result if the injunction is not granted. The mere prospect or apprehension of injury or mere belief that the act complained of may or will be done is not sufficient.¹³ There are two ways by which a strong *prima facie* case can be made out. There must be an indisputable proof of imminent danger. Secondly, it should be shown that the apprehended damage will, if it comes, be very substantial and irreparable. That is, the injury would be material and not adequately reparable by damages.

13. *Muhammad Meera v. Doraiswamy Nadar*, 1926, M.W.N. 582.

The issue of injunctions is however subject to certain limitations and the courts should observe them before issuing injunctions. They are firstly, an injunction should not be granted to persons whose conduct and dealings in the matter have been unfair and dishonest; secondly, where a particular procedure is fixed for the trial of suits and if the procedure excludes the issue of injunctions, they should not be issued. For example, an election was held on 22-2-1922 for the election of a municipal councillor to represent the 12th ward on the Trichinopoly Council. One Mr. Venkatachala Chettiar was declared elected and the defeated candidate Mr. Sesha Ayyar contested the validity of the election by an election petition. While the suit was pending decision, the defeated candidate requested the District Judge to grant an interim injunction restraining Mr. Chettiar from taking his seat in the Council which was accordingly granted. But according to Section 51(3) of the District Municipalities Act a Councillor declared to have been elected shall be entitled to act as if he were not disqualified until unseated by a judicial decision. From the above it is evident that an elected councillor should not be restrained by any act from taking his seat in the council. The High Court of Madras therefore held that the issue of an interim injunction by the District Judge was quite contrary to the procedure prescribed in the Statute and the rules made thereunder.¹⁴ Thirdly, injunctions should not be granted when an equally efficacious relief can be obtained by some other means. Finally courts are prohibited from issuing, interim injunctions restraining an election Officer from preparing or publishing an electoral roll or from conducting elections.¹⁵

Damages

The next means by which municipal administration is controlled by courts is by awarding damages to the person injured. Damages are rupees, annas and pies won by an encounter at law. The loss or injury for which compensation is exacted may be irreparable; it may be so personal or vital that a pecuniary equivalent is unthinkable. And yet the device of righting a wrong by the payment of money is as old as any other human institution. Just as Gods are appeased by sacrifices and offerings for the removal of the guilt of a sin, the person injured is appeased by the payment of damages.

At one time it was held that corporate bodies should not be sued for acts of negligence or torts committed by their servants. It was

14. *Venkatachala Chettiar v. Sesha Ayyar*, 1924, I.L.R.M. 705.

15. Section 351, B. M. D. M. Act, 1920.

contended that "if the thing done is within the statute no compensation can be afforded for any damage sustained thereby except so far as the statute had provided it; . . . if the thing done is not within the statute, why should the public funds be liable to make good private error or mis-conduct". This principle was not accepted by the House of Lords. In *Mercy Docks Trustees v. Gibbs* (11 H. L. 686) Blackburn J. said:

If the legislature directs or authorises the doing of a particular thing, the doing of it cannot be wrongful; if damage results from the doing of that thing it is just and proper that compensation should be made for it.

It is now an established fact that public funds may be made liable for the injury caused in executing powers conferred by statute. Provision is therefore made for the award of damages in the District Municipalities Act. Under Section 350 of the Act a suit for damages or compensation may be instituted against the Council, Officer or servant by any person who is affected by their activities. Section 343 empowers the executive authority "to pay compensation to any person who sustains damage by reason of the exercise of their powers by any municipal authority, officer or servant of any of the powers vested in them by this Act or any other law or by any rule, bye-law or regulation under it". Section 20 of the Town Planning Act makes a similar provision. "Any person whose property is injuriously affected by any refusal to grant the permission applied for or by making a Town Planning scheme shall if he makes a claim be entitled to obtain compensation".

The underlying principle by which courts should be guided in awarding damages is "that the law shall endeavour, so far as money can do it, to place the injured person in the same situation as if the contract had been performed or in the position he occupied before the occurrence of the tort which adversely affects him". It should, however, be remembered that this is an ideal which is very rarely attained in practice because the damages awarded are not always commensurate with the loss sustained.

An action for damages can be brought against a municipal council in two ways. Firstly, where a municipal authority commits a wrongful act within the scope of its powers and thus injures the rights of private persons. For instance, municipal councils are empowered to construct and maintain public latrines in suitable places as far as their funds permit. This does not mean that the councils are at liberty to construct the latrines wherever they like. They should be constructed where they will not be a nuisance.¹⁶

16. *Madura Municipality v. Nataraja Pillai*, 1911, M.L.J. 768.

Secondly, where the authority fails to carry out a duty which it owes to individuals with the result that those individuals suffer an injury the authority concerned is liable for damages.

An action for damages can be brought against a municipal authority only when it has done something which causes injury in the legal sense. Therefore a person who claims compensation should prove three things, viz. that the authority has exercised its powers; that he was not in default; that he had suffered damage and the amount of damage should be expressed in rupees, annas and pies. It should, however, be said that compensation should be paid out of public funds only when the authority concerned caused damage while performing acts authorised by the Act.

Certiorari

The fourth means by which municipal administration is controlled is certiorari. The writ of certiorari is issued by the Madras High Court to an inferior court commanding it to send up all records of a specific proceeding before it to the High Court so that the legality may be tested or that more speedy justice may be done. Certiorari is issued to quash judicial decisions of an inferior court.

Before we proceed further it is desirable at this stage to define the word 'Court'. The word 'Court' must be interpreted in the widest sense possible. The inferior courts to which the writ of certiorari may be issued need not necessarily be courts of law. Any body of persons who have the authority to perform judicial acts is a court. In other words, every decision of a municipal council which has reference to an individual and which involves the exercise of discretion is a judicial determination. A municipal council performing judicial functions is a court and if a decision or proposed decision is *ultra vires* the courts have power to intervene by the writ of certiorari.¹⁷

What is a judicial act? To know that, it may be contrasted with a ministerial act. For instance, the Narasaraopet Municipal Council simply recorded the facts relating to an election. One Mr. Narasimha Rao moved the *High Court of Madras* to issue a writ of certiorari to quash the proceedings of the council referred to above. Rejecting the request of the petitioner Ramesam J. said: "I am unable to see in this the act of any tribunal, judicial or quasi-judicial. There was no question of the validity of the voting papers. The council or even the Chairman did not even purport to enquire into any matter in dispute or consider it in any manner that can be considered

17. *Board of Education v. Rice*, 1911, A.C.

judicial or quasi-judicial. On this ground we dismiss the application".¹⁸

The issue of the writ is, however, subject to certain conditions. Firstly, it should be seen that there is no statutory prohibition. Very commonly statutes contain provisions prohibiting the removal of proceedings by the writ of certiorari. For example, the subordinate Judge while acting as an Election Commissioner is a *persona designata* and the proceedings in his court should not be removed by the writ of certiorari so long as he acts within his jurisdiction.

Secondly, when a particular procedure is fixed for the performance of certain acts and as long as the public bodies observe the procedure and act within their jurisdiction no writ of certiorari should be issued. For example, the procedure prescribed for the nomination of a candidate for a municipal election is as follows. Nomination papers should be presented to the election officer. A day is fixed for the scrutiny of all nomination papers. The Election Officer should hear all objections on the scrutiny day and dispose of them. A candidate whose nomination has been rejected has a right of appeal to the District Collector. He has therefore no right to move the High Court for the issue of the writ of certiorari to quash the proceedings of the Election Officer on the ground that his decision was wrong. "He may be wrong in interpreting rules. If he is wrong," said Beasley C. J., "then there is a remedy provided by means of an election petition".¹⁹ In a similar case Wallace J. said: "The petitioner is not without remedy. . . . It is argued for him that the remedy which merely allows him to have set aside an election once held is not as efficacious as the one which would enable him to stop the election altogether. . . . In the first place we do not see how the mere fact that the petitioner cannot get his election stopped and has his remedy only after it is over by an election petition will in itself confer any right to obtain a writ" in the face of a particular procedure fixed by the election rules.²⁰

Finally, sometimes the aggrieved persons are given the right of appeal to a Higher Court against the decisions of municipal authorities. Wherever this provision is made in the Act or in the rules made thereunder the High Court is prohibited from issuing the writ of certiorari.

The circumstances in which the writ may be issued are, "if it appears that the determination of an inferior court is wrong in law a writ of certiorari may be granted". "But where the proceedings

are regular on their face and the court has had jurisdiction the superior court will not grant the writ of certiorari on the ground that the court below has misconceived the points of law. . . . It comes to this that when a court or a similar authority gives to itself a jurisdiction which it properly has not got, by taking an erroneous view of the law, a writ may be issued but there will be no writ if it makes a mistake in the law when acting in the exercise of a jurisdiction which it undoubtedly possesses."²¹ This principle has been restated by the Madras High Court in a number of decisions. For example the Executive Officer of the Saidapet Municipality included the names of certain persons in the assessment lists as though they were exercising some profession so that their names may be included in the electoral roll. An objection petition was filed before the election officer requesting him to enquire into the correctness or otherwise of the entries in the assessment lists. But according to election rules the duties of the election officer was simply to see that the names of all persons who had paid all their taxes before the end of the previous financial year were included in the electoral roll. It was none of his business to enquire into the correctness of the assessment lists. The Election Officer, therefore, rightly refused to accede to the request of the petitioner. The High Court was moved for the issue of a writ of certiorari to quash the proceedings of the Election Officer. But the court held that the Election Officer acted within his jurisdiction and that the proceedings were regular.²²

But where the courts have acted in excess of their jurisdiction, the writ was issued. It is the policy of law to keep the inferior courts strictly within their proper sphere of jurisdiction. Whether the courts have acted within their jurisdiction or not depends upon the preliminary question of law or fact and this should be decided before issuing a writ of certiorari. If the High Court is satisfied that the inferior tribunals have exceeded their jurisdiction a writ may be issued. For instance, according to election rules for the election of Chairman of a municipal council no candidate whose name has been proposed and seconded shall take part in a ballot. But the Chairman of the Negapatam Municipality whose term of office was about to expire, presided and acted as returning officer even though he was one of the candidates. He secured the largest number of votes and was declared elected. An election petition was filed contesting the validity of his election. The lower court set aside his election. A revision petition was filed in the High Court. Wallace J. who heard

21. *Shannuga Mudaliar v. Subbaraya Mudaliar*, 63 M.L.J. 932.

22. *Sgamasundaram in re.* 62 M.L.J. 644—See also *Govindaswamy Pillai v. Rangaswamy Pillai*, 62 M.L.J.; *Thyagaraja Chettiar v. Secretary to Government, Local Self-Government Department*, 1939, M.L.J. 801.

18. *Venkatanarasimharao v. Narasaraopet Municipality*, 60 M.L.J.

19. *Govindaswamy Pillai v. Rangaswamy Pillai*, 62 M.L.J. 647.

20. *Desai Chettiar v. Chinnaswamy Chettiar*, 56 M.L.J. 162.

the petition said that though the petitioner had violated the election rules by presiding over his election it was not shown, as required in a subsequent rule that the election was materially affected thereby. According to election rules, no breach of rules shall invalidate an election unless the result of the election has been materially affected by such breach. This point was not considered in the lower court and therefore it was held that the subordinate judge exercised his jurisdiction with material irregularity. The order of the subordinate Judge was set aside and the case was referred back for retrial according to law.²³

As regards the jurisdiction, the Madras High Court, according to a recent decision of the Privy Council, has no authority to issue the writ of certiorari because the Supreme Court whose powers the Madras High Court inherited, had no right to issue the writ of certiorari beyond the Presidency town to Indians or courts of the company in mofussil. The extra local jurisdiction was confined to British subjects. In other words the authority of the High Court to issue the writ of certiorari is limited to the acts done or proposed to be done within the limits of the ordinary original civil jurisdiction of the Court.²⁴

Power to Order Public Servants to do Certain Specific Acts

The High Court of Madras may make an order requiring any specific act to be done by any person holding a public office. In other words, the principles governing the issue of a writ of mandamus apply to a large extent to the granting of relief under Section 45 of the Specific Relief Act. The writ of mandamus is an order issued by the courts commanding the person holding a public office to do a specified thing.

The principles on which a person holding a public office may be ordered to do a specified thing are, a petitioner praying for the issue of the writ should show that he had a specific legal right but no specific legal remedy for the enforcement of that right; secondly, that he claimed the exercise of that right and that his claim has been refused; thirdly, that a duty towards the applicant had been imposed upon the public servant and finally that he is acting with a *bona fide* intention for the enforcement of the right and not with any ulterior motive.

Ordinarily the writ will not be issued when there is another specific and equally effective remedy for enforcing the right. That

23. *A. J. Marakayar v. Basava Marakayar*, I.L.R. 1923. M. 123; *Polamieppa Chettiar v. Krishnaswamy Chettiar*, I.L.R. 1925. M. 877. See also *Rex v. Barnstaple Justices*, 1928 (1) K.B. 385.

24. *Ryots of Garabandko v. Zamindar of Parlakimidi*, 1913, M.L.J. (6), 223.

is, where the statute creates a duty and at the same time prescribes the method by which the duty is to be enforced the performance of the duty will not be enforced by any other method than that prescribed. This principle was laid down in *The Inspector of Municipal Councils v. Venkatanarasimham*. In this case the names of some persons were entered in the electoral roll for the Kavali taluq, Nellore district, though they ought not to have been entered as they did not possess the prescribed qualification on the date of registration. The remedy was to file an election petition before the election officer and if the petitioner was not satisfied with the decision of the election officer he should prefer a revision petition before the election court. In this case the defendant exercised both the rights. The Election Officer rejected his petition and against that decision he filed a petition in the election court. Before the court gave its decision he moved the High Court of Madras to issue the writ of Mandamus. Justice Stone heard the petition and granted the writ. Against the decision of Justice Stone, the Inspector of Municipal Councils preferred an appeal. In disposing of the appeal Reilly J. said, "The petitioner was aggrieved because his objection to entries in the electoral roll had been over-ruled by the Election Officer and against that grievance law had provided with a specific remedy . . . a right of appeal and that right he had exercised. . . . In my opinion the right of appeal which the petitioner had against the Election Officer is a complete bar to his application to this court under Section 45 of the Specific Relief Act, 1887".²⁵

It should however be noted that a writ of mandamus may be issued even though a remedy equally convenient, beneficial and effectual exists provided public policy requires; or where public authority is refusing or neglecting to carry out duties; or where it is acting in deliberate contempt and defiance of the legislature²⁶ or where the alternative method is not so convenient as a writ of mandamus would be. Therefore, while exercising their discretion the Courts should not lose sight of the principle of general expediency.

Secondly, the writ should not be issued under this section to enforce the general law of the land.

Thirdly, no writ should be issued unless the remedy afforded will be complete and effective.

Finally, the writ should not be issued to compel a council or its servant to carry out a statutory duty which is merely permissive and not obligatory. Further, even where it is issued it does not

25. *Inspector of Municipal Council v. Venkatanarasimham* Op. cit.

26. *Robinson*, Op. cit.

command in what manner the authority concerned should perform the duty.

Ordinarily, the writ will not be issued as long as the statutory authority concerned exercises its jurisdiction within its limits. It is issued only when he acts without jurisdiction. This principle was laid down in a number of judicial decisions. For instance, the Building Committee of the Calcutta Corporation sanctioned the plans for the construction of a building in disregard of the building rules and the provisions of the Municipal Act. One of the neighbours moved the High Court for the issue of a writ of mandamus on the ground that his property would be injured if the building was allowed to be constructed in violation of the building rules. The High Court issued the writ of mandamus. In doing so Amerali J. said, "I have no hesitation in holding that the provisions and restrictions especially designed for the benefit of the adjacent owner have been disregarded so as to cause him injury. The Corporation have on the evidence before me refused to carry out their duties. They have not dealt with the plans and have refused to deal with the plans according to their own act."²⁷

As regards the jurisdiction, the High Court alone can issue a writ of mandamus. Under the Specific Relief Act the jurisdiction of the court is confined to the acts done or proposed to be done within the limits of the ordinary original civil jurisdiction of the court. The High Court is prohibited from applying the principles of mandamus to the acts without the ordinary original civil jurisdiction of the court. Justice Reilly said in the *Inspector of Municipal Councils v. Venkatanarasimham*, "It appears that the Inspector has his office in Madras and we may infer that his circular was issued from his office in Madras. But the interference by the circular with the functions of the District Election Officer . . . could never take place within the limits of the ordinary original civil jurisdiction of this court. Because, as is admitted, the District Election Officers perform their functions in the mofussil outside the ordinary original civil jurisdiction. To attempt to prohibit the Inspector of Municipal Councils and Local Boards from doing anything to interfere with the functions of the District Election Officers . . . who exercise their functions in the mofussil, however laudable, would be obviously to transgress the jurisdiction given to this court under Section 45 of the Specific Relief Act."²⁸

27. In *re. Lakshimoni Dassi v. Calcutta Corporation*, I.L.R. 1941, Cal. See also *Hirendranath v. Calcutta Corporation*, I.L.R. Cal., 435.

28. *Inspector of Municipal Councils and Local Boards v. Venkatanarasimham*, 66. M.L.J., 237.

Every application for the issue of a writ of mandamus must be founded on the affidavit of the person injured, stating his right in the matter in question, his demand for justice and the denial thereof.

III. ADMINISTRATIVE CONTROL

Of all controls, the administrative control is the most effective and the most extensive. In all countries, whether democratic or autocratic, local authorities are subjected to the administrative control of central government. The control exercised in different countries is one of degree and not of kind.

The object of administrative control is to see not only that the autonomous powers of the council are preserved intact but also to see that the good of the whole is not affected by partisan activities. Administrative control is therefore exercised in public interest.

The means by which this control is exercised are several; their nature and number depend upon the Act and the rules made thereunder. We shall therefore consider in detail the various means by which the provincial government and the departments seek to exercise this control.

Emergency Powers of the Collector

The Act has more or less given a blank cheque to the district Collectors to act as they please in times of emergency. Section 37 of the Act says, "The district Collector may, in cases of emergency, direct or provide for the execution of any work or the doing of any act which the council or the executive authority is empowered to execute or to do, and the immediate execution or the doing of which is, in his opinion, necessary for the safety of the public and may direct that the expenses of executing such work or doing such act incurred as the emergency may require shall be paid from the municipal funds." The exercise of this power is subject to the condition that the Collector should report forthwith to the provincial government the reasons in full for the exercise of this power; and a copy of the letter should be sent to the council concerned for information.

Creation and Abolition of Municipal Councils

As we have already seen, the municipal councils are the creatures of the provincial government. The provincial government is empowered to constitute as a municipality any town or exclude any local area from any municipality and to include within the municipality any local area. The inhabitants of the local area concerned are given an opportunity to communicate their views in writing on

the proposal to the provincial government, and it is only after consideration of the objections that action is taken by Government.

The Government are also authorised to abolish any municipality. But before doing so, it must communicate to the council concerned the grounds on which they propose to do it. If an explanation is received from the council within the period fixed, it should be considered before taking action. Abolition of municipal councils is a very rare event and it may have to be resorted to, under extraordinary circumstances. For instance, a place at one time fit to be a municipality may cease to be so and under such circumstances municipal government is a luxury to that place and it may have to be abolished. Repalli municipality was abolished because it remained rural in character and did not show any indication of development into a town.²⁹ But at times constitutional difficulties also may necessitate the abolition of a municipal council. For instance, the members of the Anantapur municipal council failed to take the prescribed oath of allegiance to H. M. the King Emperor and thereby vacated their seats on the council. The municipal council had thus ceased to exist though Anantapur town continued to be a municipality. To dissolve it there was no council to give notice of dissolution as required by the Act. To overcome these difficulties the council was abolished and was reconstituted afresh. During the period 1920-37 only two councils were abolished, viz., Repalli and Anantapur. The abolition of Chirala municipality in 1938 was due to a combination of several reasons. Primarily it was due to an unreasonable agitation carried on by the people of Chirala and Perala since 1921 and unfortunately for political reasons the Congress Ministry yielded to the agitation and agreed to abolish the Chirala municipality.

Control over the Organisation of the Councils

The next method of control is, government has power to divide the councils into several wards for election purposes; to determine the number of seats which each ward should return; to allocate the reserved seats to particular wards. Previous to 1930, Government had power to nominate municipal councillors. It appears that Government abused this power and there was a universal demand for the abolition of the system of nomination. In 1930 the system of nomination was replaced by reservation of seats for the minority communities.

Appointment of Chairmen of the Councils

Till 1930, Government had power to appoint a chairman to a municipal council. Before appointing a chairman, the council con-

cerned was informed of the grounds on which they proposed to appoint a chairman. Under this power, Government appointed a paid Chairman to the Ootacamund municipality in 1921 and paid his salary from the provincial funds. The grounds on which the Government appointed a paid chairman were that Ootacamund was the summer headquarters of Government and therefore the administration of the council should be placed in the hands of a person who had executive ability and engineering qualifications.³⁰ The action of the Government was criticised on the floor of the House by the members on the ground that the intention of the Legislature in vesting this power in the Government was that it should be exercised only when the councils misbehave and not under ordinary circumstances. They further contended that if a person of executive ability and engineering qualification was required to look after the administration of public works an engineer could have been appointed instead of depriving the council of its right to elect its own chairman. But the most objectionable part of the Government action was the payment of salary of the chairman from the provincial funds for the benefit of an individual council which was objectionable in principle.

The Government appointed a chairman to the Dindigul council in 1924 on the ground that the council was swayed by strong faction; that the councillors behaved in a disorderly manner during the council meetings and that they subjected public interest to personal prejudices, especially in connection with the election of chairman.³¹ For similar reasons chairmen were appointed to the following municipal councils, Palni,³² Anantapur, Pollachi, Palacole,³³ Tadipatri, Hindupur, Chirala, Sivakasi, and Karaikudi. Mostly non-officials were appointed as chairmen. At times officials also were appointed as in the case of Sivakasi where the Sub-Collector of the revenue division was appointed as chairman. In 1930 the Government was divested of this power.

Removal of Chairman

The next means by which Government exercises control is the removal of a chairman or vice-chairman who "in their opinion wilfully omits or refuses to carry out or disobeys the provisions of this Act or any rules, bye-laws, regulations or lawful orders issued thereunder or abuses the powers vested in him". Government had this power under the District Municipalities Act, 1884. But in 1920

30. M.L.C.P. dated 14-2-1921.

31. Notification No. L.M. 11-11-1921.

32. M.L.C.P. Vol. 22, p. 200.

33. Ibid., Vol. 25, p. 305.

29. G.O. No. 1103. L.M. 26-6-1922.

this provision was dropped. Experience, however, showed that Government should be invested with this power. For there was no means by which a chairman who did not conduct himself properly, but who had the backing of the majority of the council could be removed from office. In this connection the evidence given by Mr. Hilton Brown, I.C.S., Secretary to Government, Local Self-Government Department, before the Simon Commission is interesting:³⁴

Major Attlee: Where the conditions are bad, what steps are taken by Government? I see on page 404 you have set out certain powers of supervision and control.

Mr. Hilton Brown: Yes. We have a pretty fair control over municipalities, but one thing we lack very badly is any power to deal with a chairman who is obviously going off the rails.

Lord Burnham: What do you mean by going off the rails?

Mr. Brown: I mean not conducting the municipality as he ought to do.

Lord Burnham: Do you mean he is corrupt.

Mr. Brown: Partly that and partly that he is incompetent; partly that he subordinates public good to his own private factions. For all or any of these reasons the chairman may be unsatisfactory and in such a case we have no means of getting rid of him.

All that the Government could do whenever a chairman misbehaved was to supersede or dissolve the council. The Government therefore felt that instead of punishing the entire council for the acts of one man, it should have power to remove the chairman. The Act was amended in 1930 and the power to remove a chairman was vested in the Government.

During the period 1920-37 a number of chairmen were removed. The first of them appears to be one Mr. Samuel Aaron, chairman of the Cannanore municipal council. He was removed from the chairmanship because he was sentenced and convicted for a term of 18 months for offences connected with the Civil Disobedience movement and was thereby rendered incapable of discharging the functions of a chairman and yet he delegated his functions as chairman to the vice-chairman and thus abused his powers.³⁵ The chairman of the Gudiyattam council, Mr. Azeez Khan was removed from the

chairmanship because he failed to convene a meeting of the council to express a want of confidence in the vice-chairman even though a valid notice signed by the required number of councillors was handed over to him. When it was actually moved he disallowed the motion for no valid reasons. He behaved in a similar manner when a similar motion was brought against him.³⁶

Mr. K. Subbarao, the chairman of the Bezwada municipal council was removed from the chairmanship because he failed to dispose of tenders called for the execution of certain works; he failed to obtain the sanction of the council to defend a suit brought against the council; he prohibited the appointment of a committee by the council to enquire into the municipal expenditures; he did not convene monthly meetings of the council as required by the Act; finally, he did not convene a meeting of the council even though a valid requisition signed by the required number of councillors was handed over to him.³⁷ Mr. Sankara Guntur Venkatarao was removed from the office of the chairmanship of the Guntur municipal council for disallowing a motion expressing want of confidence in him.³⁸ Mr. Ratnavel Tevar was removed from the chairmanship of the Trichinopoly municipal council because he refused to reinstate a servant of the council even though ordered to do so by Government and thus wilfully disobeyed the orders of Government.³⁹ Mr. Mcleish the chairman of the Ootacamund municipal council was removed because he failed to carry out the lawful orders of Government.⁴⁰

Dissolution and Reconstitution

The Government has power to dissolve and reconstitute the councils if they do not conduct themselves properly. For example, the Palacole municipal council was torn by faction and as a result of that the council defaulted in the discharge of the duties imposed on it by law. The administration therefore came to a standstill. The Government came to the conclusion that the council was incompetent to discharge the duties imposed on it by law. It was therefore dissolved.⁴¹ Similarly, the Tirupattur municipal council was dissolved for failure to rectify the defects in its administration even after they were pointed out by the authorities. Secondly, within a short period of three years four executive officers were transferred because the chairman was unaccommodating and the majority of the councillors were simply following him. Thirdly,

34. *Simon Commission Report*, Vol. 15, p. 488.

35. G.O. No. 3372. L.M. 24-8-1932.

36. G.O. No. 3432. L.M. 30-8-1932.

37. G.O. No. 4943. L.M. 9-12-1932.

38. G.O. No. 89. L.M. 7-1-1933.

39. G.O. No. 2611. L.M. 31-5-1934.

40. M.L.C.P. Vol. 75, p. 109.

41. G.O. No. 4737. L.M. 14-11-1933.

the financial administration of the council was not sound and the ordinary revenues were not sufficient to meet the ordinary expenditures. To meet the deficit the council made irregular diversion of the earmarked funds. Fourthly, it refused to remove the cut on the salaries of the establishment. Finally, the council failed to attend to many improvements which the town required.⁴²

Dissolution as a means of punishment is a mild one, because immediately after dissolution the voters of the locality are given an opportunity to return better type of men to represent them in the council. It is not a punitive measure like supersession.

Supersession of Municipal Councils

The provincial government may supersede any council which is not competent to perform or defaults in performing the duties imposed on it by law or exceeds or abuses its powers. Before superseding a council it is obligatory on the part of the Government to furnish the council concerned with a statement of the charges, on the basis of which it proposes to do so. After the receipt of an explanation from the council concerned it may be superseded for a period, not exceeding two years at a time. However, if it is necessary, the period of supersession may be extended after the expiry of the period of two years.

The grounds on which the councils may be superseded are several. Broadly speaking, it may be for political and administrative reasons. If the councils indulge in activities designed to support or show sympathy with disloyal movements promoted by the advocates of civil disobedience movement they may be superseded. For example, if a council adjourns its meetings or passes a resolution congratulating the persons who have been convicted and sentenced to imprisonment for a political offence; if it hoists the 'so-called national flag' over the municipal buildings; if it encourages participation in the civil disobedience movement; if it issues circulars to its employees to wear khaddar; if it issues instructions to the municipal schools for the singing of national songs; if it organises processions with national flags the council concerned may be superseded. A number of municipal councils were superseded in 1942 for supporting the 'August Resolution' of the Indian National Congress.

Councils may also be superseded for administrative reasons. During the period 1920-37 18 councils were superseded. They were Chirala, Ellore, Cochin, Tadipatri, Vellore, Virudunagar, Madura, Udumalpet, Anakapalli, Walajapet, Peddapuram, Guntur, Chitfor,

42. I.L.B. Office. D. Dis. No. 40127-39.

Hindupur, Trichinopoly, Chidambaram, Nandyal, and Bezwada. Of the 18 councils one was superseded by the Panagal Ministry, viz., Chirala; five by the Subbarayan Ministry, viz., Ellore, Cochin, Tadipatri, Vellore, Anakapalli; two by the Muniswamy Naidu Ministry, viz., Madura and Udumalpet and the remaining 10 by the Bobbili Ministry.

The grounds on which these councils were superseded are several. Instead of classifying them under separate heads we shall take some typical cases for study. Let us first take Cochin. The Cochin municipal council in one of its resolutions resolved to take civil and criminal action against one Mr. Jacob an ex-chairman for certain irregularities committed in the execution of contracts. Four months later it elected the same person as its chairman and thus brought about a ridiculous situation, for the chairman had not only to sue himself in a civil court but also to prosecute himself criminally. The election of Mr. Jacob as chairman showed either a want of sense of responsibility such as to render the council incompetent to perform its duties or a perverse determination to bring municipal administration into contempt. The council was therefore superseded for a period of two years.⁴³

The Bezwada municipal council was superseded for a period of two years because the council was rent with faction; the councillors never co-operated with the chairman; they were so pre-occupied with their own personal quarrels that they were not able to discharge their duties to the taxpayers with the result that they failed to pass the budget for the year 1933-34 even though they met three times for the purpose. The Government warned the council that it would be superseded if it does not pass the budget before the 31st March 1933.⁴⁴ The council met on the 31st March 1933 to consider the budget proposals. Instead of discussing the budget proposals they indulged in a fist fight resulting in injuries to several of the councillors, including one of the lady councillors.⁴⁵ This incident which 'disgraced' the proceedings of the council induced the Government to supersede the council for a period of two years.⁴⁶

The Trichinopoly council was superseded for a period of two years for the following reason. The Government removed its chairman, one Mr. Ratnavel Tevar from the office of chairmanship for having abused the powers vested in him, and for wilfully disobeying the lawful orders of the Government. But the council elected the same person as its chairman and thus showed a 'perverse mental-

43. M.L.C.P. Vol. 38, p. 118.

44. G.O. No. 1387. L.M. 7-4-1933.

45. *Quarterly Journal*, July 1946.

46. G.O. No. 1589. L.M. 25-4-1933.

lity'. The council was therefore considered as not competent to perform the functions imposed on it by law.⁴⁷

The Hindupur municipality was superseded for a period of two years because it abolished a number of posts such as those of the Health Officer, Electrical Engineer, Public Works Supervisor, Revenue Officer and Office Manager without realising the consequences of its action. Secondly, it showed undue liberality in the disposal of tax appeals preferred against the assessments fixed by the executive authority. For example, the quinquennial revision of the property tax was conducted in 1934-35 and was to come into effect from 1st April 1935. A great majority of the owners of property whose assessments had been revised appealed to the council, and the council gave very generous reductions in many cases, with the result that the post-quinquennial demand was less by Rs. 2,900 than the pre-quinquennial demand. Further, it levied water and drainage tax. A part of the demand was also collected. But for some mysterious reason it cancelled the resolution imposing tax and ordered the refund of the tax already collected. Thirdly, it did not pay heed to the request of Government to introduce water supply scheme in the town though Hindupur was the driest part of the Anantapur district and further it did not avail itself of the offer made by Government agreeing to bear half the capital cost of water works. Fourthly, the condition of roads was deplorable even though metal and gravel were available in abundance at a cheap rate. Fifthly, it resolved to licence under Section 249 of the Act, persons and not places as required by the Act and the rules made thereunder and thus committed an act which was illegal. Sixthly, it allowed houses to be constructed within the areas set apart for industrial purposes. Seventhly, it refused to enhance the rate of taxation to meet the deficit but had the audacity to ask the Government for a loan for the same purpose. Finally, the chairman removed a number of persons from service without any cause and appointed his own men in the vacancies.⁴⁸

The irregularities given above are in no way equal in any respect to those of Madura. The premier municipality led the way in the matter of maladministration. The grounds on which the council was superseded were, firstly, the executive authority Mr. L. K. Tulasiram granted house connections for the supply of water to 62 persons majority of them belonging to his own community, viz., Sourastras, violating the bye-laws governing the issue of house connections.

47. G.O. No. 2641. L.M. 31-5-1934.

48. G.O. No. 1850. L.M. 7-5-1936.

Secondly, he appointed his son-in-law as head clerk superseding the claims of senior men. Further, he reverted the head clerk of the revenue department and appointed in his place a man belonging to his own community. He retired the permanent revenue officer, created another post of revenue officer in addition to the existing one, and appointed to these places men of his own community. "All this was done," writes Mr. Gopalaswamy Ayyangar, "without the consent of the council and the exercise of the power of appointment under the emergency powers vested in Section 15 of the Act was an abuse of power and the appointment of two Sourastras without any previous acquaintance with municipal administration to such responsible posts was an act of audacious nepotism".

Thirdly, in giving contracts he showed favouritism. He gave contracts to a Sourastra even though he was debarred by a council resolution. Again the contract for the removal of rubbish, though was in the name of his cousin, the real contractor was one of the councillors, Mr. Lakshmana Naidu. It was with him that the chairman negotiated for the payment of instalments. As the real contractor was one of the councillors, the conditions of the contract were not rigorously enforced. Fines amounting to several thousands of rupees were cancelled just to please the councillor-contractor.

Fourthly, there was progressive deterioration in the collection of revenue. Appeals preferred against the assessments fixed by the executive authority were not disposed of promptly. 159 appeals received in 1925-26 were not disposed of even in 1930-31. Twenty-one councillors were in arrears of taxes amounting to Rs. 2,810-6-4.

Fifthly, the sanction of the council was not obtained for a large volume of expenditure and the amount involved was Rs. 68,046.

Sixthly, the transaction of business was scandalously slow. The councillors always adopted dilatory tactics during the meetings. By July 1930 some 1,000 subjects were pending disposal. In order to expedite the disposal of subjects, the Collector of Madura attended the meetings of the council and got some 860 subjects disposed of. As long as he attended the meetings of the council the councillors behaved with a sense of responsibility. But when he ceased to attend the meetings of the council, the councillors relapsed into their old habits and the number of subjects pending disposal on the 31st December 1930 was 1,444. During the months of January and March 1931, the councillors were busy in devising plans for the removal of the chairman and therefore they did not attend the meetings of the council. Further, the council developed a habit of picking and choosing subjects in the agenda in which the individual councillors were interested and after passing them the meetings were adjourned.

On the 31st March 1931 the number of subjects pending disposal was 3,068. There can be "no better demonstration of the light-hearted manner in which the council took to its public duties".

Seventhly, the entire municipal administration was breathing with corruption. "What distresses one, more than anything else," writes Mr. (now Sir) Gopalaswamy Ayyangar, "is the atmosphere of corruption that surrounds the chairman and the councillors and the openness and freedom with which the man in the street as well as responsible citizens take this corruption as granted and talk of it." A considerable number of councillors were directly or indirectly interested in contracts. An equally substantial number of councillors had relations or persons in whom they were intimately interested in the employ of the municipality. The contractor who purchased rubbish and the night soil for the year 1930-31 had a brother on the council. There was another councillor who was formerly manager of the municipal office. He was removed from service as he was involved in a fraudulent transaction (Kerosene oil fraud case). The case against him was pending in the High Court. The chairman nominated this councillor as one of the three councillors for supervising the kerosene oil lights. The leading Muhammadan councillor had quite a number of relations in the municipal service. The leading Konar Councillor was a publisher of text-books and most of the text-books selected by the chairman for use in the municipal schools were publications of this councillor. The son of the vice-chairman was appointed as municipal vakil.

Eighthly, the detection and disposal of encroachments was very unsatisfactory. Some of the encroachments detected in 1917 were not disposed of even in 1930-31 and the number of encroachments detected during the period 1917-31 was only 237 and 126 of them were pending disposal on 31-3-1931. For a big city like Madura with a number of encroachments staring everyone everywhere the number detected was ridiculously small.

Finally, the disposal of business in the office was slow; roads were bad; sanitation was neglected. For similar reasons other councils were superseded.

Supersession of municipal councils is a severe punishment inflicted on recalcitrant councils. Therefore all possible means are adopted to avoid that contingency. The aim of the provision is to bring the administration of the councils concerned to a particular standard and hand it over again to the representatives of the people. It is also intended to induce the people and the tax payers to bestow serious thought on the choice of better candidates for election as

municipal councillors. As this is an extraordinary method of control, it is exercised very rarely.

Power to Cancel or Suspend Resolutions

We now come to the next method of control. The provincial government may suspend or cancel any resolution passed, order issued, or licence granted or prohibit any act which is about to be done or being done. The Collector of the district also may suspend any resolution, order, licence, permission, or an act as the case may be if in his opinion immediate action is necessary and report the matter to Government. The Government may either approve or rescind the action of the Collector. The municipal council, Salem, in its resolution No. 1418 dated 17-2-33 resolved that licence should be issued only to coffee clubs which admitted the so-called untouchables. The district Collector brought the matter to the notice of the Government. The Government cancelled the resolution on the ground that if the resolution was enforced it was likely to lead to a riot or affray.⁴⁹ The Collector of Kistna suspended a resolution of the Masulipatam council which sought to introduce the spinning wheel into elementary schools. The Government, however, rescinded the action of the Collector on the ground that it was the business of the educational authorities to refuse recognition to schools which introduce spinning wheel as a measure of political propaganda.⁵⁰ Similarly the Collector of Kurnool suspended a resolution of the Nandyal municipal council for abolishing the post of overseer.⁵¹ The Collector of Chittoor suspended a resolution of the Tirupati municipal council for naming a reading room after Mahatma Gandhi. In all the above cases the Government did not approve of the action of the respective Collectors.⁵²

Default Power

The next method of control is through the exercise of default power. That is, under extraordinary circumstances, Government may assume any function when the councils concerned do not do what they ought to do or fail to do what they are ordered to do. For example, the Madras Public Health Act provides that if a municipal council defaults in providing the area under its administrative control with water supply, even after direction by Government (the Ministry for Public Health), the Government may by an order appoint some one to carry out the work and collect the cost from

49. G.O. No. 2430. L.M. 31-10-1933.

50. G.O. No. 2015. L.M. 14-10-1921.

51. M.L.C.P., Vol. 20, Q. No. 982.

52. Ibid., Vol. 17, p. 1170.

the defaulting council. Similarly, the Anantapur municipal council continued to mis-manage the municipal high school even after several warnings. The Director of Public Instruction recommended to Government the assumption of the administration of the school for a period of three years.⁵³ After reorganisation the school was again transferred to the control of the council.⁵⁴

Power to make Rules

Another method by which municipal administration is controlled by the provincial government is power to make rules to carry out any or all of the purposes of the Act not inconsistent with its provisions. Legislature frames the statutes in general terms and leaves their application to the departments concerned. It is through this power that government controls every aspect of municipal administration. The purpose for which rules may be framed are given in Section 303 of the Act. But let us examine the rules which the provincial government has framed and which are in force so that we may have an idea of the extent of control exercised by government through this power. Rules have been framed for the conduct of election of municipal councillors; for the election of chairman and vice-chairman; for the division of councils into electoral wards; for the allocation of reserved seats in particular wards; for the transaction of business in the municipal councils; for interpellating the chairman; for moving resolutions in the council; for the appointment of committees; for the appointment and punishment of municipal officers and servants—this power includes the power to fix the qualifications for all grades of servants, their salaries and scales, their term of office and the conditions under which it shall be held; for the regulation of relations between the chairman and the commissioner; for the purchase of immovable property; for the lease of municipal property; for the grant of gratuities to municipal servants; for the constitution of provident funds for the benefit of municipal servants; for the preparation of budgets and administration reports; for the assessment and collection of property tax; for the regulation of municipal expenditures; for the maintenance of municipal accounts; for the grant of licences under Section 249 of the Act; for the invitation and disposal of tenders; for the purchase of articles; for the execution of water supply and drainage works; for the installation of public fountains; for the construction and reconstruction of buildings; for the enforcement of compulsory elementary education; for the registration of births and deaths; for the vaccination of all unprotected children; for the preparation,

53. Ibid., Vol. 2, p. 591.

54. Ibid., Vol. 18, Q. No. 828.

publication and enforcement of Town Planning Schemes; for the control of communicable diseases.

Besides the statutory rules mentioned above, executive instructions are issued from time to time drawing attention of the councils to particular irregularities. On an average about 5,000 orders are issued by the Local Administration Department annually and at least half of them are related to municipal administration.

Power to Cause Enquiries

The next method of control is the power to cause enquiries. Enquiries are of two kinds—enquiries conducted by special officers to obtain accurate knowledge of the conditions obtaining in the municipal areas; secondly enquiries conducted into the allegations and grievances of the individual tax-payers. For example, the provincial government appointed a special officer to enquire into the financial position of the councils; another special officer was appointed to enquire into the needs of secondary education. As regards the second kind of enquiries, they are generally enquired into by the Inspector of Municipal Councils through his deputies or by the district Collector through his immediate subordinates. The enquiring officer may either call for records or visit the place to hold enquiries. He may summon any person resident within the district whose evidence may appear to him to be necessary. He may also require any person to produce any document relevant to the matter under enquiry. After the enquiry is over a report is submitted to Government for necessary action.

Call for Reports

Call for periodical reports is another method by which municipal administration is controlled. The provincial government or the district Collector have power to call for any document which is in the possession of or under the control of a council, to furnish any information or report on any municipal matter. Through these reports the Government keeps itself informed of the real state of affairs happening in the council. The reports or returns to be submitted to Government or the departmental heads are of two kinds—statutory and non-statutory. Statutory reports are those which the Act enumerates and the non-statutory reports are those which the Government requires from time to time. However, this distinction is not observed in practice. In every municipal office there is a register known as the periodical register. The returns to be submitted to various officers are divided into several categories, weekly,

fortnightly, monthly, quarterly, half-yearly and yearly. Very often the form in which the return should be submitted, the officer to whom it should be submitted and the date by which it should be submitted are determined by Government. The following extract taken from the periodical register of the Saidapet council illustrates the point:

Serial No.	Name of the periodical	Due date	To whom due
1.	Return of Vital Statistics	Every Saturday	D. P. H.
2.	"	Every alternate Monday	"
3.	"	15th of the month	"
4.	Return of cattle mortality	10th of the month	Veterinary officer
5.	Return of wastage of lymph	15th of the month	Director, King Institute
6.	Subjects pending disposal	15th Jan.; Apr.; July; Oct.	Inspector of Municipal Councils
7.	Return of surcharges pending recovery	10th Jan. & July	"
8.	Leases sanctioned by the council	7th January	Collector
9.	Administration Report	15th May	Government
10.	Budget	15th November	Government

The reports should be submitted in time. Otherwise the department concerned may take action against the executive officer.

Power to Decide Disputes

The Government has power to decide disputes that may arise between two or more local authorities or among the municipal authorities themselves. If any difference of opinion arises between the Executive Officer and the Health Officer the matter should be referred to the Director of Public Health and his decision is final. Similarly, if a local authority does not agree for the inclusion of its lands in a town planning scheme of another local authority the matter may be referred to Government and its decision is final. Further the Inspector of Municipal Councils is empowered to decide the following disputes that may arise between two or more local authorities, viz. regarding the apportionment of profession tax; disputes between a municipal council and a local authority in regard to the assessment, collection and apportionment or other matters relating to pilgrim tax which the local authorities concerned are unable to settle among themselves. The decision of the Inspector in all the above matters is final. Disputes between a municipal council and a railway administration regarding the levy, collection and apportionment of the pilgrim tax which they are unable to decide among themselves amicably should be referred to Government and its decision is final.

Power of Inspection

Inspection of institutions under the administrative control of the councils is another method of control. The Government or the district Collector may enter and inspect any municipal property, any work in progress or they may appoint inspectors for the purpose. The municipal authorities are bound to afford the inspecting authorities all facilities to have access to all the records and the municipal institutions.

The need for inspection lies in the fact that the councils are entrusted with the administration of a number of functions of national importance. The Government should therefore know how these functions are being carried on. The only way by which they can keep themselves constantly informed is by inspection.

Before 1920 the inspection of municipal councils was imperfect. There was no systematic contact between the municipal councils and the Government except through the impersonal medium of correspondence. There was no liaison officer to bring about a friendly relation between them. As a consequence there were misunderstandings. At times the councils adopted a rebellious attitude and treated the orders of the Government as dead letters. In 1920 the ship of local self-government had passed out of the old familiar routes followed during the previous 50 years and had entered the uncharted seas full of shoals and rocks. For new principles were enunciated and new programmes were framed. There was therefore need for an accurate knowledge of local conditions for the proper working of the Act. This could not be done either by correspondence or by the casual intervention of the district officer. The Government therefore thought that the best way by which this could be achieved was to appoint a liaison officer.⁵⁵

There was some objection to the creation of this institution and some looked at it with suspicion and regarded it as a menace to the independence of the councils.⁵⁶ However, informed public opinion favoured its establishment. At first it was created for a temporary period of one year.⁵⁷ It was placed on a permanent footing in 1925.⁵⁸

During the years 1920-37 the office of the Inspector of Municipal Councils was filled by eminent administrators. The first person to occupy this position was Mr. (now Sir) N. Gopalaswamy Ayyangar who distinguished himself as an able administrator with a balanced

55. Speech of Mr. Richards, Secretary to Government, Local Self-Government Dept. M.L.C.P., Vol. 1, 1955-56.

56. Speech of Mr. M. Krishnan Nair, M.L.C.P., Vol. 1057.

57. G.O. No. 1831. L.M. 3-12-1920.

58. G.O. No. 2136. L.M. 19-6-1925.

mind and sympathetic outlook. He held the post for nearly a decade. Mr. Ayyangar was succeeded by Mr. (now Sir) T. G. Rutherford. Though not endowed with the same qualities he had enormous ability and drive and gave the impression of being a benevolent autocrat. He was often guided by impulses. The office was held during the last years of the period under review by Mr. (now Sir) Norman Strathie. A perusal of the records available in the office of Inspector gives the writer the impression that he was an able administrator always desiring to know the other side of the coin. Unfortunately he held the post only for a short period.

The duties of the Inspector are to help the councils in giving "effect to the principles embodied in the Act and the rules framed thereunder; advise them in regard to such matters as they need advice upon; scrutinise all branches of their work and keep the Government in touch with the special needs, difficulties and grievances of the local bodies".⁵⁹

In addition to the Inspectors we have four Deputy Inspectors with headquarters at Bezwada, Madura, Salem and Vellore. The need for the appointment of Deputy Inspectors arose because there had been marked deterioration in the administration of the municipal councils. The Inspector had no time to conduct a detailed inspection of the councils. In order to assist the Inspector in the discharge of his duties and to conduct close and effective supervision of the councils, Deputy Inspectors were appointed.

The duties of the Deputy Inspectors are to make regular inspection of the municipal offices at least once a year; to give general advice to them; to enquire into all matters referred to them by the Inspector.⁶⁰

All the municipal councils are inspected at present annually by the Deputy Inspectors. The inspection of a municipal office consists in seeing whether all the registers are maintained properly; whether the collection of the taxes is satisfactory; whether there are any serious audit objections; and whether there is any abuse of powers by the executive authority.

The following extract taken from the inspection notes of the Bimilipatam municipal council for the year 1942 shows the nature of inspection conducted by the Deputy Inspectors:

"The condition of the roads has been improved much during the year. Prompt action has been taken in the matter of disposal of encroachments. The collection work for 1941-42

59. M.L.C.P. dated 21-2-1921.

60. Ibid., Vol. 83, pp. 252-3.

was good. There were no large remissions or writes off during the year 1941-42.

Audit:—No serious objections were noticed during the audit for 1941-42. The result of audit was considered to be satisfactory both as regards financial administration and accounts. As per audit report the number of audit objections was 77 and the amount involved was Rs. 423-5-0. Fifty-eight have since been cleared. There are at present 19 objections involving Rs. 191-5-0. The progress is fair. There are no cases of abuse of power by the executive authority in awarding non-appealable punishments to the subordinates.

General:—The commissioner is checking the registers systematically. More attention should be paid towards the maintenance of personal registers. The condition of the office in general is satisfactory."

The above extract clearly shows the nature of inspection conducted. The main function of the Inspector is to report faithfully the conditions obtaining in the municipal areas. He should note all the imperfections and the peculiar local difficulties which are responsible for the occurrence of these defects so that the authorities at the centre may understand the nature of imperfections in their true perspective. Above all his observations should be dispassionate and couched in courteous language.

Besides the Inspector of Municipal Councils, Government appointed the following persons as inspectors for the various institutions under the control of the councils. The District Educational Officer as inspector of secondary and elementary schools for boys; the Inspectress of schools for the secondary and elementary schools for girls; the Deputy Inspector of Schools for the elementary schools for boys; the Sub-Assistant Inspectress of Schools for elementary schools for girls; the Director of Public Health as inspector of all municipal councils concerning matters other than those relating to hospitals and dispensaries; the District Medical Officer as inspector of all municipal hospitals and dispensaries within his jurisdiction;⁶¹ the Examiner of Local Fund Accounts as the inspector of municipal accounts;⁶² the Director of Town Planning as the inspector of operations relating to Town Planning;⁶³ the Superintending Engineer as the inspector of Trunk Roads;⁶⁴ the Sanitary Engineer as the inspector of water and drainage works; and the Chief Engineer for Electricity as the inspector of electrical undertakings of the councils.

61. G.O. No. 1156. P.H. 16-8-1922.

62. G.O. No. 364. Finance, 1-4-1922.

63. G.O. No. 4724. L.M. 28-10-1936.

64. G.O. No. 3264. L.M. 18-11-1924.

Control over Personnel

Of all powers of control the most effective and the most far-reaching power is the power to appoint the heads of departments. At present the provincial government appoints the Health Officer, the Electrical Engineer, the Civil Engineer and the Executive Authority. Their conditions of service, their pay, pension, provident fund and the disciplinary control are all in the hands of Government.

The assumption of this power has produced a far-reaching effect on municipal administration. The Government till 1933 had to depend on the chairman to enforce their orders. Very often these non-official executive authorities treated the orders of the Government as dead letters. But the position has radically changed with the appointment of executive officers by Government. If a recalcitrant council refuses to do a particular thing, directions are issued to the executive authority to carry out the work and the councils are thus reduced to a helpless position. For example, in 1942, the Bimilipatam municipal council refused to levy an education tax even after being directed by Government to do so. The Government directed the executive officer to levy and collect the tax.

Further, the Government has power to fix and alter the number, designation, grades, salaries, fees and allowances payable to the officers and servants of the municipal councils. The councils are prohibited from interfering with them without the previous consent of the Government. This power has been delegated to the departmental heads. The Inspector of Municipal Councils is empowered to fix the scales, salaries and allowances of all officers and servants of the councils excepting that of Electrical Engineers, Civil Engineers, Overseers, Draftsmen, Tracers, Teachers, Library Staff and Technical Staff employed in the public health and medical institutions. The Director of Public Instruction is empowered to fix the scales and designations of the teaching staff in the municipal schools. For others Government fixes the scales and salaries. Under this power, designation, strength and scales of salaries were fixed for all classes of servants including the menials. The assumption of this power was welcomed by all concerned.

Thirdly, the Government has power to appoint special officers. For example, whenever a council abuses its appellate authority in dealing with tax appeals the council concerned may be divested of the power and a special officer may be appointed to hear such appeals. Generally Revenue Divisional Officers are appointed to hear appeals. Similarly arbitrators are appointed to settle disputes relating to Town Planning.

Finally, Government has power to transfer any officer or servant from one council to another. This power was assumed in 1934 with a view to improve the morale of the municipal servants and also to protect them from being persecuted by politicians.

Appellate Power

The Government has power to hear appeals against the decisions of the municipal authorities. Till 1930 the power to hear appeals against the orders of the executive authorities inflicting punishments was vested in a committee of the council. Experience, however, showed that this tribunal did not conduct itself judiciously in the disposal of appeals. Therefore, Government assumed this power in 1930. At present it has been delegated to the departmental heads. The Inspector of Municipal Councils hears all appeals from the non-technical staff of the municipal councils, such as managers, accountants, clerks, attenders, etc.; the Director of Public Instruction hears all appeals from the teachers employed in the municipal schools excepting the Headmasters and Headmistresses of the secondary schools; the Director of Public Health hears all appeals from the technical staff employed in the public health department; the Surgeon-General to Government from the technical staff employed in the medical institutions; the Chief Engineer for Buildings and Air Raid Precautions from the technical staff employed in the water works and drainage departments; the Chief Engineer for Electricity in regard to technical staff employed in the electrical engineering department and the Government in respect of others.

Further, the Collector is empowered to hear appeals against the decision of election officers in rejecting nominations.

Persons surcharged by the Examiner may appeal to Government.

Finally, the councils have a right to appeal to Government against the orders of the Inspector of Municipal Councils in regard to the apportionment of profession tax or in regard to the payment of contributions payable to another local authority or in regard to the institution of suits against the chairman or vice-chairman.

Taxation Powers

The Government has power to determine the rate of property tax that should be levied for various purposes. This power was assumed in 1942 because there was no uniformity in the levy of taxes for various purposes. Municipal councils are generally reluctant to impose new taxes or to increase the existing rate of taxation.

And very often they refused to levy new taxes or to increase the existing rate of taxation even after direction by Government. Under such conditions Government had no power to do anything. To overcome this difficulty, Government assumed power to fix the rate of taxation. In exercise of this power Government fixed the rate of property tax to be levied for various purposes by the different councils.⁶⁵

Control over the Budget

The municipal councils are required to submit their budgets to Government for scrutiny and approval, before the 15th November of each year. The Government has power to increase or decrease or eliminate certain items in the budget.

Control over Loans

The power to sanction loans is vested in the Government. It is a vital form of control, and largely determines the policy of the councils in regard to undertaking capital works.

Control through Grants

It is said that grant-in-aid is another means by which the 'little Peddlingtons' are controlled. We do not agree with this view. They are generally given to level up inequalities in local taxation and to secure the minimum of efficiency in those services which are of national importance.

Power to fix Standards

The Government has power to fix certain standards and the councils are required to adopt them. For example, the Sanitary Engineer to Government prepares a number of type designs for the construction of a number of buildings. Similarly, the Director of Public Instruction has power to fix the standard of education that should be imparted in the municipal schools, and the councils are required to adopt the standard fixed by the Director.

Approval of Bye-Laws

The councils have power to frame bye-laws for better administration but they cannot be enforced without the approval of the Government. The power to approve bye-laws was vested in Government because it is in a position to give expert advice on the validity or otherwise of the bye-laws and further to secure uniformity in framing the bye-laws.

65. G.O. No. 696. L.A. 23-3-1944.

While approving a bye-law Government may make alterations or they may disallow a bye-law framed by a council.⁶⁶ For example, the Salem municipal council in its Resolution No. 1418 dated 17-2-1933, decided to licence only those coffee clubs which permitted the so-called untouchables. The resolution was embodied in the bye-law. The Government refused to approve the bye-law on the ground that the council was not competent to frame a bye-law of the kind mentioned above and that it was *ultra vires*.⁶⁷ Similarly, some of the bye-laws framed by certain councils sought to prohibit the slaughtering of cows and sheep within the municipal limits. The Government refused to approve them as they were advised that such bye-laws were *ultra vires*.⁶⁸

Generally, the bye-laws framed by the councils suffered from many defects. The scrutiny of all these bye-laws entailed a large amount of unprofitable labour. The Government therefore appointed an expert committee to frame model bye-laws for a number of purposes. These model bye-laws were published in the Fort St. George Gazette for adoption by the councils.⁶⁹ They have acquired such a degree of authority that bye-laws framed by a council, substantially different from the model bye-laws are sure to be rejected. But if deviations are reasonable and just, approval is given. The intention of the Government in framing model bye-laws and insisting that they should be adopted without any substantial alteration is that it is anxious to secure a high degree of uniformity in matters which are of national importance. This power has been delegated to the Inspector.⁷⁰

Power to Sanction

We now come to one of the most important methods of control, viz. the councils are required to obtain the sanction of an outside authority before doing certain things. What are they? The sanction of Government should be secured for the following purposes: for authorising sanitary inspectors to exercise the powers of a police officer under the Town Nuisance Act, 1881; for the diversion of earmarked funds for other purposes; for incurring expenditure in connection with an appeal against a certificate issued by the Examiner of Local Fund Accounts; for spending more than Rs. 2,000 annually from the general funds on lighting; for the transfer of municipal property to a private individual; for the levy of pilgrim

66. G.O. No. 291. L.M. 23-1-1928.

67. G.O. No. 2430. P.H. 31-10-1930.

68. G.O. No. 1191. L.M. 29-6-1923.

69. G.O. No. 402. L.M. 10-2-1923.

70. G.O. No. 3709. L.M. 17-9-1930.

tax;⁷¹ for the appointment of non-stipendiary as a medical officer in a municipal hospital or dispensary when a stipendiary of the council is available;⁷² for retention in service of a person or persons who have been convicted of a political offence or persons who have been detained under the Defence of India Rules or convicted for an offence involving moral turpitude; for the introduction of compulsory education in municipal areas; and for the enforcement of the town planning schemes.

The sanction of the district Collector should be secured in the following cases: for exempting any part of a municipality from the payment of drainage and lighting tax;⁷³ for exempting any person or class of persons wholly or in part from the payment of property tax; to exercise control over lands, lakes and ponds lying outside the municipal limits; for the payment of contribution to local authorities to meet the expenditure incurred in connection with sanitary arrangements made during the festival days; for the closure of public streets; for the sale of sites which were formerly used for road purposes; for the closure of public markets; for the closure of burning grounds and burial places; for the expenditure of municipal funds on any purpose outside the municipal limits; for the transfer of immovable property to private persons; for leasing municipal property for a period exceeding 12 months at a time;⁷⁴ for the payment of travelling allowance to pleaders in excess of the amounts admissible; for the payment of daily allowance to a standing counsel;⁷⁵ for the payment of fee in excess of the regulation fee to vakils in civil cases provided the amount does not exceed Rs. 100;⁷⁶ for the removal of gravel from the roadsides for the repair of roads.⁷⁷

The sanction of the Inspector of Municipal Councils should be obtained for the following purposes: for varying the number, designation, grades, salaries, fees and allowances of the municipal establishment; for granting municipal servants leave and leave allowances in excess of what is ordinarily admissible to Government servants; for the payment of contributions to Government or other local bodies; for the exercise of licensing power under Section 249 of the Act outside the municipal limits;⁷⁸ for instituting suits against

71. G.O. No. 2301. L.M. 16-6-1932.

72. G.O. No. 3648. L.M. 18-8-1936.

73. G.O. No. 4682. L.M. 26-11-1932.

74. G.O. No. 4639. L.A. 17-10-1939; G.O. No. 2849. L.A. 8-2-1943; G.O. No. 565. L.A. 14-2-1943; & G.O. No. 2432. L.A. 19-8-1943.

75. G.O. No. 4342. L.M. 10-11-1927.

76. G.O. No. 3868. L.A. 7-11-1940.

77. G.O. No. 5214. L.M. 3-12-1934.

78. G.O. No. 596. P.H. 25-2-1935.

the chairman or councillors for the recovery of losses or wastage caused to municipal funds;⁷⁹ for the location of slaughter houses outside the municipal limits;⁸⁰ for the payment of contribution to associations conducting Health and Baby Weeks;⁸¹ for the payment of conveyance allowance to chairman and vice-chairman; for the payment of travelling allowance to the chairman, vice-chairman and councillors and the municipal establishment for performing journeys on municipal business; for incurring expenditure in connection with the visit of H. E. the Governor.⁸²

The sanction of the Sanitary Engineer to Government should be obtained for the supply of water to a neighbouring local authority; to give house connections; for the supply of water to persons residing outside the municipal limits; and for shifting public fountains from one place to another. Further, the technical sanction of the Sanitary Engineer should be secured for the plans and estimates of all new water and drainage works; but in the case of improvements to the existing water and drainage works the sanction of the Sanitary Engineer should be secured if the cost of such improvements is more than Rs. 10,000 but less than one lakh; the technical sanction of the Executive Engineer (Public Health) should be secured for works whose cost is more than Rs. 1,000 but less than Rs. 10,000; and that of the Chief Engineer (Buildings), for all plans and estimates whose cost is more than Rs. one lakh.

The technical sanction of the Superintending Engineer should be obtained for all plans and estimates relating to educational institutions which do not conform to the standard designs.

The sanction of the Director of Public Instruction should be obtained for all items of extraordinary expenditure pertaining to education⁸³ and for the employment of music teachers in municipal schools.

The sanction of the Surgeon-General to Government should be obtained as to the scales of drugs that should be supplied to municipal hospitals and dispensaries and for the employment of unqualified nursing orderlies.

Approval

The next method of control is the councils are required to obtain the approval of an outside authority for acts to be done. The appro-

79. G.O. No. 3709. L.M. 17-9-1930.

80. G.O. No. 2877. L.M. 16-6-1934.

81. G.O. No. 557. L.M. 9-2-1933.

82. G.O. No. 2865. L.M. 6-7-1936.

83. G.O. No. 3195. L.M. 20-7-1936.

val of the following officers should be secured for the following purposes: The approval of the District Health Officer should be secured for the purchase of land for the construction of any building other than bridges, culverts and roads; that of the District Educational Officer for the purchase of land for the construction of educational buildings; that of the District Medical Officer for the purchase of a site for the construction of hospitals and dispensaries; that of the Collector for the purchase of land by private negotiations and not under the Land Acquisition Act and also for the payment of an amount in excess of the valuation fixed by the revenue department.

Consultation

Consultation of an outside authority before doing certain acts is another method of control. For example, before framing the budget the executive authority should consult the Director of Public Instruction, the Surgeon-General, the Director of Town Planning, the Superintending Engineer, the Director of Public Health, the Principal of the Indian Medical School and the Director of Industries in respect of matters concerning their departments.⁸⁴

The following officers should be consulted before making appointments. The Principal of the Indian Medical School should be consulted before appointing medical officers, compounders, midwives, nurses, nursing orderlies in Ayurvedic, Unani, Sidda or Homeopathic hospitals or dispensaries; similarly, the District Medical Officer should be consulted before appointing a compounder, midwife, nurse or nursing orderlies and medical officers whose services have been placed at the disposal of the council; the Surgeon-General should be consulted before appointing medical officers who are not Government servants; the District Health Officer where there is no Municipal Health Officer, before appointing sanitary inspectors; the Sanitary Engineer before appointing any person whose maximum monthly salary exceeds Rs. 50; the Director of Public Health before appointing Women Medical Officers, Health Visitors and midwives for maternity and child welfare work; the District Educational Officer before appointing teachers in the L.T. or B.Ed. grade; the Divisional Inspector of Schools before appointing the Head Masters of the High Schools for boys; the Inspectress of Schools before appointing Head Mistresses for High Schools for girls; the Chief Electrical Inspector to Government before appointing anyone with a monthly salary exceeding Rs. 50 in the electrical engineering department.

Further, whenever the appointments committee is divided with regard to an appointment and does not come to a definite conclusion

84. G.O. No. 1010. L.M. 15-5-1912.

the Inspector of Municipal Councils or the Director of Public Instruction as the case may be, should be consulted.⁸⁵

Before inflicting punishments on any servant or officer the following officers should be consulted; the District Medical Officer in respect of the technical staff employed in the medical institutions of western medicine; the Principal of the Indian Medical School in respect of the technical staff employed in the medical institutions of Indian medicine; the District Health Officer in respect of the health establishment in places where there is no Health Officer; the Sanitary Engineer in respect of the technical staff employed in water drainage works.

Audit

Finally, we come to the most important of the series of controls exercised over municipal administration, viz. audit. It is through audit that the Government exercises the most effective control over municipal revenues and expenditures. The auditor has power to disallow and surcharge the municipal councillors.

Criticism

From the brief survey given above it is possible to obtain an idea of the amount of control exercised over municipal administration. Of the three kinds of control, the legislative control is the most ineffective in practice because it is not continuous and regular. It is true that it has power to amend the Act and thus deprive the councils of the powers they are already enjoying or place more restrictions on their administration. But the fact is that the amendment of the Act is a rare event. As a matter of fact the Act was amended during the period 1920-37 only 16 times. Apart from amending the Act resolutions may be moved in the Legislature suggesting a particular course of action. If the House accepts the resolutions the Government may take action. But even here the number of resolutions relating to municipal administration that were tabled by private members and accepted by the Government were infinitesimal.

As regards judicial control its great merit is that it keeps the municipal authorities within their limits. It induces them to act wisely and to refrain from arriving at unwise decisions. But it suffers from a number of limitations. Firstly, it is passive and inactive until called upon by some interested party to exercise its jurisdiction. The initiative must, therefore, be taken by the person aggrieved. The judge himself is powerless to initiate the proceed-

85. G.O. No. 1656. L.M. 1-5-1907; G.O. No. 1391. Edn. 27-6-1910; and G. O. No. 939. L.A. 10-3-1912.

ings and act independently. He must "wait spider-like, till someone enters the web of his jurisdiction".⁸⁶ Very often judicial intervention comes into operation after the act has been committed or about to be committed.

Secondly, it is expensive and inaccessible to one and all. The procedure is complicated. The municipal authorities are in a better financial position than a private individual. They may employ the most expensive counsel. Even if the private individual wins in the lower court he may have to respond to an appeal in a higher court. Therefore only those who have wealth and leisure can undertake litigation. Many an aggrieved person, unable to finance an expensive litigation bear patiently all the wrongs committed by the municipal authorities.

Thirdly, a study of the recent judgements of the courts of law reveals the fact that at times the courts have managed to interpret law in such a way as to obstruct efficient administration. Very often a decision of a court of law acts as a spanner in the middle of a delicate machinery.

Finally, an invidious distinction is being made between the Presidency Town and the mofussil towns. The prerogative writs like mandamus and certiorari are applicable only to acts committed within the ordinary original civil jurisdiction of the Madras High Court. In other words, people living outside the limits of the Madras City are denied of this privilege. It should be remembered that these two ancient writs constitute a remedial process of extraordinary nature available only when no other suitable remedy exists. The importance of these writs can only be realised if we look at the misdeeds of some of the administrative tribunals. In the *Zamindari of Mandasa v. Ryots of Mandasa Zamindari*, it was found that the Board of Revenue failed to exercise a jurisdiction which it was bound to exercise.⁸⁷ In *Ramalingam Chettiar v. The Debt Conciliation Board, Dharmapuri*, it was found that the Board exercised a jurisdiction which it did not possess.⁸⁸ In *Devisikhamani Ponnambala Desikar v. The Hindu Religious Endowment Board*, it was found that the Board had acted in a perverse manner.⁸⁹ In every one of these cases there was no other remedy except the prerogative writ, certiorari. The need for the existence of this remedy is all the more greater today, especially when we remember the increasing importance of the administrative tribunals performing judicial functions.

86. Robson, *Justice and Administrative Law*, p. 74.

87. I.L.R. 15, M. 519.

88. 1941. M.L.J. (i), 108.

89. 1941. M.L.J. (ii), 175.

It is the only means by which individuals are protected from high-handedness of the administrative tribunals. It is, therefore, suggested that this remedy should be made available to one and all.

Of all the controls, the administrative control is the most real and the most effective. The present-day tendency is to increase the administrative control over the councils. Before 1930, the Government did not possess so many powers as it has at present. It was in 1930 that the power to hear appeals against all orders of the executive authority inflicting punishments was vested in the Government. It was in the same year that the Government assumed power to remove chairmen, and to provincialise any class of servants or officers. In 1933 the Government was given power to appoint executive officers to all the municipal councils. In the same year the services of the municipal health officer and municipal engineer were provincialised. In 1934 the Government was given power to transfer any municipal officer or servant from one council to another; in 1935 it was given power to fix scales, grades and strength of the municipal establishment; it was in 1938 that the power to prepare the municipal electoral rolls was given to the Revenue Department; in 1942 the Government assumed power to nominate municipal councillors; in the same year it assumed power to fix the rate of property tax that should be levied for various purposes. The tendency is therefore towards centralisation.

The causes for this centralisation are not difficult to see. Firstly, we never had a really representative and responsible form of government. All that we had was only a paternal form of government. Paternalism favours centralisation, and it is remarkably effective in resisting any attempt at decentralisation. For a quarter of a century after Lord Ripon's reforms the local bodies were allowed to function in a most farcical manner, sometimes under the chairmanship and invariably under the control of the district officer and the intelligentsia of the country did not know the real meaning of local self-government. Further, the department of local self-government was in the hands of an Executive Councillor not responsible to any one but to his Excellency the Governor. As a departmental head he was interested in the efficiency of the departmental working and therefore interfered in the details of administration. This policy was continued even after the appointment of 'responsible ministers' to be in charge of the department. Therefore, centralisation is a process which began when the department was in the hands of Executive Councillors and continued till today.

Secondly, there was a tendency on the part of several members of the legislative council to crave for the intervention of the Govern-

ment in the administrative details of the councils. They requested the Government on the floor of the House for the provincialisation of certain services; for the introduction of communal ratio in the municipal services; for the provincialisation of municipal hospitals. These things afforded opportunities to the Government to assume more and more powers.

Thirdly, people have lost faith in the municipal councils. It is because men of low calibre are coming forward as candidates to contest municipal elections. A senior officer of the Local Administration Department told the writer that hundreds of petitions are being received in the department alleging corruption or nepotism. People therefore want that Government should have a watch over the activities of the municipal councils.

Finally, central control is also favoured for the protection of minorities against the intolerance—racial, religious, political, social, and personal—that exists in the municipal areas. If the minorities are left unprotected they are likely to be subjected to every sort of discrimination and injustice. The Divine Right of the majority rule has therefore its limitations and the restraining hand of the Government is welcomed.

We shall now consider how far these powers were exercised in practice. The evidence of Mr. Brown before the Simon Commission is of interest in this connection:⁹⁰

Lord Burnham:—You are satisfied that supervision and control is a real thing.

Mr. Brown:—Yes. I think so because we have so many different means by which we can control. Besides the mere statutory powers of dissolving and superseding local bodies cancelling any of their resolutions and so on, we can control by post payment system and by surcharge system and by our executive officers in various other ways.

Regarding the cancellation of the resolutions of the councils Mr. Brown said before the Simon Commission:

Mr. Cadogan: I want to ask a question on the subject of powers by which . . . Government exercises . . . control. Have the occasions been frequent on which these powers have been exercised . . . the power of suspending and cancelling resolutions?

Mr. Brown: Yes. We have had to resort to that frequently partly because of the defects in the existing Act. For

example, if I might give an illustration, we have had a lot of difficulty about the erection of rice mills and things of that kind, municipalities giving permission to erect these mills in unsuitable localities and we have suggested to the municipalities that they ought to set aside a portion of their town where they should be erected and that they should confine them to that area. Similarly, we have told them that they should consult the Health Officer . . . before granting permission. We give them that advice; we have no means of enforcing it as the Act as it stands at present. There is no statutory obligation to consult the Health Officer or to set aside this area and so the only way we can deal with a permission which has been given which we consider ought not to be given, is to stop it by suspending or cancelling the resolution of the council which gave that permission.⁹¹

However, according to Mr. Brown himself, the statutory powers were not exercised as 'vigorously' as they ought to have been. On the date when Mr. Brown gave evidence—21-2-1929—only six councils were superseded and only two were dissolved. During the period under review only 18 councils were superseded and about 7 were dissolved. The above facts may lead one to believe that the administration of a great majority of the councils was satisfactory. But the fact was according to Mr. Brown himself that more than 50 per cent of the councils were badly administered. It is, therefore, evident that all the statutory powers were not exercised as often as they should have been. Similarly the default power also was very rarely exercised. But as we had already seen some of them were exercised quite frequently.

Let us now consider whether there was any abuse of powers on the part of the departmental heads or the Government. There was undoubtedly some abuse of powers by both the authorities. Some of the district Collectors adopted an autocratic attitude. For example, the Collector of Guntur asked the two nominated councillors of the Chirala Municipality to explain their conduct in leaving the council hall when the subject regarding the presentation of an address to Mr. Subhas Chandra Bose came up for discussion.⁹² The nominated councillors were not the subordinates of the Collector nor did they receive their nomination at the hands of the Collector to be under his obligation and yet the Collector in his anxiety to demonstrate his loyalty to Government adopted an entirely high-handed attitude. Similarly, the Collector of Chittoor suspended a resolu-

⁹¹ Ibid.

⁹² M.L.C.P., Vol. 38, p. 220.

⁹⁰ Official Evidence, *Indian Statutory Commission*, Vol. 15.

tion of the Tirupati council for resolving to name a reading room after Mahatma Gandhi, though according to the Act, the council was at liberty to name any institution under its control as it pleased.⁹³ It should, however, be said to the credit of Government that they rescinded the action of the respective Collectors.

Even the Government abused the statutory powers given to it under the Act. We have already seen how the power of nomination of municipal councillors was used especially by the Subbaroyan Ministry. Though the system of nomination was intended to secure representation to the backward communities, in practice, persons who were defeated at the polls, persons who were unseated by judicial decisions, members of the Legislative Council belonging to the party in power were nominated to the various councils. Nominations were made and made almost always with a view to strengthen the party in power. The same political motives also influenced the ministers in fixing the boundaries of the electoral wards and in reserving seats for the minority communities.

Therefore the ministers in charge of the department of Local Self-Government have failed to give a correct lead to the municipal councils in the exercise of their powers of control over them. On the other hand they interfered very often with the details of municipal administration. It was forgotten that such interference was a serious matter, for, political bias is always associated with the ministers and whenever they exercised their powers for political ends they were not using these powers for the promotion of efficiency for which purpose they were intended. It appears to us that the ministers who held this portfolio during the period did not keep this principle constantly in mind. At times their interference was so very naked that it roused the suspicion of the members of the Legislative Council. One who goes through the proceedings of the Legislative Council for the years 1932-37 is sure to come to the irresistible conclusion that the ministry used the statutory powers of interference without any regard to the principle of efficiency.

Critics may therefore say that Government should not have such extensive powers of control. They may further contend that it is a retrograde step to invest the Government with such powers as the appointment of officers, transfer of municipal servants, power to fix designation, grades, strength and scales of pay and the power to supersede and dissolve the councils. Such powers according to them cut at the very root of local self-government. They undermine local independence. They stifle local initiative. They reduce the

councils to the position of a molecule with no personality of their own.

While we do not advocate total centralisation we do not believe that true self-government lies in the possession of power to appoint municipal subordinates. It is a function which is purely executive and no democratic institution should be given this power. Further, the councils were completely free till 1930 to appoint their own men and to do as they pleased in very many respects. What was the result? A good number of the councils utilised the powers given to them for the promotion of partisan interests. To many of the councils efficiency was not the watch word. They did not pay heed to the advice tendered by the provincial government. According to Mr. Brown, the Government "urged upon the municipalities to appoint an executive officer and a revenue officer for themselves but most of the bodies" did not pay heed to the advice rendered. We have already seen how several of the executive officers abused their powers. There is no need to repeat all that. But the most important fact that we should remember is that the power to appoint executive officers was initiated by a non-official member of the Legislative Council, Mr. A. Ranganatha Mudaliar, and not by Government. And nobody regrets for the appointment of executive officers to the municipal councils as it has resulted in the improvement of administration.

As regards the power to fix designation and scales of pay, the necessity for the systematization arose from the fact that there was great diversity in the scales of pay and the conditions of service. "The scales of pay," says the minister for Local Self-Government, "are sometimes out of all proportion to the duties attached to the posts and do not generally go by the qualifications of the employees".⁹⁴ In order to introduce uniformity in the scales of pay this power was assumed.

The power to transfer municipal servants was assumed in the interests of municipal employees. Very many of them who refused to be drawn into local politics were victimised. The Minister for Local Self-Government said:

"Numerous instances have come to the notice of Government where employees have been subjected to victimization and appeals are made to Government. Government go into the matter and . . . order . . . that . . . the employee has to be reinstated. But what is it we find? The very next minute the same employee is again placed under suspension and new charges are

93. Ibid., Vol. 17, p. 1170.

94. Speech of the Raja of Bobbili, Minister for Local Self-Government, M.L.C.P., Vol. 73.

framed and then enquiries are held and the person is again placed under suspension. . . . I may mention in this connection, that . . . the manager of the Trichinopoly Municipal Council is removed in spite of Government orders restoring him three or four times. I do feel in such cases we can in consultation with the local bodies concerned . . . arrange for mutual transfers which will be in the interest of the parties concerned. The power given to Government for hearing appeals and passing orders is really ineffective and I feel very often greatly discouraged that in such glaring cases of injustice I am unable to safeguard the interest of the municipal employees who have been unjustly treated for no fault of their own."

In the face of these facts who can say that the Government should not be invested with the powers of control mentioned above? One shudders to think what would have happened had not the Government possessed these powers. The mere fact that Government abused the powers sometimes should not drive us to the conclusion that it should be divested of the powers of control. As a matter of fact abuses related mostly to the power of nomination and with the abolition of that power the opportunities for abuse have greatly diminished. Further, public opinion and the Press have to a great extent exercised control over Government in the exercise of their discretionary powers. We, therefore, do not agree with our critics when they say that councils should be autonomous units with very little central control.

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REPORT ON THE FINANCIAL POSITION OF AHMEDABAD MUNICIPALITY

By MANU SUBEDAR, M.L.A. (Central),
B.A., B.Sc. (Econ.), London,
Barrister-at-Law.

I. PRELIMINARY

1. The Ahmedabad Municipality passed the following resolution on 13th May 1946 :—

જનરલ બોર્ડ ડરાવ નંબર ૧૪૨ સને ૧૯૪૬-૪૭. ડરાવ કર્યો કે:—

મ્યુનિસિપાલિટીની હાલની આર્થિક પરિસ્થિતિ જોતાં તથા આવકનાં સાધનો જોતાં આખીએ પરિસ્થિતિ નવેસરથી વિચારણા માંગી લે છે, અને હાલની પરિસ્થિતિને પહોંચી વળવા માટે દરેક દૃષ્ટિબિન્દુથી વિચાર કરવા માટે એક નિષ્ણાતની નિમણૂક કરવાની આવશ્યકતા છે. તેથી શ્રી. મનુ સુબેદારને વિનંતિ કરવી કે તેમણે અમદાવાદ મ્યુનિસિપાલિટીની નાણાંકીય સ્થિતિ અને કરવેરાની પદ્ધતિને ઊંડા અભ્યાસ કરી નાણાંકીય સ્થિતિ એવી રીતે સંગીન બનાવી શકાય કે જેથી આવતાં દસ વર્ષમાં શહેરી જીવનને પૂરતી સગવડો આપી વિકાસ સાધી શકાય. એવા પ્રકારની સંગીન સ્થિતિ બનાવવાને માટે કરવેરાની પદ્ધતિ બદલાવીને અગર તો કર ભરી શકે તેવાઓની શક્તિનો ખ્યાલ રાખી જે કંઈ સીધા અગર આડકતરા કરવેરાઓ સૂચવી શકાય તે સૂચવવા.

આ અંગે તમામ જરૂરી પગલાં લેવા પ્રમુખ સાહેબને સત્તા આપવામાં આવે છે. શ્રી. મનુ સુબેદાર મ્યુનિસિપાલિટીની વિનંતિ સ્વિકારે તો તેમની સાથે આ પ્રશ્નો ચર્ચવા તથા મદદ કરવા અને જોઈતી માહિતી આપવા નીચેના પાંચ સભ્યોની એક કમિટી નીમવામાં આવે છે:—

૧. શ્રી. ખંડુભાઈ કે. દેસાઈ,
૨. શેઠ વાડીલાલ લલ્લુભાઈ,
૩. શ્રી. અર્જુનલાલ ભોગીલાલ લાલા,
૪. શ્રી. રમણીકલાલ કૃષ્ણલાલ શેરદલાલ,
૫. મી. એ. એમ. યમની.

On the 21st May 1946 the Ahmedabad Municipality wrote to me inviting me to undertake this work in the following terms :—

No. Mis. 772 of 1946-47.

Municipal Office,
Ahmedabad, 21st May 1946

From

Manilal Chaturbhai Shah, Esqr.,
M.A., LL.B., President,
Ahmedabad Municipality, Ahmedabad.

To

Manu Subedar, Esqr., M.L.A. (Central),
Kodak House, Hornby Road, Fort, Bombay.

Sub.: Request to undertake the work of examination of the present financial condition of the Ahmedabad Municipality and to advise the Municipality the ways and means of stabilising and expanding the present financial condition.

Sir,

I have the honour to forward herewith a copy of Resolution No. 142 passed by the General Board of the Ahmedabad Municipality at their meeting held on 13th May 1946, and to request you to be so good as to accept the request of the Municipality to study its financial position, taxation, rules, etc. and to suggest to the Municipality ways and means to increase its income, etc. as stated in the said resolution. I hope and trust you will make it convenient to spare some of your valuable time and help the Municipality in this task.

This Municipality will very much appreciate your help and will gladly accept all the reasonable terms you may propose.

I shall thank you to let me know your acceptance of our request at an early date and also presuming that you will help us the materials that you will require for the purpose.

Your obedient servant,
(Sd.) Manilal Chaturbhai Shah,
President,
Ahmedabad Municipality.

I replied to them in the following terms :

Telephone : 26372
Telegrams: 'Crownaluco'
Kodak House, Hornby Road,
Bombay, 30th May 1946.

The President,
Ahmedabad Municipality, Ahmedabad.

Dear Sir,

Sub. : Request to undertake the work of examination of the present financial condition of the Ahmedabad Municipality and to advise the Municipality the ways and means for stabilising and expanding the present financial condition.

I acknowledge your letter No. M/772, dated 21st May which reached me on the 23rd May, on the above subject. I have much work on my hand. All the same I cannot refuse the request of the Ahmedabad Municipality to help them in the manner suggested, on account of many reasons, the most important of which is that I am Chairman of the Sastu Sahitya Mudranalaya Trust functioning in Ahmedabad. It is a unique institution in all Gujarat and has done gigantic service to the people, and I trust the Ahmedabad Municipality is proud of this fact.

For work of this type, my normal fee would have been Rs. 10,000 payable in advance, but in the case of the Ahmedabad Municipality, I have decided to give my service free.

I shall require the materials as per list herewith and the answers of some of the questions, which I have raised there, which please arrange to send to my office here at your early convenience.

After perusing these, I shall arrange a visit to Ahmedabad, the probable date of which cannot be now mentioned. During this visit I shall avail myself fully of the co-operation of the Committee, which has been appointed, and before formulating final recommendations, I shall utilise the information about local conditions and various other relevant factors, which the members of this Committee can give us.

Yours faithfully,
(Sd.) Manu Subedar,
M.L.A. (Central).

2. I put a questionnaire to the Municipality, asking for all sorts of relevant facts to enable me to deal with this problem and for all papers bearing on it, including reports of the previous ten years.

3. I visited Ahmedabad on 16th August 1946 (upto 19th August). During this visit a meeting of the Municipality was held, at which leading members gave their views and outlook. Another meeting of leading municipal members was held, at which prolonged discussions took place on the problem in hand, and I was enabled to learn the views of most of the sections as to the present condition of the city, the improvements which were required, the obstacles which existed and the methods of raising new money, and I was able to gauge generally the manner in which the report to be submitted by me may be received. At my instance, the President of the Municipality very kindly arranged with leading citizens representing all classes the meeting. Accordingly, the leaders of the Bar and the Medical Council met me at the Municipal Offices. Similarly, leaders of the Cloth Merchants' Association, the Stock Exchange, the Stores Dealers Association, Bullion Merchants, Shroffs and others also met me. I had also the benefit of a talk with Mr. Shantilal Mangaldas, the President of the Millowners' Association, who accompanied by the Secretary of the Millowners' Association met me at the Municipal Office.

4. Besides these formal talks, I had informal talks with several leading citizens of Ahmedabad, amongst whom may be included millowners, mill managers, social workers, journalists, professional men and businessmen.

5. I had also the advantage and opportunity of meeting and talking with high officials of the Municipality in every department.

6. As it is not possible for me to thank individually every one of these gentlemen, I take this opportunity of recording my gratitude to them for the courtesy extended to me and for the information given to me by them, on the basis of which I have framed this report.

II. NEED OF INCREASED POWERS FOR THE MUNICIPALITY

7. The Municipal Boroughs Act of 1925, which regulates the affairs of Ahmedabad Municipality, is in my opinion inadequate. This Act would serve the needs of a township of thirty thousand to fifty thousand population, but it is altogether unsatisfactory for a city with complex metropolitan organisation, such as Ahmedabad has now grown. The following figures of population will indicate what I have in mind:—

Population of Ahmedabad in 1901 census	...	...	1,81,774
1911 "	...	...	2,13,727
1921 "	...	...	2,70,775
1931 "	...	...	3,32,737
1941 "	...	...	5,91,643
1946 (estimated)	...	...	7,50,000

8. It is not my province to make suggestions with regard to laws, but incidentally and in order to achieve the results, which should come about for financial stability on the lines, which I have drawn up, additional powers would be required. I am avoiding the controversy as to whether the executive of the Ahmedabad Municipality should be independent of the Corporation. While giving all credit to councillors and a succession of distinguished Presidents for long hours of selfless work, which they must have put in, it appears to me that the organization of the Municipality, with many new functions and responsibilities and the mere increase in bulk, would render the old system unsatisfactory. The independence of the executive and their freedom from interference by individual Councillors is very much to be desired, at least in the field of assessment, as is shown in another part of the report (paragraph 57). But this is undoubtedly a large question and I merely refer to it in passing. I am, however, making certain suggestions, by which doubts with regard to the Municipality's powers in certain directions should be eliminated so as to save litigation, and these powers should be expanded in certain directions in order to secure maximum and early results with regard to the public health of the city and with regard to financial stability. A list of these items is given hereunder. It is an illustrative list and not exhaustive. The exact definition of what is required would have to be worked out, but each one of the points has struck me as important in the course of my enquiry.

- (1) Power to prosecute for false declaration.
- (2) Increase in the limits of fines imposed for breach of municipal rules and for the commitment of nuisance.
- (3) Power to impose a penalty, i.e., a surcharge of from ten to twenty-five per cent on the amounts due to the Municipality for
 - (a) false declarations,
 - (b) late payment,
 - (c) overcrowding of premises.
- (4) Special surcharge over premises, which are not according to municipal rules, but which are tolerated until considerable rebuilding takes place in the city.
- (5) Criminal prosecution of persons, who are involved in fouling streets.
- (6) Power to enforce payment of municipal dues after one notice even if there is an appeal against the assessment. Money must be deposited in any case before any appeal is heard.

- (7) Power to demand that every property intended for human habitation shall be provided with a privy.
- (8) Power to increase the limits of the Municipality. I think it is desirable that the Municipality should bring further areas into limits well in advance so as to prevent undesirable developments in areas, which are sure, in the next ten to twenty years, to be part of the city.
- (9) Power to charge for betterment of any property or groups of properties (where there is no Town Planning scheme). The Municipality has to incur enormous expense (to develop the locality and has to wait for its return), which benefits private individuals, without being able to demand any betterment charges so as to lighten the burden of the improvements, which the Municipality brings. The Municipality should have the power to do this in any area, apart from areas, to which the Town Planning Act applies.
- (10) Power to acquire a property partly for purposes of street improvement only. Under the Land Acquisition Act, the whole property has to be acquired by the Municipality. It should not be necessary to do so and to engage municipal funds unnecessarily in large acquisitions, where the improvement of a particular street is taken in hand.
- (11) Power to impose taxes on vacant lands. Such power exists at present under section 73, but under section 86 a refund has to be given to two-thirds for "vacant" property. The land tax proposed by me is one, in which the Municipality should not be called upon to give this money in respect of any part of the land so taxed.
- (12) Power to impose taxes on house property. Such power exists, but, for some reasons in 1920 the Municipality appears to have given an undertaking that, so long as the terminal taxes continue, this power will not be used. This undertaking should be rescinded and full power should be taken to consolidate the tax at present divided into general water rate, special water rate and drainage tax, into one single house property tax.
- (13) The Municipality should be free to collect tax not on tenements, but on the property, which should be the unit of taxation. (I believe this is a matter of rules, but there is no need to leave it in any doubt).
- (14) The fines for breach of municipal law are extremely low, the utmost limit being Rs. 25. Similarly, with regard to nuisance, small and large, which are considered deleterious to public

health, in some cases the Municipality has no direct power of prosecution; in other cases, where prosecutions take place, the fines are too low to be a deterrent. This requires changing.

- (15) To raise loans at once regardless of the deficit in the last three years.

9. The increase of powers will not necessarily bring efficiency in the Municipality. I am sorry to say that I have found that all the powers, which the Municipality has at present, are not fully used. The revision of valuation is provided compulsorily at the end of four years, but there is nothing to prevent the Municipality to readjust earlier.

10. Power to compel road-making in the Town Planning Scheme has not been used. Nuisance prosecutions though numerous are ineffective because the occurrence of nuisance in Ahmedabad is chronic everywhere. The fouling of streets goes on without the kind of action, which any Municipality is expected to take. The leakage of water, which is against public interests, is also going on and the Municipality has failed to take proper action. The Municipality has, I was told, the powers to enforce the erection of a privy in every property, but they have not used these powers effectively.

11. I am conscious that it is not part of my work in connection with this report to go into such matters. The weakness of the Municipality by the non-exercise of existing powers may be due to many reasons, which local people will more readily understand. The desire of Councillors to appear peaceful and to win popularity may be one of the reasons. Whatever the reason may have been, having regard to the present health conditions in Ahmedabad, very great vigilance is wanted. Stout-hearted executive action in these matters is absolutely necessary and whether it is by an independent executive, or by the present Corporation, I consider it imperative that existing powers should be used and additional powers should be taken.

12. For additional powers I suggest a non-controversial bill, which will seek to give to the Ahmedabad Municipality "in addition to the powers already given to them under other acts the following powers." This form would eliminate the controversy as well as doubt with regard to the Municipality's ability to do certain very essential things in the city.

III. FINANCIAL

(a) Deficits & their Causes

Statement of Revenue and Expenditure (ordinary) of the last decade.

Year.	Ordinary revenue.	Ordinary Expenditure	Excess of Income over Expenditure.	
1936-37 ...	50,58,142	43,47,644	7,10,498	
1937-38 ...	*58,59,165	42,34,157	16,25,008	*The increase in revenue is due to the receipt of grant in those years on account of Primary Education for previous years and withheld by Government for political reasons.
1938-39 ...	*58,32,841	53,77,239	4,55,602	
1939-40 ...	52,17,399	46,84,534	5,32,865	
1940-41 ..	51,54,647	43,51,759	8,02,888	
1941-42 ...	53,56,788	47,02,785	6,54,003	
1942-43 ...	48,77,601	53,05,808	-4,28,207	
1943-44 ...	56,05,193	63,71,830	-7,66,637	The arrears of taxes especially from mills is the chief reason for deficit.
1944-45 ...	59,61,041	67,80,513	-8,19,472	
1945-46 ...	63,30,405	73,03,835	-9,73,430	

13. The difficulties of the Ahmedabad Municipality in the matter of finance arise out of progressive increase in expenditure without corresponding increase in income in recent years as will be seen from the statements of income and expenditure during the decade ending 1945-46 appended herewith (Appendices II and III).

14. Broadly speaking, the deficit arose, because the expected income from the drainage tax did not mature on account of the refusal of parties generally and principally the mills to take drainage connections. The loss of revenue under this head may be put down at six to seven lakhs of rupees per year. The other principal reason is the reduced income under the terminal tax on account of smaller arrivals and the operation of all-India control laws, as can be seen from the statement of revenue for the last decade appended herewith (Appendix IV). The increase of expenditure on dearness allowances etc., has also contributed to the deficits. The withholding of payment by the mills during war years also led to the shortage.

Under-assessment, parties who are escaping, and arrears.

15. Another important cause of the financial difficulty of the Municipality may be put down under the head of under-assessment.

16. The immediate problem is to get rid of under-assessment. I had suspected this when I saw the figures in the report, but, with every cross section of the population, with whose representatives I had opportunities to talk, I had put this forward and it was universally confirmed that this practice of paying a little less to the Municipality was widespread. It was reported that **Municipal Councillors themselves were not only fully aware of this, but some of them were actually helping in this.** Not merely inefficiency, but corruption of the staff concerned was also alleged. I would not like, without further investigation, to permit the underpaid staff to be held responsible for this state of affairs, particularly when I was informed that the standing bias of some Councillors and some of the Appellate Committee of the Council, which dealt with assessment appeals, was in favour of the public as against municipal interests. Estimates of the revenues lost to the Municipality through this channel given by Municipal Councillors themselves, varies from two lakhs to six lakhs a year.

17. The task of saving this money is for the Executive of the Municipality to fulfil. A financial adviser cannot help in the matter, but I would make the following suggestions.

18. The practice of levying tax per tenement should be discontinued. Municipal taxes should be levied on individual property instead of on tenements of the property. I expect not only much time and trouble would be saved and some economy of expenses of the cost of collection, but the inducement for the landlord and tenant jointly to give any false declarations of rent would also be to some extent reduced. Few tenants will go out of their way to make a false declaration of their rent merely to enable the landlord to escape the proper municipal assessment.

19. Public opinion does not seem to be strong enough to condemn the attitude which is betokened by a deliberate evasion of legitimate dues to the Municipality, as almost all classes in Ahmedabad seem to indulge in this without any notion that this is wrong and cuts at the root of local self-Government.

20. People returned by popular votes may be averse to taking a very strong line on those, on whose votes they rely. It is for these reasons that the actual administration is taken out of the purview of popular representatives and a strong executive is established in cities like Bombay.

21. I was immensely surprised and pained that, as between the mills and the Municipality, matters have never been settled with regard to assessment without prolonged negotiations and in most cases law suits. I do not wish to draw harsh inferences from this phenomenon

beyond saying that the mills should take a lead in the public life of the city. Instead when the mills set a bad example, how can other classes of citizens be blamed for trying to save a few rupees from what is legitimately due to the civic authority?

22. I was told that sub-lettings are duly recorded and the final rent actually paid by the sub-tenant is taken into consideration. But I feel that, on closer investigation, many cases may be found where the final rent is much higher than that on the basis of which the Municipality collects. I was told that business premises which can bear and ought to pay more, managed for a long time to escape both the water and drainage levy on the plea that they were not using any water. Such a practice, I was assured by the Municipal authority, was now not prevailing but I must indicate that any person, who drinks a glass of water anywhere in Ahmedabad, and who occupies any premises even if they are merely for business purposes, must bear the corresponding rate for water on the rateable value of the business premises. The notion of individual service ought not to be carried to this ridiculous extent at the expense of the Municipal exchequer.

23. Taking further the same question of those, who should be liable to pay, but who are escaping, I would deal with the question of privies.

Arrears

24. According to the Examiner of Local Accounts, the arrears in the Municipality in recent years have grown as follows:—

On 31-3-41.....	6%
31-3-42.....	7%
31-3-43.....	16%
31-3-44.....	16½%
31-3-45.....	25%

25. This is an undesirable state of affairs. The present procedure, as it was explained to me, is in my opinion very unfavourable to the proper administration of Municipal finance and it must be improved by increased powers. The present procedure is that, after the assessment is declared, a party can raise objection, which would be determined by the Appellate Committee of the Municipal Council. After the Appellate Committee's decision is handed over, a bill is issued to the party. The party, I understand, is free to raise objection within fifteen days after the bill, which is in accordance with the decision of the Appellate Committee, is presented to him. If no objection is raised, the notice of demand is put. Within fifteen days after the notice of demand, an assessee can file an appeal before

the Municipal Magistrate. Before his case comes up for hearing, he has to deposit the amount with the Municipality. If he has not done this, the Municipality can, under its present powers, issue a warrant for distress and attachments of immovable property, but in the case of immovable property for taking possession, a further Court process is involved.

26. Thus municipal dues, which are strictly payable in advance, could be delayed for a matter of months and the final realisation is the same amount except for notice fee and warrant fee.

27. I consider this position deplorable. The Municipality ought to have powers to peremptorily collect its just and proper payment. Where a party, through litigious nature or perversity or for other reason, desires to delay the payment of just and proper municipal dues, it should be rendered impossible for him to do so by amending the rules and (if necessary) by getting the Act changed. Municipal dues must be paid peremptorily when due even when a party makes an appeal. If paid under protest, the appeal could still be considered. No right of appeal even to the Appellate Council of the Municipality should be given to a party, who does not pay. Further, where a party, in spite of going before the Appellate Council and before the Municipal Magistrate, does not pay but forces the Municipality to bring out a warrant of distress and attachment, it should be provided that the Municipality will have a right to take an additional surcharge over the amount due of ten per cent.

28. To cure this state of affairs and to provide for increased revenue many suggestions have been made, which I am examining at another place in this report.

29. The number of tenements is 189,753. The number of properties is 60,000. Of these 1,600 are chawls and taking an average of 50 tenements each, 80,000 tenements would be accounted for by the chawls only. I was asked to see whether a graded tax should not be put in so as to favour the various small parties and to put a bigger burden on the bigger parties. I regret that I do not recommend any such thing. On the contrary, as indicated in paragraph 18, I am advocating that taxes should be collected on the property as single unit from owners and not each tenement forming part of the property. The additional charges on those, whose properties are bigger, would be collected wherever the question of a large garden or compound comes in, but, beyond this, it is not possible for administrative as well as financial reasons, to make a distinction between properties, which yield a small return, from properties which yield a bigger return, or properties, which are occupied by the poor people, and properties, which are occupied by the rich. When the unit of

taxation will become a property, it may be occupied by fifty tenements, as in the case of chawls, and it would be very difficult to distinguish between such case and another unit in which one family might be living.

30. Special benefit to owner-residents could not be given beyond what is provided in rule 330. Even this rule seems to be absurd in the sense that an economically poor family, which is living in a hired place or tenanted place, does not receive any benefit from the Municipality. I object to a different scale of tax in favour of the owner-resident for the reason that the owner-resident is not necessarily a small man, deserving sympathy and subsidy from civic finances. A contrary class of case was brought to my notice. Some owners were locking up accommodation, which other people could occupy, and they are charged less. Any rule, which tilts the balance in favour of the owner-resident generally, will also benefit this class.

(b) Examination of suggestions received

31. I have examined suggestions by various people of raising revenue, some of which I have rejected, either because they do not fall in the purview of municipal finances, or because I do not consider them more suitable than the method suggested by me. Among these were tax on cinemas, cloth export tax, full educational fees in municipal institutions according to the resources of the parent, bicycle tax, municipal trading and monopoly etc.

Transport

32. I have not examined the transport system of Ahmedabad. What has impressed itself on my mind is that some of the streets are so narrow that modern transport buses could not go in. As the city has not been laid out with any definite plan, but has just grown around an ancient place, the transport problem of Ahmedabad is going to give very big difficulty. A circular railway to bring in people from distant suburbs is suggested. Reaching the centre of the city from outlying suburbs could be done by buses, as these roads are being laid out, but I suggest that the problem of transport should be carefully examined at the hands of some expert, so that municipal improvement schemes could be based partly on transport considerations. The width of roads is in most cases too narrow for parking as well as for through transport. There are certain streets in the inside, where no vehicles can go and even an ordinary touring car cannot go. The longer this problem is put off, the more costly it will be for the city of Ahmedabad. An ideal thing would be to run a 150 ft. road right through the depth of the old fort area, but the cost of such a road would be in my opinion many crores of rupees and therefore

prohibitive. It is because there is no plain sailing in this problem that a close examination by experts is wanted.

33. The provision of motor transport at the hands of the Municipality was suggested practically on all hands. Some people had the idea that the Municipality would provide cheap transport from distant places as a matter of convenience, and they should do so even if they make a loss. Others had the idea that private enterprise at present engaged, is making too much money, and if this money was diverted to municipal coffers, the need for extra taxation from those, who are at present contributing to the Municipality, may not arise. I find both these views in direct conflict and cancelling each other.

34. I favour private enterprise in this field provided it is not a monopoly, either open or secret, by means of understanding between the several companies. I think it is open to the Municipality to run a parallel service to any of the other companies, covering even distant parts which are not at present served by other buses. If routes are assigned to different companies, it is a more difficult task to differentiate so as to assign a paying route to a company, balanced by the compulsory obligation to run buses at certain intervals along a distant route which will not pay. I think the affairs of the Ahmedabad Municipality are in that condition now, where they should not overload their administrative machinery with additional tasks involved in taking over the transport of Ahmedabad, but if their control over the companies now running is inadequate, they should undertake more powers to compel the present licensees to do certain things in the interest of the public, such as the frequency of the service, the question of overcrowding, the question of charges levied from one place to the other, and general safety, etc.

35. Other means of making money by the Municipality have been suggested, such as the acquisition of the electric supply company. Municipal banks have been spoken of in other parts of the world, though they are not known to function in India. The latter question has not been raised by anybody in India and I would not raise it myself. With regard to the former as the period before the licence expires is a long one, the question does not arise at present.

36. The present motor vehicles tax is as follows:—

	No.	Tax		
		Rs.	as.	ps.
Motor Cycles	.. 223	36	0	0
Motor Cars	.. 1,339	72	0	0
Motor Lorries	.. 318	300	0	0
Buses (under 7 passengers)	.. 207	120	0	0
Over 7 passengers	.. 27	200	0	0

Total number 2,114. Realisation from these is Rs. 2,44,500 at present.

37. I suggest that these fees should be increased by 50 per cent of what they are now. The increased revenue is estimated at Rs. 1,00,000 per year.

38. I suggest a levy of Rs. 2 per bicycle. This is a tax distinctly falling on the poor man, but this is also reasonable. They should bear a charge, which they could bear. This charge could not be beyond the means of those who are using the bicycle. Estimating that the number of bicycles at Ahmedabad are about fifty thousand, this tax is expected to bring in one lakh of rupees. Opinion with regard to bicycle-rickshaw varies, but the general feeling was that the Municipality should cancel the licence of this class of vehicles. If the licences are continued at all, they should be for one-man carriage only.

39. The toll tax on the bridges was suggested, but as it brings little and as congestion would be caused during busy hours of the day, I do not recommend it.

40. Other methods of dealings with finance were suggested. Amongst them was retrenchment and charging full fees for education in the educational institutions run by the Municipality. I have not examined the scope for retrenchment, but I very much doubt, with the present inflation, whether there would be much scope, and I would not further recommend retrenchment at the present moment, as my general finding is that the municipal administration needs to be tightened. This means that the staff should be rendered as independent and self-respecting as possible, and this could not be done if any attempt is made to cut down their salaries and allowances.

41. With regard to educational institutions, I find that the Municipality has not so far progressed in this field beyond primary education. The Municipality has a grievance against the Bombay Government, who have not been paying full grants. I think these grants should be given by the Government of Bombay with the obligation on the Ahmedabad Municipality to make primary education compulsory (otherwise they should be withheld). When primary education is compulsory, it should be free as a rule, but it has been suggested that the rich man's child ought not to get free benefit from the Municipality. This principle cannot be gainsaid. Notwithstanding this, I do not recommend such collection for the simple reason that in some cases it might discourage people from sending their children. In other cases it would be difficult in practice to find out the resources of the parents and to throw the obligation on the parent of the child to disclose his resources, failing which his child would have to pay additional fee, would create unnecessary hardship on all those, who are definitely on the borderline of what would be after all an arbitrary test. What test could the Municipality put of means in order to delimit those who

should not get free benefit? This creates administrative and other problems, which it would not be worth while to create for the sake of a financial benefit, which I do not estimate at anything very serious.

42. Another method was suggested to me by several councillors and leading public people in Ahmedabad for replenishing the municipal exchequer, and that was the wholesale acquisition of lands and their resale after plotting. This method has been tried by the Ahmedabad Municipality with regard to the Kalupur Relief Scheme with some success. Where the rateable value is declared low, the acquisition value, which is based on it, is necessarily not very high, but it is a double edged sword. The object of the Municipality ought to be first, to remove slums, and to clear ground, which is required for communications. In doing so, the Municipality is incurring expenses for making roads, but with regard to the land, it should recoup more or less in a balanced manner, so that land prices are not unduly advanced. If the Municipality makes money incidentally by the resale of the land, it is a legitimate source, but it should not be the objective of the Municipality to start with, as the displacement of the present owners should be in a manner, which must not be regarded as confiscatory where such schemes are not necessary for improvement only.

43. Where acquisition is primarily for improvement, as I have suggested, for example in paragraph 131 the method is perfectly legitimate. Unnecessary displacement of private property would not in the long run benefit the Municipality apart from the Municipality having to find very large sums initially for buying out. For example, it was suggested to me that all the vacant lands in municipal area could be acquired by the Municipality. So they could be, but I do not recommend it.

44. The improvement schemes, which I have referred to, in paragraph 128 to 131, would mean necessarily much acquisition, pulling down, setting aside land for making roads and setting aside as open spaces. The resulting small plots may then fetch value, which may cover the total municipal outlay, or which may not so cover in all cases, but improvement schemes are to be undertaken for the sake of the improvement and not for the sake of any surplus, which it might bring to the municipal coffers. In other words I deprecate the use of municipal authority to displace people settled within its area for the purposes purely of gaining funds.

(c) Basic House Tax

45. In my opinion, the total tax on property, which comes under the operation of the existing levies in Ahmedabad, viz., 17½ per cent, is adequate and it should not be necessary to go beyond this without

very serious provocation. I do not recommend that the Municipality should increase these rates so that any property should have to pay more than $17\frac{1}{2}$ per cent, unless the economic need is very peremptory and serious in future.

46. Contrary to expectations, I do not recommend that these rates amounting to $17\frac{1}{2}$ per cent of the rateable value in the total should be increased, but I do recommend that each and every property in Ahmedabad and every piece of land should be brought under the full operation of these rates. The burden will therefore fall upon and will be spread over amongst those, who are escaping the Municipal levy at present. The fact, that they are doing so under existing rules, or because the Municipality has not chosen to exercise its full rights in the past, does not justify that this state of affairs should continue, especially when the Municipality is under heavy deficit and the provision of many such needed municipal services is inadequate.

47. I therefore recommend that power should be taken to consolidate the $17\frac{1}{2}$ per cent as a permanent house tax payable by every building and land within the Ahmedabad Municipality. The only exception to this would be those areas in which drainage has not been laid at all. On these areas 5 per cent rebate from the total levy may be granted till the drainage is extended.

48. I would suggest the consolidation of the general water rate and the special water rate and the drainage rate as a general rate payable by all owners of property. It was extraordinary to find that Ahmedabad had no general property tax at all. This obviously reflects previous history in the sense that the substantial municipal taxes came to be levied only when the Municipality began to render service in respect of water and drainage, but it is altogether unsuitable in the conditions of 1946.

49. The Municipality has many obligations in respect of roads, lighting, cleaning, sanitary measures, water supply, drainage, education, control of public conveyances, markets, tolls, hotels, eating houses, privies, hospitals, bridges, gardens, museums, zoo, etc. and generally the supervision and watchfulness over the health of the public. In fulfilment of these obligations, the Municipality has to spend much money from its resources and it is ridiculous that any one should at any time call in question the Municipality's right to levy a house tax as such, payable by the owner of property, from which the Municipality would defray its charges for the collective service rendered by it.

50. The plea against any such proposal that some people are unable to get full advantage of some of the municipal services, ought not to be considered for a moment. It is inevitable in the administra-

tion of any city that everybody cannot benefit equally, though for service charges, the burden has to be borne by all.

51. It will be seen that by this consolidation the drainage tax of 5 per cent is to be made compulsorily payable by all properties located in wards, through which the drainage sewer is passing. The fact, that some people refuse to use a drain, which is passing near their property, and refuse to take connection, is a loophole, which the Municipality has very unwisely left. It is this, which has prevented full use of capital expenditure already incurred by the Municipality, and this loophole must be plugged up. The Municipality has incurred heavy capital charges and is paying for both interest and sinking fund charges respectively. (Vide appendix VII for drainage details). This beneficent activity of providing drainage cannot be extended to other areas so long as its older enterprise remains only partially used, contrary to expectations, which were aroused when it was taken in hand.

52. If it is intended that the Municipality should extend all the amenities and services, which it is rendering to some parts of the Municipal area, to all the other parts, then the suggestion to meet payment, ought to be upheld and supported by public opinion, because it is only after consolidating the existing municipal works and services, that extensions could take place.

53. The imposition of new taxes by enhancing the general rates payable for the properties beyond $17\frac{1}{2}$ per cent must be postponed as far as possible and should not be effected till all other measures have been definitely taken in hand and carried out. These measures will put an end to the immediate deficit and will make it possible for the Municipality to undertake certain capital works urgently needed. The growth of new houses would automatically increase the municipal revenue, and the problem is that of estimating the rate of such growth. In so far as it depends on extraneous circumstances, viz. the supply of cement, steel, timber, and other building material, it is difficult to say whether within the next five years building activity on a large enough scale will proceed in Ahmedabad and elsewhere. Measures, however, have been taken by the Government of India to encourage housing by the exemption of income-tax for two years and also by bringing down prices of cement and steel. The Provincial Governments have also a very active policy in the matter of housing and I would recommend the Ahmedabad Municipality to link their schemes up with the plans and policies of these authorities so as to secure for Ahmedabad the maximum possible building activities during the next five years.

54. While the income may be delayed, the interest and the sinking fund charges in respect of new loan would fall immediately on the Municipality.

(d) Financial effect of measures suggested.

55. In a purely preliminary rapid survey which I was able to make, it is not possible to arrive at an estimate with any large degree of accuracy. Nor in my opinion are close estimates very necessary at this stage. The Chief Accountant of the Municipality could indeed go into the detailed figures of what the proposed charges would yield and submit them for the consideration of the Board of the Municipality, but, for the purposes of this necessary reform, I am content with giving rough estimates, as I have made them from facts conveyed to me.

56. Estimated accrual of additional revenues from measures suggested :—

The absorption and consolidation of 5 per cent special water rate and 5 per cent special drainage rate into a general house property tax will yield the following :—

	Rs.
Water rate from residential properties ..	3,00,000
Water rate from mills ..	5,20,000
Drainage rate from residents ..	1,90,000
Drainage rate from mills ..	5,45,000
The imposition of new taxes will yield additional sums as follows :—	
Tax on vacant lands ..	8,00,000
Special sanitary cess payable by mills in respect of each employee ..	6,20,000
*Special sanitary cess payable by the public ..	2,12,000
Taxes on motor vehicles ..	1,00,000
Taxes on cycles ..	1,00,000
Hotel registration and other small levies ..	50,000
Total	34,37,000

The increased revenue from all the above sources would amount to about thirty-four and a half lakhs of rupees.

57. It was not possible, nor was it necessary, to estimate the revenues, which will arise out of the measures taken with any degree of accuracy, because the shrotages to be made up are Rs. 10 lakhs present deficits, Rs. 30 lakhs interest and sinking fund for new loans, and a few lakhs to cover the additional cost of organization, in order to bring the Municipality upto a proper degree of efficiency, and the provision of amenities which do not exist. It will be noticed from the

* The sum of Rs. 2,12,000 (Rs. 3,60,000 at Rs. 40 on 9,000 privies minus Rs. 1,48,000 now collected), is also one which will gradually diminish as hand cleaning disappears and advantage of drainage is taken.

rough estimates given above that the whole of this requirement has not been covered by me. The idea is not to impose an unnecessarily heavy burden, but to allow a period of about two to three years of adjustment. I have assumed that there is a very widespread under-assessment of properties on the present basis of taxation. It was universally mentioned to me that, if this were eliminated, a very large additional sum would accrue. I am assuming this sum to be in the neighbourhood of Rs. 4½ lakhs. I do not see any reason why this should not be eliminated, if the Assessment Department at least were put on a basis of quasi-independence with reference to any individual Councillor and if generally, public opinion were strong enough to condemn all efforts for paying less to the Municipality than what is justly and properly due. I would emphasise that the Municipality would have no justification for imposing any new levies, unless, they took immediate steps to cure this evil of under-assessment and to tighten up the machinery for imposing and collecting rates.

58. The Municipality has lost money in fixing a four-year period of revision for assessment. According to section 84, the four years is the outside limit at which the assessment must be revised, but there is nothing to prevent the Municipality from re-assessing every property, including the mills every year.

59. According to section 73 of the Municipal Boroughs Act of 1925, the Municipality has full right to levy the tax on land and buildings. According to section 78 such levy could be either on the capital or on the annual letting value. The proposed tax on land by me, would however create a difficulty in respect of section 86, where a two-thirds rebate is to be given in respect of properties which are "vacant and unproductive of rent". I would suggest a modification of this section by the addition as follows :—

"Notwithstanding what is said herein, whether the tax is in respect of land either by itself or when attached to a building, no remission shall be given."

60. The purpose is clear, that the proposed land tax, which in any case is a temporary expedient until these lands are developed and built upon, should not render the Municipality liable to a return of two-thirds by way of rebate. Otherwise it will defeat the whole purpose for which it is levied. Nor should it lead to litigation, though the owner of vacant land or of a garden attached to a bungalow cannot plead that he is not getting anything out of it. Nobody could maintain vacant land, if he was not getting out of it anything either immediately or prospectively. But the proviso recommended by me would eliminate all doubts on the subject.

61. In the scheme, which I am recommending, I have taken into account the fairness of the levy on those who can pay, as well as the idea that the burden of additional municipal revenues should be spread as widely as possible on all sections.

62. I may point out that about two-thirds of the properties in Ahmedabad Municipal limits are already liable to $7\frac{1}{2}$ plus 5 plus 5, i.e. $17\frac{1}{2}$ per cent of the rateable value. These are not subjected to any additional charge whatsoever.

63. Out of the increased income of the Municipality (apart from stricter assessment and collection) the direct charges on the mills are about Rs. 10.65 lakhs per year.* These are charges, some of which I feel the mills have been wrongly evading during the past few years. In any case, it would be noticed that the direct burden assessed on the mills is small. I have discountenanced the suggestion of bringing more money from the mills by putting higher terminal charges on coal and on cotton, as they come into the city. I have also discouraged the idea of an excise or sales tax on yarn and cloth produced by the mills, for the reason that in my opinion it is not legitimate and proper for the Municipality to put anything in the nature of excise on production, which is a Central tax, or on sales, which is a Provincial tax. The problem for the mills would be very much greater, if the tax were to be levied on production or on sales, and if a burden is to fall on them, it is very much better that it should fall more directly and the mills should be conscious that they are making a material contribution to the municipal revenue. It might induce in them the desire to have greater interest in the affairs of the city, if the burden put on them is visible and is seen and is not indirect.

64. The burden which is put upon the rest of the city, amounts to about Rs. 3 lakhs in respect of water and Rs. 1,90,000 for drainage rate being made compulsory. This will fall on those properties, which have so far evaded this obligation by not having any water connection at all or any drainage connection. I have already explained that the principle should be of full liability of contribution on every citizen as soon as the Municipality incurs the capital expenditure for these services. Whether the advantage of the service is directly taken by any particular property or not, the fact that a man drinks a glass of water from the neighbouring property, or that he sends out his foul water on the street in front of his property, is anti-social as well as harmful to the health of the city, ought not to permit him to evade

*The increased yield of special sanitary cess per employee yielding Rs. 6,20,000 more will be a very temporary financial gain for the municipality because as soon as mills join up with the city drainage, these charges for personal and hand cleaning would stop.

the just municipal dues, merely because the rules, as at present framed, have left it to the option of the owner of the property.

65. A sum of about Rs. 8 lakhs, which is expected from owners of vacant land within the municipal limits of Ahmedabad is also a vanishing revenue, in so far as the specific levy on land as such would disappear as soon as houses are built and begin to contribute to the Municipality the ordinary house tax. It is possible that in some cases this burden will fall on small individuals, whose capacity to bear it is limited. But the general policy connected with the welfare of the city as a whole, clearly demands that this burden should be imposed. Those, who cannot bear it, could easily dispose of their lands to those who are willing to bear the charge on vacant land, or to build upon. I am told that lands in Ahmedabad Municipality have in recent years changed hands and passed into the hands of strong parties, but the governing factor has been merely a speculation in land values. I must point out that such speculation in land values is anti-social in so far as it withholds land from immediate use. A new factor is now being introduced, viz. that owners of land, who choose to keep it vacant in the expectation of higher values, must definitely contribute to the Municipality.

IV. CAPITAL REQUIREMENTS

66. The scheme put forward by me involves no basic increase at all on those properties, which are paying full rates and yet an estimated additional revenue of about Rs. 34 lakhs a year is contemplated. This must be necessarily used for meeting the present deficit, but the levy in the manner suggested creates obligations on the Municipality, which the Municipality should simultaneously undertake. These are not theoretical obligations for leisurely progress of schemes. These are actual issues, which must be taken up immediately and simultaneously.

(1) Extending sub-mains of drainage in those areas where streets or clusters of houses are at present not capable of being given a drainage connection.

(2) Immediate steps to make final survey and to put up proposals for a drainage scheme for the Ellis Bridge Town Planning Area and the Mani Nagar Town Planning Area.

The demand is acute and public opinion favours this work. The Municipality will be able to get larger revenue as these areas would not be liable to pay the five per cent until the mains are laid. Congestion of the city is expected to be reduced, if outlying areas are developed and if the incentive of healthy open air life is given to those who wish to build outside. The com-

pulsory levy on vacant land suggested in another part of the report would also not be justified, unless the Municipality immediately puts in drains for these outlying localities.

(3) Installation of meters and of measures to prevent waste of water.

(4) Expanding the sewage farm to meet with increase in the flow of drainage of water.

(5) Building municipal offices as well as school buildings on municipal grounds at various localities where they are at present merely hired on rent.

(6) Running a transport company, which would cover distant routes and new routes in anticipation of development, providing transport to some of the outlying parts.

(7) Acquisition of additional lands and sites with a view to holding a reserve for development by the Municipality.

(8) Housing of municipal servants.

(9) Construction of new markets.

(10) Survey of water requirements and extending water mains, additional central connecting main, more wells and other river-bed works, mechanical rapid filter plant, booster station in highland area, new deep well stations and additional bores.

(11) Erection of storm water drain in the city and suburbs and new roads in the Ellis Bridge area and the suburbs. Re-surveying of existing roads.

(12) Expansion of workshop and new trucks.

67. These are in the main capital requirements of the city, which cannot be delayed (vide appendix V for details). I went into these matters with the Municipal authorities. Without entering into the details of any single part of this large programme (as it was not necessary for my immediate purpose), I have come to the conclusion that the capital requirement of Ahmedabad in the next five years would be in the neighbourhood of five crores of rupees. A Municipality, whose present debt is Rs. 1,14,90,000, should go ahead boldly with these borrowings in order to complete these schemes. Their credit, except for the deficits of the last few years, is sound and their total borrowing spent mostly in a manner, which will bring more revenue, would be fully justified.

68. I suggest that in three lots of one crore and eighty lakhs of rupees these loans should be raised. I expect them to be raised at not more than three per cent, but if Ahmedabad people of all sections put their heads together, there are enough surplus funds in Gov-

ernment securities from Ahmedabad at present, that the absorption of this loan locally and its floatation even at $2\frac{3}{4}$ per cent could be accomplished. The fullest co-operation of all sections and general local enthusiasm for the purposes, for which these loans are being taken, would be necessary. It is not for me to say whether it would be forthcoming.

69. The Bombay market in any case will absorb these loans. It is my suggestion that the loan should be dated so as not to mature at one time, but in three blocs at three different dates with an interval of five years between them. The demand for early dated securities is very high and Ahmedabad ought to get away with it, if the operation is handled tactfully. Banks, insurance companies and trusts, in which Ahmedabad citizens have an important place, ought to help in this task, and the Municipality should seek their co-operation.

70. If these loans are raised in three batches at intervals of about eighteen months, the Municipality ought to accomplish in five years' time much that is very badly needed and that would mark a distinct improvement in the appearance as well as health of the city.

71. A loan of five crores involves an obligation to find in respect of interest and sinking fund a sum of Rs. 30 lakhs per year. I have attempted, in the scheme of taxation put forward by me, to cover this sum initially and to provide that, as some of the items of taxes disappear, the regular assessment on land and property and buildings as they are built, should bring in not less than this sum per year. Unless something calamitous occurs, these estimates are bound to be realised, as they are very conservative.

V. MILLS AND THE MUNICIPALITY

72. The relation of Ahmedabad Municipality with the millowners of Ahmedabad appears to have been very unfortunate. Resistance to the payment of Ahmedabad municipal dues has been offered by the mills practically continuously from 1926 and at all times, matters have been settled either in the Court or by means of arbitration. Full details of this are given in appendix XII, from which it will be seen that disputes with regard to dues from 1-7-1926 to 1934-35 were referred to the arbitration of Mr. Mavlankar and Mr. Sakarlal Balabhai, and that from 1935-36 to 1938-39 numerous appeals were filed by the mills. It would be seen from the figures that practically all the mills joined in the type of action against the Municipality. From 1939-40 to 1945-46 the amount of Rs. 32 lakhs was involved in legal technicalities. There is no agreement even with regard to the valuation for the year 1946-47 and the matter is again referred to the sole arbitration of the Hon'ble Mr. Mavlankar.

73. A sum of no less than Rs. 32 lakhs was withheld from the Municipal finance and it is no use saying that it was withheld, because one Party or the other was in power. Whichever Party was in power, the affairs of the city had to go on and there was no justification whatsoever for concerted non-payment of taxes to the Municipality. It should be rendered impossible both by public opinion by penal law for such an action to be repeated.

74. The present dispute with the millowners is in respect of the drainage scheme. The Municipality advised the mills to take drainage connections after providing Purification Plants for pre-treating the wastes before discharging the same into the sewers. The Suburban drainage scheme was planted specifically for the mills and sanctioned in 1934 and taken in hand also in 1934. It was planned on the basis that about 82 mills would take drainage connections and the total provision for pumping, etc. was four crores of gallons per day.

75. The millowners have avoided taking the drainage connections in negotiation for the last 8 years. The Municipality has very unwisely made the levy of the drainage tax on the basis of the connection being taken. The bad example set by the millowners has been copied by private individuals, who also do not take the drainage connection, but send out their foul water in the open spaces surrounding their houses.

76. The result is that the Municipality is only receiving sixty lakhs of gallons per day of sewage viz. about one-seventh of what the equipment provided by them could take in.

77. The expectation of revenue from the mills for the total connection was Rs. 6 lakhs a year. This has been the major cause for the deficit of the Municipality.

78. The Municipality, after a very proper, thorough and exhaustive enquiry and the engagement of two experts, who worked on this job and experimented, came to certain definite conclusions. They asked the mills to purify their waste water upto a certain extent before discharging it into the drains. This would require from the mills a certain amount of capital expenditure and a certain amount of recurring expenditure. This the mills have refused to incur in a concerted manner. So far, with a very few exceptions, all the mills are standing out against the Municipality and rendering one of the most useful health schemes constructed by the Municipality uneconomic. It is curious that another part of the Ahmedabad Municipality is loudly clamouring for a sewer to be put up for their houses, but the municipal experience has been bitter and where a sewer has been put up, selfish persons, lacking all proper sense of civic citizenship, have refused to take advantage of the sewer passing at their door.

79. As a cure for this situation, in the first instance I suggest that the levy of drainage rate should be made compulsory on every property owner, including the mills, and areas through which the drainage mains have been laid (subject to rebate in the wards of Ellis Bridge T.P. and Mani Nagar T.P.). I further suggest that these property-owners, including the mills, who are sending out their waste water in the open near their premises, should be prosecuted for nuisance and a new prosecution should be launched against such parties every day so long as the nuisance continues. The Municipality should write to Government to give them the help of the local judiciary in order to root out this evil and menace to public health, so that the object of the prosecution may not be defeated by petty fines.

80. I took an opportunity of having long discussions with Municipal Officials and with several individuals connected with the mills including the President of the Millowners' Association and several millowners and mill managers. I went into all the possible alternatives, which could be thought of and the position I found is as follows.

81. The Municipality, after a careful thought has produced a scheme, which will involve the elimination of the present evil. They have conceived this scheme after long discussions and investigation. They have executed a large capital programme and they have done creditably all that could be expected of them.

82. It was for the millowners during the long interval to have produced an alternative that was capable of removing the present evil by which the waste water is just thrown out on the streets and in open lands. This evil cannot be permitted to be continued. The millowners have not done anything and I have to come to the conclusion that they wish the present state of affairs to continue.

83. Not one day should be permitted in the continuance of the present evil. In several localities, which I have visited, I found pools of water, which I understand during the dry season give out an unbearable stench and pollute the air for all the surroundings. They also breed mosquitoes. During the rainy season when water is coming down from the skies in large quantity and also is being discharged by the mills, these pools overflow and such water finds its way into the river or wherever it can go, in some cases actually at the spot, from which the drinking water of the city is taken. It is argued that, while the river is in great spate during the monsoon season, this does not do any harm, but such an argument is merely an assumption without any definite basis. On the other hand the accumulated water, which goes into the river, must necessarily affect the area farther down, and it was reported to me that many of the villages farther down had serious epidemics and that their water problem had become acute. One of the

mills I was told is discharging its waste water directly into the river. It is the duty of the Government of Bombay and the Public Health Department to see that no individual is doing anything, which might endanger the health of any section of the public.

84. I am convinced that the present situation cannot be permitted to continue without grave danger to the life of the city. The mosquito menace in the city is chronic. The absenteeism, on account of malaria, was reported to be on an average two months a year for every workman. It cannot be argued that the mosquito is wise and discriminating and will therefore only attack a poor man and occasionally the middle class, but never the mill manager and the millowner and their women and children! The present state of affairs is in short a danger to the health of all sections, including the middle class and any argument, which seeks to prolong the state of affairs, must be discountenanced.

85. It was pointed out to me by the mills that the collective treatment would be better than an individual treatment. The Municipality wanted individual treatment in order to protect their pipe line from corrosion and prevention of evolution of poisonous gases in the sewer system. That pipe corrosion takes place and is expected to take place is a result of scientific opinion and investigation. If the Mill-owners' Association wants to avoid individual purification by each mill, they would have to do the following :—

(1) Lay their own pipe line. I was told that the length of such a pipe line with connections would be about ten miles and it would be a heavy cost.

(2) Collect the whole waste water at a new place, where it would be treated promptly. This plan also would cost considerable money and might take some years to bring it into operation.

(3) The waste water would have to be purified to an extent, which the Public Health Department of the Government of Bombay would not object to its going into the river. The cost of such a process would necessarily be very high.

86. If the waste water is not to be thrown into the river, it would have to be dealt with somewhere on a new sewage farm to be owned and worked by the mills themselves at their collective cost, as the present sewage farm and the arrangements for the city, which are functioning reasonably well, cannot be permitted to be destroyed by bringing in the foul untreated waste water of the mills.

87. Apart from this alternative, there is the issue of taking this water somewhere a few miles away from the city, but, unfortunately the layout of the land outside Ahmedabad for a few miles is a gentle

slope towards the river. Thus without heavy pumping charges, nothing could be done.

88. In the negotiations on this issue, which the millowners have kept up for over a period of about ten years, leading men from their side have often suggested that Ahmedabad should be connected by drain to the Gulf of Cambay and the untreated water from the mills should reach the sea as in the case of Bombay. The Ahmedabad Mill-owners' Association should have engaged engineers to survey this project. But, as they have not gone beyond the vague suggestion of reaching out to the sea, I conclude that the proposal is that the mills will not purify their waste water before throwing it in the public sewers, and if the Municipality will not take their waste water as it is, it is the funeral of the Municipality and the city population. It is no concern of the millowners. From the municipal point of view, it seems to me that if a scheme of Rs. 45 lakhs is evaded and rendered uneconomic in this manner, what is the guarantee that another scheme leading to the Gulf of Cambay which might cost ten times as much, will also not be defeated by the same tactics and manoeuvres, which have been used during the last eight years?

89. It would be thus seen that there is no reasonable alternative to the scheme, which the Municipality has put forward. The public opinion of Ahmedabad should be strong enough to enforce the scheme of the Municipality as it is.

90. The reason, which induced the millowners not to accept the scheme of the Municipality, is very largely cupidity and a desire to save money. Much as I admire and appreciate businessmen, who avoid all unreasonable expenditure, I cannot sympathise with an effort of this kind, which is bound to be short-lived and which has already imperilled the life of the city beyond measure. The essence of local self-government is that, people, who live in a locality, must tax themselves in order to provide the locality with all the amenities required and generally the local authority is expected to be the guardian of the health of the public. The attempt to frustrate the efforts of the Ahmedabad Municipality to put right the public health situation of Ahmedabad by the proper and guarded use of the drainage system provided by them at a very heavy cost, will evoke no sympathy in any quarter.

91. The citizens of Ahmedabad must reflect that already by their own non-co-operation the mills have put the Municipality into a definite loss over the last few years. This loss they are carrying in the form of reserves which have been used up, and capital receipts already spent. Revenue deficits are being paid for from capital realisation. There is no emergency today, which can justify such an unorthodox and dangerous policy.

92. I was told by the President of the Millowners' Association that the Ahmedabad mills would not be able to stand any competition with the mills of Bombay and elsewhere, if the scheme for drainage connection on terms fixed by the Municipality were enforced. I should be very sorry to see Ahmedabad mills use this sort of argument, but there would be no Ahmedabad, if the present situation continued and it only requires a few epidemics to send the labour away and generally render the work difficult. Apart from the spectacular loss of life in epidemic diseases, the slow weakening through malaria and other causes must reduce the general tone and health of the population, a result which nobody would want to continue, if it is at all avoidable, and it is definitely avoidable in the acceptance of the scheme put forward by the Municipality.

93. The mills, which paid heavily the Central taxes and the Provincial taxes in a meek and subservient spirit, have adopted towards the local municipal authority an attitude, which cannot but be condemned. The plea that the mills would not be able to stand any competition, is belied by the continuous progress of this industry in Ahmedabad (vide appendix VIII), by the heavy reserves which have accumulated to the mills, by the heavy dividends and by the very high prices of their shares, and in an atmosphere of prosperity such an argument when publicly put forward, looks to an independent party from outside as impertinent. To take the argument to its logical conclusion, I would say that if the mills cannot survive unless they fouled their surroundings to the peril of the workmen, managers and owners and the population of the whole city of Ahmedabad, it would be better if they do not survive. The logical reply to such an argument is that, Government should by peremptory orders close the departments, which are producing the foulness, that is a menace to the health of the city.

94. I have indulged in this line of argument merely because the danger of non-survival was definitely and frontally put forward. That the Ahmedabad mills cannot carry a legitimate burden of about 6 lakhs of rupees per year, and about four to five lakhs as recurring cost for the treatment of trade wastes in their premises, is something, which I refuse to accept for one moment, and it would not be accepted by any person outside, who knows the conditions of cloth competition in India. As a matter of fact, today there is no competition and for every yard, which the mills produce, there is a queue waiting at many places in the country. The price given is on the basis of cost plus, and the profits earned today per loom by the mills are many times what they were at any time before. The present time is therefore in my opinion the most opportune for imposing the just claims of the Municipality and the still higher moral claim of the health of the city's population.

VI. CONSERVANCY AND SANITATION

95. The Municipality levies a very small charge of Rs. 4 per year per family on every occupied tenement. This is entirely wrong. Not merely is there inconvenience, if a privy is not kept in a premises, but there is danger to the neighbours and others. Therefore the Municipality should insist on every property, which comes under the operation of payment of rates, to be equipped with a privy. Proper provision for this is essential to every building and it is the duty of the Municipality to insist on this. In any case the levy in respect of privies should be compulsory on all buildings used for human habitation whether they have a privy or not.

95A. While this will help the finances of the Municipality, the Municipality should not be content with this, but should give due notice of a few months and insist on the construction of a privy in every building. The use of public lavatories is not known anywhere in the world to the extent to which it appears to prevail in Ahmedabad. It may have been traditionally accepted and tolerated, but it is a blot on the city. Owners of property are not providing privies in their own premises and even the public privies are not all used properly. There is too much fouling of the public streets and the surroundings of the public privies and the consequent deleterious effect on the health of the city persists. I would strongly advocate therefore that not only should every building provide a privy, but that a compulsory levy in respect of a privy should be paid by all property owners. I would further recommend that very strong action under Indian Criminal Law should be taken against persons, who use any public places, streets, or surroundings and commit nuisance thereof.

96. I foresee a difficulty in respect of very small houses some of which are so low with just a tiny room above. The non-provision of a privy for any such reason should be liable to progressive and heavy fine. It is not the concern of the Municipality that certain houses are too small. Evasion may be adopted by providing a nominal privy, which may not be actually used, or, which, if used, would be unhealthy for the parties themselves as well as the neighbours from outside. Those that cannot be possibly provided with privies because of rules, etc. should be declared U.H.H. and may be used for storage or business purposes but not for human habitation. The public opinion of Ahmedabad ought to make up its mind once for all whether they want their city to have what was reported to be the highest incidence of tuberculosis and frequent epidemics of typhoids and other diseases, which are clearly avoidable, though at some cost.

97. The condition of municipal privies was not too good. The Municipality ought to provide a model of cleanliness to the citizens,

and no matter what the cost may be, the condition of Municipal latrines ought to be beyond reproach and question. This should be enforced by a special officer, whose business it should be to inspect and if the cost becomes heavier, it could be recovered by a small levy from every user of the conveniences, or from a special levy over all the properties in the ward, in which such privies are located.

98. It has been reported to me that people in several localities have from time to time requested the Municipality to put up a public lavatory, which may be useful to them. Such owners have also tried to get this lavatory put a little further away from their own houses. In other words attempt has been made to transfer the burden of providing privies on the head of the Municipality with the result that lavatory accommodation is inadequate and that, in the condition in which it is now, it is very unsatisfactory. Compulsory lavatory accommodation in every building is in my opinion a primary requirement and obligation of the Municipality. Public lavatories ought to be there to supplement what is provided in private buildings, mainly for those who are away from their homes or who have no homes at all.

99. I strongly disapprove of the system in the Ahmedabad Municipality, by which mills and even private parties can get their own cleaning done in respect of privies. This is being done merely in order to save charges, which the Municipality is reducing on those privies, which are cleaned by private conservancy organisations.

100. I am concerned here with the mills, which are charged at present at six annas per individual per year by the Municipality in respect of each employee. This is a ridiculously small sum. This charge was fixed in the year 1920. Having regard to the increased cost of service, I recommend that this charge should be increased from six annas to six rupees per year per individual employee.

101. The present system, by which the six annas is reduced to one and a half annas per year per employee should be abolished.

102. I regard it as savage and primitive that nightsoil should be carried through any of the streets of Ahmedabad even by the Municipality. Its carriage by private individuals in carts, some of which are not kept clean, and others leaking, is an intolerable position from the point of view of the general health of the city. The system, therefore, by which even the Municipality itself has to do such hand cleaning and carriage in a conservancy lorry, should be eliminated as early as possible.

103. The object of raising the charges on the mills per individual from 6 annas to Rs. 6 per individual is not for the sake of getting more money out of the mills. It is a prohibitive charge for compelling

mills to use the drainage service provided by the Municipality. I am not looking at this from the revenue point of view, but from the point of view of general good taste and the health of the public.

104. The present levy of Rs. 4 per family in private houses with a rebate, bringing it down to one rupee only, when the party does not requisition the services of the Municipality for conservancy purposes, also needs a radical revision for the same reason. This loophole is availed of by some of the chawls, who claim that they are cleaning up their own privies, but in effect are not doing so, at least not to the standard to which cleaning should be done. The idea of private handling of nightsoil should therefore be definitely eliminated, and the reduction on such account should be done away with.

105. The continuance of a very low charge of Rs. 4 per year per family, which is on a scale that was fixed in the year 1920 is wrong. It should be enhanced, not merely because the cost of service has gone up. I recommend it should be enhanced in view of the fact that the system of basket privies would otherwise continue indefinitely. The indefinite continuance of these primitive conditions in the midst of urban life is to be deprecated. The charges should therefore be raised from Rs. 4 per family a year, to Rs. 40 a year per privy. There are at present about 9,000 to 10,000 basket privies in Ahmedabad.

106. The intention in raising the special sanitary cess from Rs. 4 per family or tenement to Rs. 40 per privy is to simplify the administration and to recoup the Municipality for heavy increased charges to be incurred. But care must be taken that, where the number of tenements using the privy is very large, the Municipality is not prejudiced in the collection of these charges. The method of doing that would be for the Municipality to keep an option to charge it at Rs. 40 per family, but to keep restraint in the exercise of that option during the first twelve months except in cases where more than three families are using a privy. In the case of chawls, I have already indicated elsewhere that they should be compelled to make a drainage connection immediately and, so long as the drainage connection is not made, they should be compelled to pay at the rate of Rs. 40 per family or tenement.

107. In view of the drainage tax being consolidated with the general house tax, whether a party takes a drainage connection or not, I expect that income from this source will gradually dwindle, as indeed it is my intention that it should dwindle and disappear.

VII. WATER

108. I would recommend the Municipality to immediately assume that the present supply of water would be inadequate and would have to be supplemented. The matter should therefore be surveyed through

a consulting engineer and an additional scheme prepared and kept ready immediately to meet the growing demand from increased population.

109. The present position was disclosed to me as follows. Two crores of gallons per day are being given at present through forty thousand taps and the time of supply is ten and a half hours a day at the rate of thirty gallons per head. The compulsory levy of water rate on all properties may increase the number of taps by twenty thousand. The capacity of the present water works to supply is estimated at three crores of gallons per day. The provision of compulsory privies must necessarily lead to a larger use of water. Other causes for increasing the use of water would also arise.

110. Until the new scheme, preferably in the south of the city, is definitely thought out and new works taken in hand and executed, precaution in the use of existing water supply would be necessary. Two obvious measures may be pointed out by me. One is the installation of meters, which would prevent unnecessary waste and involve some reasonable care at the hands of the population. The second is a compulsory provision for spring cocks everywhere. The cost of this would necessarily fall on the public, but the evasion through tying of strings, etc. would have to be checked by inspections and prosecutions.

111. One or both these measures in company with such other precautions, which may be suggested to the Municipality, would have to be used, in order that wastefulness with some members of the public may not restrict the supply to others, who require it.

112. The supply of water would have to be increased for those areas, which are slightly higher than the rest of the city, as well as generally because, though the water is let out for ten and a half hours at many places, it cannot be collected except a few feet underground. At other places all the flush lavatories do not receive the water as frequently as is necessary. This is a very keen complaint from certain quarters and it is *prima facie* a danger to public health. No stone should be left unturned by the Municipality to immediately look into this matter. The quantity of water, as well as the pressure, at which it is delivered, must be increased. It seems to be necessary that overhead storage tanks would have to be erected in some parts of the city and supply from such storage tanks must be made available at least to tanks, which are used for flushing purposes, so that at all times of the day and night lavatories equipped with flushing system could function. This is not a topic, on which the Municipality should calculate the cost. I trust that reasons of economy will not be allowed to interfere with this proposal.

113. I would recommend to the Municipality to make use of the three natural depressions or lakes, which are available in the south and east of the city. The Kankaria lake could become a beauty spot as well as useful. The other two lakes are Malek Sehan and Chandola. The idea, which is running *prima facie* into my mind, is that one of these three could be used for the supply of water for many purposes (including the flushing mentioned in the previous paragraph). Levels should be taken for these lakes and it should be ascertained which of them is at the lowest level. It is my idea that one can be utilised for this purpose with an all the year round supply, permitting the other two to dry up, by taking their water off for use by means of pipe connections. It should be also ascertained whether any one of these three, or all of them, had underground supplies percolated into them. At present these lakes are left to nature and with town refuse going into some of them, such underground supplies of water are being choked up. After some preliminary work on this project by the Municipality, a consultant like Mr. Modak from Bombay may be brought in. I was told that, in spite of all efforts, this water may not be good for drinking. Catchment water is supplied to many cities even for drinking purposes after chlorination and other processes. It would be too early to say anything finally on the subject, but, what Nature has provided, the skill of man may make useful for the purpose of this part of the city.

114. The water levy at present is on the basis that half per cent of capital per year is taken on the assessable value of the mills. This half per cent is merely a limit in the sense that this much minimum has to be paid by the mill. A meter is provided and if the amount of water consumed is more worked out at than the rate of eight annas per thousand gallons additional amount is paid to the Municipality.

115. This arrangement is not satisfactory. When the rate is made compulsory, as recommended by me, this arrangement would have to be modified. Mills differ in sizes and also in the use of the water, which they make according to whether they have bleaching and other departments, and the capital value basis, etc. does not give a correct standard for taxing the mills. The addition of departments, which use a lot of water, does not cost *pro rata* on the same basis as other departments, which house the machinery. It may be sometimes more, sometimes less, according to the system adopted.

116. Under the circumstances the recommendation, which I would make with regard to water, is that all mills should be supplied with water by meter only, and on the total consumption less ten per cent, charges should be collected from them on the basis of eight annas per thousand gallons.

117. Eight annas per thousand gallons which is a phenomenally low rate for water, compared to most places in India, was fixed by the Municipality in the year 1914, and since the cost of service all round in every department has gone up, it would be readily recognised that charging the mills on industrial consumption at the same low rate to-day is a concession, which is only justified on the basis that they are brought under the full payment of the Special Water Rate, which some of the Mills were hitherto escaping and which is required to cover the capital cost incurred by the Municipality in the direction of the water works and the mains and in the maintenance thereof (vide Appendix VI for details in this connection).

118. It must be noted that the Municipality undertakes to provide water for consumption of the civil population on the basis of their normal requirements for drinking and other purposes. Any class of assesses, which claims more water for special purposes, must bear an additional charge. This practice has been recognized by the Municipality itself, which has insisted on supply by meter to gardens, lodges, hotels, factories and dairies. Such a practice ought to continue and the Municipality must in future collect from these parties on the basis of meter readings, giving them a reduction of one-tenth in the total reading.

VIII. TAXATION OF VACANT LANDS

119. The Ahmedabad Municipality has incurred a lot of heavy expenditure, which has benefited private individuals without bringing any immediate return to the Municipal exchequer. They have, for example, constructed costly bridges across the river and they have filled up several open stormwater channels and turned them into streets. The benefit to owners of properties, where this has been done has been very heavy. In addition to this, there has been a spate of high and intense speculation in land values in and near Ahmedabad, undoubtedly helped by Municipality's expenditure and improvement measures.

120. It is to the interest of the Municipality that new houses should be constructed outside the old limits of the Municipality as soon as possible in order that they may begin to pay municipal taxes and municipal revenues may grow. It is also in public interest that the acute shortage of houses in Ahmedabad should be relieved to some extent as early activity in construction is possible. In order to stimulate these objects, it is necessary to make all lands within municipal limits liable to the full assessment in the same manner in which any property is at present liable. The Municipality has, in my opinion, full right to do this, in order to throw the burden of Municipal expenditure evenly on all owners of property within the Municipal area.

It would be argued by owners of the land that they are not having the benefit of many of the amenities supplied by the Municipality. The liability to municipal taxes must not, however, go with the use of any amenities, in however small measure it may be. The construction of bridges and roads, and the provision of lighting and other activity of the Municipality, of which the owners of these lands are taking advantage, is sufficient moral justification for the proposed levy, because, inequality in advantages arising from municipal expenditure is no plea whatsoever for escaping from just municipal dues.

121. It is open to the owners of these lands to build at once on it, in which case they would be coming under the normal operation of taxes, which were hitherto paid by built houses. But if any owners for speculative purposes choose to hold the lands vacant, in my opinion they are doing an unsocial act. They are holding up lands, on which houses could be constructed and for which the users are ready and willing to pay. In what way and how far he will use his own property is, however, a matter of individual discretion. There cannot therefore be any compulsion on owners of vacant land to build at once. But no person could be allowed to derive anything in capital appreciation from Municipal activities in the form of unearned increments, and yet to dispute the absolute right of the Municipality for a modest contribution towards its exchequer in the form of rates.

122. I took an opportunity of discussing with every section whom I met in Ahmedabad, the equity and the necessity of levying these rates on vacant lands, and there was a singular unanimity of opinion on this subject. I therefore recommend this measure, which is going to be doubly beneficial, in so far as it is going to bring immediately in the next year a very substantial sum and save the Municipality from deficit, and I confidently expect that it will stimulate wise owners into building activity. An owner, who builds on his land, will not only recover the interest on his outlay on the land and building as well as municipal taxes, but something more. An owner, who chooses to continue holding just the vacant land for a rise in value, would be losing not only interest as in the past, but also municipal taxes, which he will have to pay every year.

123. The rate of levy for vacant lands could be easily fixed. The basis of annual letting value in such cases should be ascertained, not by the actual letting value, which in the case of some vacant lands will be very low and which will only yield either one crop or grass or nothing. It must be ascertained on what it is worth to the owner, viz. the interest at four per cent on the market value of land. I suggest that the market value should be carefully ascertained from the Sub-Registrar's office from actual transactions in each locality or sub-ward, and on this

basis the assessment should be made; four per cent being the gross annual letting value, of which parties will pay $17\frac{1}{2}$ per cent. I estimate this levy would yield Rs. 8 lakhs a year.

124. I also must point out that the Municipality would be laying the foundation for a larger revenue, as land gets built upon. It would also stimulate the Municipality to a bold policy of providing for new lands all the amenities, which they have provided elsewhere, if anywhere necessary by borrowing. The interest and sinking fund on such borrowing would be more than covered by the revenue as it begins to come in when more houses are put up.

125. While in the case of vacant lands there would be no difficulty, the case of **partly used lands** is one, which has to be carefully considered. If a person is to build only on a small fraction of his land, he is indulging with the rest of the land in the same practice as the owner of the vacant land. The taxation for municipal purposes should be on the full value of the whole, but in practice at present only the letting value of the built part comes into consideration. This puts the Municipality to a disadvantage. It also creates an inequality in the sense that those, who have larger compounds, escape with a smaller rate of levy. To correct this inequality as well as to bring more money to the Municipality, which is its due, I suggest the following formula.

126. Each property, which is partly built upon, should be taxed on the building to the extent of the built area plus two-thirds or three-fourths of the built area (according to the building permission rules). In other cases, the unbuilt area permitted with the built area should be, not more than just equal to built area. The balance of the compound, if any, should be taxed on the same basis on which vacant lands are taxed.

127. The uneconomic use of land, which belongs to an individual citizen, does harm to himself, which he may be capable of bearing, but it is a bad thing for society generally. In Ahmedabad the uneconomic use of land arises in several ways, one of which has been dealt with in the preceding paragraph, viz. a relatively small built area and a large compound. This is a luxury, which those, who can afford it, may have, subject to the full payment of municipal dues.

128. The other uneconomic use is of properties, which are just temporary and flimsy structures put up anyhow on valuable land. The owner is generally content to receive some return, on the little sums, which he has spent on the structures, and he is doubtless calculating the contingency of a rise of land values in his favour through the increased activities of the Municipality. This, however, is rampant in Ahmedabad, particularly in chawls in the old municipal limits outside the Fort areas, and the Municipality has not taken the trouble,—perhaps it has not the

power (this matter must be carefully ascertained)—to enforce regulations as to minimum space going into a room, the height of the plinth, the height of the ceiling, direct lighting for each living room on the basis of 45° angle, and various other requirements of modern life, which are enforced in most other municipalities. I suggest that power should be taken and that the present owners should be given a notice to pull down the rickety structures and to build on an economical basis on the lands so cleared. If the Municipality considers this difficult, then I suggest that large areas, in which such structures exist, should be acquired by the Municipality and structures pulled down should be resold into plots, which may be given to owners on long leases on condition that they will put down in these areas *pucca* buildings, conforming to all modern requirements. I specially point out the near areas for the reason that their reconstruction is more desirable in the immediate future, because, new houses created here do not involve serious problem of transport, which would be the case in the case of buildings that may grow up beyond the bridges and in the South of the city.

129. The uneconomic use of the land has been also noticed by me with reference to several small factories (some of which are under the Factory Act and some are not), which have been set up anywhere and anyhow in little temporary sheds. I strongly recommend an examination of the municipal revenue from any place of industrial activity, and I am convinced that, where the basis of municipal charges is on capital value, the Municipality is receiving too little. This basis is to be revised. In other cases the rent indicated (if the premises are rented ones) or the rateable value indicated, is bound to have been too low in these times when every factory of every kind has made heavy profits. The municipal revenue from these premises might probably be the same as it was some years ago. I think the annual letting value should have same definite relation with the actual use value, which a man, who is conducting industrial activity, derives, and the Municipality ought not to deprive itself of its just dues by mere laxity in these assessments.

130. In the city there are many houses which have merely a ground floor. This is a disadvantage not merely to the owner, but to the city, and it is a direct disadvantage to the Municipality, who loses revenue from the space not being properly utilised. Similarly, there are houses, which have got a block below and a very small dingy unhealthy structure at the top. In houses, which are on very small areas, such as 10 yards and 12 yards and 15 yards, the source of light is only the street, as the houses are built abutting each other on the side and possibly back to back. Even this is not too copious a source, as the streets are themselves narrow. This state of affairs not merely accounts for ill health, but deprives the Municipality of its just dues. If these low and

old structures were all pulled down and structures going upto three storeys were built with twenty feet open space between them, the total utilisable space would be higher, the total return to the property would be much more than the cumulative return now, and the total return to the Municipality would be very much higher. What degree of compulsion of discriminating persuasion or discouragement could be used in order to eliminate this state of affairs, is a problem, which wants careful thinking out in future. I would recommend the Municipality to appoint a Committee to go into this subject.

131. In my opinion it would be necessary ultimately in the interest of the city, and whatever the initial opposition now may be, the Municipality will be compelled by public opinion itself to set up improvement schemes, taking within its scope all the old structures between two prominent roads. Such an improvement scheme would involve the acquisition of and pulling down the whole lot of buildings and the creation of new plots capable of housing good sized modern buildings with a clear space between two buildings, with a plinth and with a minimum ceiling height, which does not exist at present. It is possible that some of these improvements schemes may be done at a slight advantage to municipal finances and it is possible that in most cases if the open spaces left are adequate, the Municipality may not be able to recoup fully from these schemes. Whatever the financial aspect of the question may be, the public health and general convenience of the people render it very desirable that this should be done.

132. It is necessary to examine all possible leakages in the present scale of taxes of the Municipality. There will be no justification for levying any extra taxes until measures involving the tightening up of collection and proper apportionment on all persons concerned were exhausted.

IX. THE HOUSING PROBLEM IN AHMEDABAD

133. The housing problem in Ahmedabad is difficult. An acute shortage is already being felt. This is reflected in the surreptitious increase of rents and other evils, including constant feuds and bitterness between the landlord and the tenant.

134. The solution of this problem is not simple. It is a very complex problem, the release from which depends partly upon the action of the local people and the local municipality, and partly upon conditions prevailing all round in India and in the Province. It will be noted that the Government of India have, as a matter of special encouragement, promised to remit income-tax on properties begun and completed in the course of 1946-47 and 1947-48. It would be further noted that the prices of cement and steel have been brought

down by two stages. The fact that advantage has not yet been taken of these measures of encouragement shows that other elements are lacking. In regard to these other elements, I have definite information that the Provincial Government is fully alive to its own obligations and has this matter under serious consideration. A Housing Board controlling the Province as a whole, and one, which will be concerned with Ahmedabad city, will be very soon set up. They will encourage building work by such measures as are within their power, amongst others, making available of building material at controlled rates to such buildings, the construction of which is undertaken under a license.

135. In keeping with the general public objective of Government of encouraging housing, is the recommendation made by me in chapter VIII with regard to the taxation of vacant lands. The various reasons for this are given in the relevant place in this report, but the effect of it is expected to be that many people holding vacant plots will either build on them or sell them. Very few people will want year after year to go on paying full range of taxes levied on these lands. The incentive to private enterprise to build will thus increase and, of its own accord, housing accommodation, at least for the rich classes and the middle classes will come into existence.

136. With regard to the housing of the poor, I have not examined the conditions in Ahmedabad with the minuteness with which I am familiar regarding conditions in Bombay. In Ahmedabad, fortunately, there is cheap land at many places, though it is not in the hands of the Municipality. Poor men's housing at present is in some of 1,600 chawls containing eighty thousand tenements. The description of these chawls, which I have received, is appalling. That any Municipality should permit under its administration an indefinite continuance of these conditions, is not to be expected, and I am confident that the Ahmedabad Municipality will take the measures, which have been suggested elsewhere (paragraph 128) and will by a slow process induce individuals owning very bad chawls now, to build new ones in their places, providing the minimum standards and in accordance with the rules of the Municipality.

137. Municipal enterprise in the matter of providing chawls for the sweepers and chawls for poorer classes is commendable. The following figures will give particulars of what has been done.

138. 373 quarters have been constructed for Harijan employees of the Municipality. About 500 quarters have been constructed for labourers by the Municipality at a total cost of about 6 lakhs of rupees.

139. I do not think it is the duty of the Municipality to provide residence for middle classes, which is to be subsidised from general

taxes paid by the rest of the community. For one thing it cannot be done indefinitely and for all times, and it involves that element of favour to a certain section at the expense of the general community, which is not justified.

140. The Municipality should, in my opinion, mark out a definite programme for creating houses at Municipal expense not merely for the sweepers, which they have done, but for all their employees, including the general administrative staff. Estimates of the land required, the building material required and the total costs thereof should be promptly worked out, and these should figure prominently in the Municipal programme during the next few years.

141. When the Municipality have definitely done this, they could join readily in the general demand that the obligations to house some, if not all the employees, should be put on the large employers, such as the railway and the mills in Ahmedabad.

142. The mills are attracting workmen to Ahmedabad, who come in the expectation of high wages. Apart from the fact that the health conditions of the city are definitely unsatisfactory, the housing provided is in the nature of a slum area, badly lighted, insufficiently cleaned, with insufficient provision of conveniences and definitely overcrowded. Somebody ought to think of this problem. Though it is a fact that at the moment there is no one directly responsible for this, in fact it means that those, who contribute to the success of the textile industry, are condemned to fend for themselves in a state of affairs, where the supply of housing is very inadequate. The individual workman cannot do anything in this problem himself. Nor could they do much if they all combined and put their heads together.

143. It is for this reason that it has been widely suggested that some public authority ought to look into this problem in the first instance and then bring about a condition, which will create an increased supply of healthy tenements. It has been suggested in these discussions that Government of Bombay should do it, or the Ahmedabad Municipality should do it, or that the employers of labour should undertake to build houses for the working classes. Others have suggested some kind of apportionment of responsibility and contribution between these authorities.

144. I am here concerned only with the limited issue of the obligation of the Ahmedabad Municipality. Had this Municipality shown foresight and had they acquired considerable suburban areas around the inhabited parts, I would have said that the Municipality ought to give these lands free (so far as capital is considered) i.e. at a nominal rent of one rupee with the conditions under which a private

builder will provide housing for working classes. These conditions will provide the minimum requirements as well as the maximum rent, which the Municipality will be then entitled to lay down, because they are providing the land at no cost. As this is not the case, the Municipality must now look to Government for providing them with free land, which may be used for this purpose, and in the above manner to induce private enterprise to build more houses for the working class.

145. The function of the Municipality clearly is to remove the slums and to enforce rules of minimum cleanliness and of maximum number of persons for tenements. I fear that the Municipality has not been doing its duty in this direction and I would recommend that this is a paramount necessity and the Municipality must increase its staff of inspectors and others and use all the powers, including the powers of prosecution as well as declaring buildings unfit for human habitation.

146. Apart from this, I cannot recommend that the Municipality should incur heavy outlay and put the money in brick and mortar and be the owner of a vast estate housing workmen. This is not the business of the Municipality. I fear that they may not be able to do it well either. To what extent and in what manner the Municipality should bring pressure on the mills and factories to house a portion, if not the whole of their employees, is an issue going into existing municipal powers, which I have not been able to examine closely. But I think this is an object, which the Government of Bombay have now definitely on their hand, and sound result must necessarily arise even with regard to Ahmedabad City.

147. So far as I am concerned, if all my recommendations are accepted, I have indirectly created the conditions, which will facilitate the progress of housing at the hands of the mills, because most mills have land, which they are at present using for throwing surplus water. When it is made impossible to use lands in this manner, the lands will still belong to the mills. They will be liable to tax, if not built upon, and if the Government of Bombay come in with their measures for the employer's liability to house their workmen, speaking generally the mills would not be able to plead that there is no land to build for this purpose.

148. While the Municipality has therefore got to be vigilant against slums and helpful with regard to the expansion of working class houses, they should not engage in the activity of providing new houses directly. As shown in other parts of the report, they will have capital works on their hands, which will absorb much of the money, which they can raise, and if the Government of Bombay want the Municipality to play a part towards this objective, the money will have

to be found on the credit of the Government of Bombay and not on that of the Ahmedabad Municipality.

X. MISCELLANEOUS

149. The total number of hotels in Ahmedabad is estimated at 956 and the present license fee per hotel is Rs. 5 per year, bringing in a sum of Rs. 4,780.

150. Amongst the measures, which are necessary to improve the health conditions of Ahmedabad and, in particular, to prevent the spread of epidemics as well as diseases, there is none, to which I would give a higher place than the cleaning up of the existing hotels. The municipal effort in this direction hitherto does not appear to have been particularly successful. I would suggest the employment specifically for this purpose of a separate Inspector with a staff of persons, who would enforce minimum standards of cleanliness. These minimum standards should be prescribed in the license given to each hotel, and the breach thereof should be rendered an offence triable by the Municipal Magistrate and liable to a fine and a new and continuing fine every day, so long as the breach of the rules persists. So far as the hotels are concerned, vigorous effort is required, and the Municipality would incidentally get the collections of fines, which would, in my opinion cover the cost of Inspectorate suggested by me.

151. I have not examined the hotels first hand and with that care, which would enable me to give a scale of taxes for them in respect of the municipal license, under which they function. The position in Bombay is that each hotel (in addition to the normal property taxes on the building in which the hotel is located) pays on the basis of 'carpet area', on a sliding scale.

I am inclined to divide the hotels in Ahmedabad into three classes as follows :—

- (a) those, whose rent or rateable value is more than Rs. 400 per month or Rs. 4,800 per year ;
- (b) those, whose rent or rateable value exceeds Rs. 25 per month, or Rs. 300 per year (upto Rs. 4,800 per year) ;
- (c) those, whose rent or rateable value is under Rs. 300 per year.

152. I do not see any reason why class (a) should not pay a license fee of Rs. 250 per year, class (b) a license fee of Rs. 50 per year, and class (c) a license fee of Rs. 5 per year, but I leave this to the Ahmedabad Municipality to be determined in consultation with the hotel keepers after hearing what they have to say.

153. The city of Ahmedabad has only one general market of vegetables, and two meat markets. Looking at the extent of the city and its possible expansion, these are very inadequate. I think the Municipality ought to maintain a market in every important centre, so that people do not have to go too far. The maintaining of the market in this manner will be also a source of revenue to the Municipality, but my suggestion is not so much from the revenue point of view as the offer of convenience to the people of Ahmedabad. The other object in making this suggestion is that complaints were heard by me of the deplorable condition of the meat markets, of the filth in the surroundings of such markets and generally that food inspection in Ahmedabad is extremely lax. I want the markets to be properly cleaned by the Municipality and I want them also to inspect and to impose on the stall holders minimum requirements both of cleanliness and of the quality of goods exhibited by them. Food, which is inedible for human beings, ought to be destroyed. Millions of tons of such food are destroyed in other civilised centres.

154. The fact that in Ahmedabad everything that is sold is consumed by the poor is not to the credit of the Municipality. Suitable land should be acquired and a new market should be built. It should be well lighted and surrounded by streets on all sides, and the stalls should be rented at moderate price and the conveniences of the public should be observed. The Municipality, after providing markets, should take strong measures to prevent pedlars and others, who sell this class of goods in the open streets.

155. The Ahmedabad Municipality gives no license to pedlars. Pedlars are a poor class of people, with whom I have great sympathy, but it must be recognised that they compete with the shop-owners and stall-holders, who pay a rent. They also impede the traffic. They occupy the foot-path. While suggesting in no sense their elimination, I should like this class of people to be controlled by the Municipality. A system of licenses should be therefore instituted and unlicensed people should be therefore liable to be punished. Licenses and registration of a pedlar would be subject to a condition prescribed, which would be revised from time to time, so as to see the pedlars do not break the rules, which are imposed on them.

XI. CONCLUSION AND SUMMARY

It is possible that in the course of my report I have gone beyond the function of the financial adviser into a sphere, which I would be entitled to deal with as member of the Central Legislative Assembly. But it is neither possible nor desirable to keep apart ideas, which are connected with the strict financial requirements of the Municipality

and general improvement of the city, which will reduce from the head of the Municipality's prospective financial liability in respect of health questions.

The standards, which I wish to see enforced in Ahmedabad, are not novel, as I have seen them in scores of cities in Europe and in certain cities in India. If there are harsh statements reflecting on the organization of and the activities of the Councillors of the Ahmedabad Municipality, they are in response to their own request for advice and with a view to bring about improvements, which are definitely capable of realisation. It is one of the tests of local self-government that a few in a large elected body have such vivid sense of public duty, that they can carry their colleagues with them in order to secure improvement. When a township grows into metropolitan dimensions, many habits and ideas amongst the residents have to be changed, often at serious inconvenience to some of them. Public opinion also in India would be strong enough in future to be able to discriminate between opposition to reforms, which is interested, and opposition to reforms, which arises from merely a different mode of thought. I have every hope that the financial conditions in Ahmedabad as well as the health and other conditions of civic life would improve as the result of the advice, which I have tendered in this report.

Summary of recommendations

Certain additional powers should be given to the Municipality by a special Act.

Deficits were caused in recent years, because expenditure increased, while income from terminal tax went down and the expected revenue from the drainage scheme was not realised.

There is heavy under-assessment estimated at Rs. 4½ lakhs a year. Stricter measures are recommended. The Assessment Officer and his staff should function independently without interference from the Councillors of the Municipality.

The arrears of taxes are heavy and procedure for tax collection must be tightened up.

An increase of fifty per cent in the present levy of taxes on motor cars, motor lorries and buses is suggested. There should be a levy of Rs. 2 per year on bicycles.

The general water rate, special water rate and the drainage rate should be consolidated as a house tax of 17½ per cent payable by every property in Ahmedabad. A five per cent rebate should be given to properties located in those wards where the drainage is not laid.

For most properties in Ahmedabad city area, there would be no increase in respect of these charges, but those, who are at present escaping the special water rate and the special drainage rate, would have to pay increased charges.

All vacant lands in Ahmedabad Municipal limits should pay the same scale of taxes, viz. 17½ per cent, until such time as they are built upon and come under the operation of the house tax.

Hand cleaning of privies by private parties should be prohibited. Every property should be compelled to provide a privy. If it is not capable of doing so, it should be declared unfit for human habitation and should not be permitted for residence, but may be used only as godown or warehouse.

The present levy of Rs. 4 per family or tenement should be changed to Rs. 40 per privy.

The present levy from the mills of 6 annas per employee per year should be changed to Rs. 6 per individual employee.

All mills and all large users of water for purposes other than drinking should be charged by meter at 8 annas per thousand gallons. Ten per cent should be deducted from the total consumption indicated, before the charge is calculated.

Hotels in Ahmedabad should be divided into three classes and a licence fee of Rs. 250, Rs. 50 and Rs. 5 per year should be collected from them, according to the rateable value.

Additional revenues accruing to the Municipality from these sources will be as follows :—

	Rs.
Water rate from residential properties ..	3,00,000
Water rate from mills ..	5,20,000
Drainage rate from residents ..	1,90,000
Drainage rate from mills ..	5,45,000
The imposition of new taxes will yield additional sums as follows :—	
Tax on vacant lands ..	8,00,000
Special sanitary cess payable by mills in respect of each employee ..	6,20,000
Special sanitary cess payable by the public ..	2,12,000
Taxes on motor vehicles ..	1,00,000
Taxes on cycles ..	1,00,000
Hotel registration and other small levies ..	50,000
Increased revenue from stricter assessment (estimated) ..	4,50,000
Total ..	38,87,000

A loan of about Rs. 5 crores in three parts of Rs. 180 lakhs each should be raised and the capital works indicated should be undertaken without delay. Amongst these works would be the laying of drainage in those parts of the city, where it does not exist at present, and increasing the water supply.

The Municipality must arrange to build houses for their employees of all grades, but it is not the business of the Municipality to provide housing otherwise.

More markets should be built and maintained by the Municipality.

A committee should be appointed to consider the transport problem and slum clearance and other improvements.

Chawl owners must be compelled to join up with the drainage within a given time, and until that time charges be collected from them at Rs. 40 per *tenement* for conservancy.

APPENDIX I. Ahmedabad City—Essential Data.

1. Total population in 1946	...	...	...	...	7,50,000
2. Budgetted Revenue (Income from all sources) 1946-47	...	...	...	...	75,00,000
3. Expenditure 1946-47 (Budgetted)	...	...	...	...	92,00,000
4. Expenditure in Establishment 1946	...	...	...	...	55,00,000
5. Area within by Municipal limits	...	...	...	...	12,964 Acres.
6. Area supplied by Municipal water supply	...	...	...	...	7,000 Acres.
7. Area served by sewers	...	...	...	...	6,000 Acres.
8. Area without <i>Pucca</i> storm water drains	...	...	...	...	5,000 Acres.
9. Area of Municipal gardens	...	...	...	...	60 Acres.
10. Total mileage of roads in Municipal limits average width 40'	...	...	...	...	300 Miles.
11. Length of mileage of existing asphalt and macadam roads average width 40'	...	...	...	...	100 Miles.
12. Museums and Zoo, Swimming Bath	...	...	...	...	Nil.

APPENDIX II

Table Showing municipal taxes and their yield & Expenditure during last ten years.

Nomenclature.	Yield for ten years.										Date of present first im- position of rate.	Remarks.
	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46		
(A) Taxation												
(a) Indirect (Terminal Tax)	1567998	1681863	1649543	1468763	1430666	1581817	1342323	1397397	1299860	1281155		
(b) Direct.												
(1) Water.												
(a) General	1061755	949101	1117179	1104015	1025957	1070181	1031461	1131752	1482876	1629119		
(b) Special	841481	808974	774392	722655	767837	754204	679952	844387	885686	1050055		
(2) Sanitary	317782	324781	210253	163820	200009	202477	179720	225991	196434	210978		
(3) Drainage	489378	474134	493771	507920	543788	554675	520958	715455	697939	750416		
(4) Wheel Tax	254993	254828	261004	285670	284444	283119	253782	284065	310730	332259		
(5) Other	10886	10819	11243	73943	16289	12276	12588	16215	17181	23783		
	4544223	4504500	4517385	4326786	4268990	4458749	4020784	4615202	4890706	5277765		
(B) Income from Special Acts	24294	24478	22826	27188	16693	6053	10755	13191	19189	16168		
(C) Revenue from Properties												
(a) Income from Municipal Properties & City survey	154310	167068	169884	158845	304494	239320	197607	278711	294778	291037		
(b) Fees	115912	114724	127022	133920	144235	152270	141098	170870	173899	183860		
(c) Interest on investment	79824	93764	119643	110867	90793	120749	90739	97145	72988	79521		
(d) Others	...	...	...	...	...	...	...	...	...	...		
	350046	375556	416519	403632	539522	512223	429444	552726	523665	554418		
(D) Grants and Contributions.												
(a) Fines etc.	37804	51759	48855	85595	84732	78626	61121	103023	108229	180203		
(b) Educational	...	804000	738695	320234	170233	152270	212652	200697	241292	312444		
(c) Others	40662	36075	34133	8658	8822	61771	80051	20920	90336	116265		
	78466	891824	821683	414487	343787	292667	353824	324640	441677	615262		
(E) Miscellaneous	61113	62777	54498	31287	65655	87096	62794	99454	60733	53172		
Total Yield	5058142	5859165	5832841	5217399	5154647	5356788	4877601	5605193	5961041	6530405		
Total expenditure during the years	4347644	4234157	5377239	4684534	4351759	4702785	5305808	6371830	6780513	7303853		

APPENDIX III

Statement of Ordinary expenditure during the last decade.

(The figures represent rupees in lakhs.)

Budget Head.	1936-37	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46
1. Establishment (including Provident Fund) ...	10.89	11.05	12.42	12.58	13.86	13.77	15.98	19.36	21.56	24.77
2. Contingencies ...	.78	.86	.73	.82	.83	1.01	.78	1.10	1.25	1.11
3. Collections, charges and refunds ...	.82	.89	1.55	1.45	1.08	1.09	1.41	.74	.92	1.02
4. Repairs ...	2.34	2.63	2.69	2.72	3.24	3.44	2.45	3.81	3.58	4.50
5. Special repairs ...	.03	.02	...	...	...	.10	.06	.05	...	.52
6. Energy ...	1.85	2.14	2.21	2.83	2.77	3.10	2.98	2.96	4.00	4.19
7. Chemicals and other materials and supplies ...	.27	.27	.20	.39	.78	.96	.79	1.18	1.56	1.58
8. Medicines, drugs, diet, etc. ...	.20	.28	.44	.43	.27	.47	.22	.42	.48	.53
9. Motor maintenance ...	.40	.31	.39	.50	.75	.91	1.46	1.83	2.56	1.47
10. Equipment Mechanical (Trucks etc.).	.37	.35	.03	.88	.18	.19	.41	.02	.03	.15
11. Rent, assessment, taxes, telephone etc. ...	.72	.19	.23	.91	1.42	.64	.53	.52	.70	.71
12. Minor works ...	5.37	5.27	15.51	5.42	...	...	...	...	.05	...
13. Interest & Sinking Fund ...	3.23	2.20	2.62	2.41	2.67	4.38	7.56	7.76	7.56	7.73
14. Depreciation and Accident Insurance Fund ...	1.26	.73	.90	.90	.89	.90	1.41	1.93	1.93	2.13
15. Law charges ...	.17	.20	.24	.31	.28	.28	.13	.22	.19	.22
16. Contract, Refuse removal ...	.75	.87	.96	.97	1.47	1.46	.62	.43	.47	.57
17. Unclassified expenditure and miscellaneous departments ...	.56	.56	.87	.54	.70	.78	1.97	4.45	2.75	2.63
18. Grants ...	7.50	7.91	9.37	9.95	9.94	10.25	10.68	13.44	14.00	14.77
A. School Board ...	.67	.96	1.03	.98	.78	1.03	.95	.60	1.15	.93
B. Other (educational) ...	1.97	2.18	1.98	1.86	2.11	2.27	2.67	2.91	3.06	3.51
C. Medical ...	...	...	...	...	...	...	...	...	...	...
Total ...	48.48	42.34	53.77	46.85	43.52	47.03	52.06	63.72	67.80	73.04

APPENDIX IV

Statement showing details of Terminal Tax for the years 1936-37 to 1945-46.

No.	Name of Articles.	Rate.	Per.	1936-37	1937-38	1938-39	1939-40	1940-41
		Rs. a. p.		Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1.	Piece Goods ...	0 6 0 B.Md.		226371 10 0	242223 3 0	222972 5 9	89221 7 3	91249 4 9
2.	Coal ...	0 11 0 Ton.		306710 4 0	379400 1 8	366673 4 9	353354 15 9	288259 1 9
3.	Firewood ...	0 3 0 "		12388 13 3	13241 4 0	13219 13 5	11576 1 0	13458 7 9
4.	Grain ...	0 0 4 B.Md.		65222 3 1	69047 4 10	67285 14 0	40467 9 7	62559 0 7
5.	Cotton ...	0 1 0 "		148281 12 4	164978 6 0	164528 3 6	137725 6 9	128204 10 6
6.	Stones, Chunan etc. ...	0 0 4 "		32130 2 1	29575 1 7	27924 9 9	28207 13 0	25750 15 7
7.	Kankar ...	0 0 2 "		8488 8 1	4726 2 3	7018 2 8	6816 12 10	6790 14 8
8.	Tallow ...	0 10 0 "		22027 13 0	21646 7 9	20132 14 3	21589 9 9	14398 13 3
9.	Tobacco ...	0 4 0 "		6763 10 6	7006 8 9	11535 10 9	6946 5 6	9915 14 3
10.	Cigarettes ...	1 0 0 "		3465 12 0	6519 2 0	3776 2 0	5627 11 0	5443 6 0
11.	Wooden Furniture ...	0 8 0 "		3422 14 0	1403 15 6	1011 10 6	580 1 0	671 0 0
12.	Timber ...	0 2 0 "		65586 7 0	59481 3 6	55584 1 9	62010 2 0	57409 11 9
13.	Saw-dust ...	0 2 0 "		108 4 10	362 10 3	383 7 2	63 10 6	55 6 11
14.	Sugar ...	0 2 0 "		81364 11 9	52442 8 6	57239 5 3	47363 13 6	53460 15 3
15.	Kerosene & Petrol ...	0 2 0 "		14505 1 6	13780 9 3	14085 9 6	14942 14 9	12936 7 6
16.	Crude Oil ...	1 8 0 Ton.		3638 4 6	2845 3 9	1641 1 0	2096 13 6	1716 15 0
17.	Bricks ...	1 8 0 1000 or 90 B.M.		24148 14 9	22332 6 0	21802 9 1	16407 1 3	15881 8 9
18.	Oils of other sorts ...	0 4 0 B.Mds.		58198 2 0	60125 13 3	64673 12 6	69139 4 0	79642 4 3
19.	Yarn ...	0 6 0 "		38431 8 9	44130 9 9	42197 7 9	25545 14 3	17344 10 0
20.	Iron & articles of iron ...	0 1 0 "		30446 11 3	33206 3 4	44466 2 3	37909 4 6	30126 3 3
21.	Miscellaneous Articles ...	0 1 6 "		342664 13 9	368918 0 9	332567 10 8	323371 6 6	303414 2 2
22.	Excess ...	...		52349 3 6	62028 10 4	78347 5 8	118286 8 8	181305 12 5
23.	Town Duty Collected on re-booked Consignments ...	...		23579 1 9	24654 3 9	30362 6 4	32669 11 7	29410 7 9
Total ...	...	...	...	1570294 11 11	1684075 11 9	1649729 3 4	1471940 5 5	1429905 2 1

APPENDIX IV (Contd.)

Statement showing details of Terminal Tax Income for the years 1936-37 to 1945-46.

No.	Name of Articles.	Rate.	Per.	1941-42	1942-43	1943-44	1944-45	1945-46
		Rs. a. p.	B.Md. Ton.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.	Rs. a. p.
1.	Piece Goods	0 6 0	B.Md.	79133 13 0	78377 12 0	90644 1 0	66909 8 0	21343 5 0
2.	Coal	0 11 0	Ton.	321815 0 3	181563 3 9	234487 7 9	189707 4 0	209667 8 0
3.	Firewood	0 3 0	"	18287 14 1	30750 13 0	39855 5 0	42855 7 0	18052 13 6
4.	Grain	0 0 4	B.Md.	63159 5 6	67439 12 3	49500 7 0	24569 0 6	20885 10 0
5.	Cotton	0 1 0	"	150072 10 9	129839 2 6	152716 4 0	165144 15 0	147240 9 0
6.	Stones, Chunam etc.	0 0 4	"	29144 4 7	18270 12 9	19449 14 0	16223 2 0	14170 7 0
7.	Kankar	0 0 2	"	4562 3 11	2887 15 0	963 9 0	390 13 0	553 5 0
8.	Tallow	0 10 0	"	25586 11 6	12156 12 0	9212 3 0	5819 6 0	5971 15 0
9.	Tobacco	0 4 0	"	7302 13 6	6685 7 6	5269 11 0	9914 15 0	15549 9 0
10.	Cigarettes	1 0 0	"	15960 8 0	4432 6 0	4284 4 0	6580 0 0	4401 6 0
11.	Wooden Furniture	0 8 0	"	918 0 0	1356 8 0	1265 8 0	717 8 0	745 3 0
12.	Timber	0 2 0	"	54543 2 0	45438 5 0	60164 5 0	47937 10 0	55317 3 0
13.	Saw-dust	0 0 4	"	516 15 3	32 11 0	373 6 0	873 9 0	91 5 0
14.	Sugar	0 2 9	"	50608 7 9	53787 5 0	50769 3 0	30612 14 0	38517 2 6
15.	Kerosene & Petrol	0 2 0	"	7879 1 6	3032 1 0	2457 2 0	3146 6 0	2885 2 0
16.	Crude Oil	1 8 0	Ton.	4146 9 0	1272 0 0	991 9 0	2263 7 0	1948 5 0
17.	Bricks	1 8 0	1000 or 90 B.Mh.	17505 5 0	17227 6 6	12303 5 0	7649 6 0	6986 4 0
18.	Oils of other sorts	0 4 0	B.Mds.	90017 11 6	82874 12 0	84853 13 0	81559 13 0	96425 4 0
19.	Yarn	0 6 0	"	15600 6 0	9437 15 6	4523 6 0	8326 6 0	4107 7 0
20.	Iron & articles of iron	0 1 0	"	31289 12 9	23036 15 6	14304 6 6	11971 1 3	15214 5 6
21.	Miscellaneous Articles	0 1 6	"	386146 3 9	373863 1 9	304785 15 0	287217 11 3	275279 5 6
22.	Excess	...	"	181079 10 4	172231 15 9	236963 0 6	269984 7 4	303989 5 6
23.	Town Duty collected on re-booked Consignments	...	"	27373 10 8	19446 9 6	22887 11 0	23465 15 0	186 13 0
	Total	...	...	1582620 4 1	1335941 11 3	1393025 11 9	1305810 8 4	1277953 8 6

APPENDIX V

Programme of proposed New Works and Schemes.

	Approximate anticipated expenditure.
HOUSING :—	Rs.
(1) 2000 tenements for Municipal employees (minimum)	30,00,000
(2) Municipal Office Buildings	10,00,000
(3) Schools Buildings	15,00,000
(4) Markets, Hospitals, Maternity Homes, & other Health Department Buildings and Museum.	30,00,000
Total	85,00,000
WATER SUPPLY :—	
(1) Second Central Collecting main wells & other Riverbed works	10,00,000
(2) Mechanical rapid filter plant and connected works	30,00,000
(3) Additional mains for the city distribution system	10,00,000
(4) New mains in Ellis Bridge and Suburbs	30,00,000
(5) Booster Station in High Level Area	5,00,000
(6) New Tube Well Stations and additional bores in existing stations	10,00,000
(7) Provision of Meters	30,00,000
Total Rs.	1,25,00,000
DRAINAGE :—	
(1) Remaining loan work of Suburban Drainage Project connections, Sub-branches etc.	10,00,000
(2) Khokhra Mehmedabad Drainage	15,00,000
(3) Maninagar Drainage	5,00,000
(4) Ellis Bridge & other areas	50,00,000
(5) Sewage Farm land acquisition, carriers, roads etc.	25,00,000
(6) Settling & Digesting Tanks and other disposal works at Sewage Farm...	40,00,000
Total Rs.	1,45,00,000
D. STORM WATER DRAINAGE :—	
(1) Remaining work in City & Suburbs	60,00,000
E. ROADS, POLE PAVEMENT & FOOTPATHS :—	
(1) Roads in Ellis Bridge Area	30,00,000
(2) Re-surfacing existing roads	15,00,000
(3) New Roads in Suburbs	30,00,000
(4) Pole Pavement in Suburbs	5,00,000
(5) Important foot-paths	5,00,000
Total Rs.	85,00,000
F. WORKSHOP :—	
(1) New Trucks & expansion	10,00,000
Grand Total Rs.	5,10,00,000

APPENDIX VIII

Statement showing the figures of Block Account, and the Gross Profit of the Ahmedabad Textile Mills From 1927 to 1945.

Year.	No. of Mills.	Block Accounts.	Gross Profit in Lacs.
1927	51	1204.20	117.19
1928	58	1342.23	117.53
1929	56	1949.51	141.62
1930	60	1939.91	81.00
1931	65	1669.36	160.00
1932	63	1694.04	162.08
1933	66	1830.19	94.90
1934	71	1952.47	125.49
1935	67	1866.36	105.27
1936	65	1825.87	68.81
1937	65	1848.93	133.03
1938	66	1910.61	131.86
1939	61	1835.10	147.70
1940	60	1849.03	177.08
1941	60	1902.15	463.61
1942	60	1922.46	661.91
1943	60	1952.04	2409.50
1944	60	1952.04	1800.00
1945	60	1952.04	1400.00

APPENDIX IX
Statement showing the Capital Debt of the Ahmedabad Municipality at the end of 31-3-1946

Name & Purpose of the Loan.	Rate of interest.	Amount.	Date on which the loan was raised.	Period of the loan in the years.	Balance of loan on hand.	Remarks.
		Rs.			Rs. a. p.	
1. Conversion loan of Rs. 570000 (A) 4½% for repayment of II instalment of 45 lacs Loan for Drainage works	4½%	3,95,000	16-9-34	•	.....	
(B) " For Water Works	4½%	1,75,000	16-9-34	•	.....	
2. Suburban Drainage Scheme	3½%	80,00,000	7-1-38	.....	.....	
(A) First instalment	3½%	1,49,500	25-10-39	.....	.....	
(B) 2nd instalment	3½%	8,50,500	15-8-40	.....	.....	
(i) (1,49,500)	4%	7,00,000	20-5-41	.....	6,19,111 14 4	
(ii) (8,50,500)	4%	14,00,000	4-8-38	.....	.....	
(C) Relief Road Loan	3½%	9,00,000	1-9-39	.....	.....	
1st instalment of 14 lacs	3½%	9,00,000	25-9-40	.....	.....	
2nd instalment of 9 lacs	4%	8,00,000	29-9-41	.....	.....	
3rd instalment of 8 lacs	4%	5,00,000	5-7-40	.....	.....	
4th instalment of 8 lacs	4%	3,00,000	5-7-40	.....	.....	
4. Asphalt Road and Electric extension Loan (extended limits)	4%	5,00,000	20-5-41	.....	.....	
1st instalment of 8,00,000	4%	2,00,000	20-5-41	.....	.....	
2nd instalment of 7,00,000	4%	4,00,000	18-3-41	.....	.....	
5. Pole Pavement Loan	4%	2,70,000	24-6-41	.....	.....	
1st instalment of 4 lacs	4%	7,00,000	28-7-41	.....	.....	
2nd instalment of 2,70,000	4%	7,75,000	30-11-41	.....	.....	
6. Housing Loan	4%	7,75,000	15-12-42	.....	.....	
1st instalment of Rs. 7 lacs	4%	7,75,000	15-12-42	.....	.....	
7. Conversion loan of Rs. 15,50,000	4%	7,75,000	30-11-41	.....	.....	
(A) 4 for repayment of 10 lacs loan for Asphalt Roads & Electric extensions.	4%	7,75,000	30-11-41	.....	.....	
(B) 4 for repayment of 10 lacs loan for Asphalt Roads & Electric extensions.	4%	7,75,000	30-11-41	.....	.....	
Total capital debt		1,14,90,000				
Less		18,70,257 14 4				
		96,19,742 1 8				

Sinking Fund accumulations.

Net capital outstanding debt.

APPENDIX XII

Statement showing the amount of taxes involved due to the contest regarding the capital valuation from Mills for the years 1926-27 to 1945-46.

Year.	No. of mills.	No. of objections under sections 80 & 81.	No. of appeals filed under section 110.	Total amount of taxes involved, due to the objn. applications and appeals.	Remarks.
1	2	3	4	5	6
1-7-26 to 31-3-29	52	50	...	2,97,490 15 0	<i>Re:—</i> 1-7-26 to 1934-35.—The basis of taxation with regard to mills and factories upto the date the B.M.B. Act XVIII of 1925 came into force was on measurement, and the mills continued to pay the same upto the year 1929. Afterwards some of them objected to the method and disputed the right of the municipality to tax the mills on this basis under the rules framed under the District Municipal Act, i.e. on the basis of measurement, and all of them filed civil suits objecting to the legality of the assessment made by the municipality for the year 1926-27 and onwards under the rules then in force. Meanwhile taxation rules under the Bombay Municipal Boroughs Act of 1925 were framed by the municipality and finally sanctioned by Government and they came into force from 1-4-31. For the purpose of avoiding undue delay and legal technicalities and disputes regarding the mode and method of levying taxes prior to 1931-32, the municipality and the mill authorities at the intervention of the Commissioner, N.D. entered into a compromise and the terms of compromise were agreed to by both the parties. Accordingly objections received for the period from 1-7-26 to 1934-35 from each mill were referred to arbitrators. Hon'ble Mr. G. V. Mavlanker and Mr. Sakarlal Balabhai were appointed as arbitrators. Both of them disposed of the same in the year 1934-35 and adjustments were made as per their award in each case.
1929-30	52	50	...	1,10,857 8 0	<i>Re:—</i> 1935-36 to 1938-39.—For the period 1935-36 to 1938-39 appeals were filed by the mills and they were disposed in regular course as laid down under the provisions of the Act.
1930-31	52	50	...	1,11,142 8 0	<i>Re:—</i> 1939-40 to 1945-46.—As regards the period from the years 1939-40 to 1945-46 there were a number of appeals practically from all the mills and as there was inordinate delay in disposing of these appeals in the Court due to many technicalities in law and procedure the large amount of taxes amounting to Rs. 32 lacs remained in arrears. The municipality and the mills have now jointly agreed to act as per terms of agreements and the mills are now paying taxes due for the period commencing from 1939-40 to 1945-46. All their objections to the valuation in appeals will be withdrawn in due course and as a consequence of the agreement, valuation for the year 1946-47 and 1947-48 (a year of quadrennial revision) are also to be referred to the sole Arbitrator the Hon'ble Mr. G. V. Mavlanker.
1931-32	57	48	...	1,26,681 2 0	
1932-33	57	39	...	1,41,086 1 0	
1933-34	60	45	...	1,68,293 1 0	
1934-35	60	48	...	1,71,799 8 0	
1935-36	58	45	38	3,34,604 0 0	
1936-37	59	35	30	2,85,868 11 0	
1937-38	59	35	29	3,06,615 13 0	
1938-39	59	40	35	2,56,112 7 0	
1939-40	68	59	45	3,16,500 8 0	
1940-41	68	60	45	3,11,262 10 0	
1941-42	68	60	45	3,08,871 2 0	
1942-43	68	60	41	3,02,604 5 0	
1943-44	68	62	57	6,34,396 0 0	
1944-45	68	62	57	9,67,095 0 0	
1945-46	68	63	...	9,49,838 12 0	
Total Rs. ...				61,01,119 15 0	

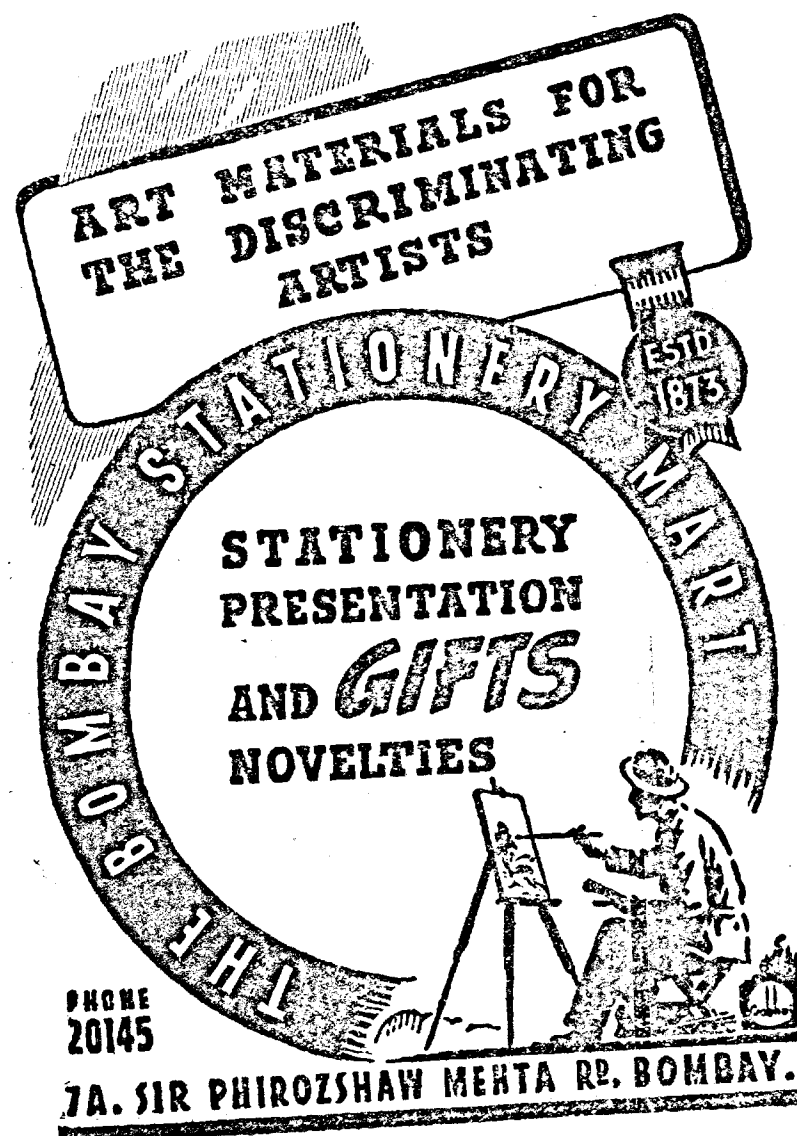
APPENDIX XII

Statement showing the amount of taxes involved due to the contest

Year.	No. of mills.	No. of objections under sections 80 & 81.	No. of appeals filed under section 110.	Total amount of taxes involved, due to the objn. applications and appeals.
1	2	3	4	5
1-7-26 to 31-3-29	52	50	..	2,97,490 15 0
1929-30 ..	52	50	..	1,10,857 8 0
1930-31 ..	52	50	..	1,11,142 8 0
1931-32 ..	57	48	..	1,26,681 2 0
1932-33 ..	57	39	..	1,41,086 1 0
1933-34 ..	60	45	..	1,68,293 1 0
1934-35 ..	60	48	..	1,71,799 8 0
1935-36 ..	58	45	38	3,34,604 0 0
1936 37 ..	59	35	30	2,85,868 11 0
1937-38 ..	59	35	29	3,06,615 13 0
1938-39 ..	59	40	35	2,56,112 7 0
1939-40 ..	68	59	45	3,16,500 8 0
1940-41 ..	68	60	45	3,11,262 10 0
1941-42 ..	68	60	45	3,08,871 2 0
1942-43 ..	68	60	41	3,02,604 5 0
1943-44 ..	68	62	57	6,34,396 0 0
1944-45 ..	68	62	57	9,67,095 0 0
1945-46 ..	68	63	..	9,49,838 12 0
				Total Rs. ... 61,01,119 15 0

APPENDIX XII

Statement showing the		No. of mills.
Year.		
1	2	
1-725 to 31-3-29	52	
1929-30	...	52
1930-31	...	52
1931-32	...	57
1932-33	...	57
1933-34	...	60
1934-35	...	60
1935-36	...	58
1936-37	...	59
1937-38	...	59
1938-39	...	59
1939-40	...	68
1940-41	...	68
1941-42	...	68
1942-43	...	68
1943-44	...	68
1944-45	...	68
1945-46	...	68



Karnatak Divisional Conference of Local Bodies

Resolutions passed at the Karnatak Divisional Conference of Local Bodies held at Hubli on 1st and 2nd March 1947 under the Presidentship of Shriyut S. K. Patil.

1. (a) This Conference views with apprehension the reports appearing in the Press that Government contemplate taking over from Local Bodies the entire administration of primary education. Though the Conference welcomes the formulation of the central policy of primary education throughout the Province, the Conference is emphatically of the opinion that the suggestion of taking over of administration of primary education into Government hands is undemocratic and impracticable and should therefore be rejected.

It is not proper and fair to argue that because the Local Bodies have not the necessary finance and because the Government have or can find necessary funds to finance the present and future administration of primary education, therefore the actual management should be withdrawn from Local Bodies and should as a corollary vest in the hands of the paid servants of the State. The real remedy would be to give Local Bodies additional sources of revenue to enable them to share some burden if necessary. It would be impossible in practice to conduct satisfactorily the administration of primary education and to carry out Government policy of compulsory, basic and adult education, etc. except through the agency of Local Bodies which consist of responsible representatives of local people who are in daily contact with them.

(b) This Conference is of opinion that the amendment of the Primary Education Act by amending Act XII of 1938 by which the Government have taken away the executive powers of management and control of the School Boards and vested them in the Administrative Officers appointed by the Government has not only not improved administration of primary education but has caused deterioration and is certainly undemocratic and retrograde and requests the Government to restore the said powers to the School Boards with the least possible delay.

2. This Conference appreciates the interim relief granted by the Government from 1st April 1946 by way of grant-in-aid to the District Local Boards equal to fifty per cent of the expenditure incurred by them on dearness allowance paid to their staff and to the Municipalities (except those with a population over one lakh) equal to half the expenditure incurred in payment of dearness allowance to their sanitary staff. (G.R.G.D. 3874/33, dated 6-11-46.)

This Conference, however, requests the Government to declare a further instalment of relief as early as possible. Fifty per cent relief as mentioned above is absolutely inadequate and does not meet the situation to any appreciable extent because of the abnormal financial depression of Local Bodies. Local Bodies expect that a further instalment should provide for 100 per cent grant on expenditure incurred by Local Bodies on dearness allowances. The grant should be in respect of the dearness allowance to the whole staff (including primary teachers and other staff of School Boards) and not restricted to sanitary staff. This relief should be granted with retrospective effect and should extend to the whole amount spent by Local Bodies including those with a population over one lakh because their financial position is equally precarious.

3. (a) This Conference is of the opinion that in order to improve the finances of Local Boards and Gram-Panchayats it is absolutely necessary that Government should part with a substantial share of land revenue which has at present been wholly appropriated by Provincial Government for its own use.

(b) This Conference is of the opinion that Municipalities big as well as small are groaning under burden of expenditure far beyond their capacity. This Conference therefore urges upon Government that immediate relief should be granted to them.

4. This Conference invites the attention of the Provincial Government to the recommendation of the Kale Committee regarding the encroachment of the powers of Local Bodies by the appointment of *ad hoc* bodies like the Rural Development Boards and others and regrets to note that such appointments are still continued. These *ad hoc* bodies are undemocratic in character and they deprive the Local Bodies (which represent the Local Self-Government voters) of a training ground in a sphere rightly belonging to them. This Conference, therefore, strongly urges upon the Government to abolish all such *ad hoc* bodies which encroach upon the functions assigned by law to Local Bodies and which imply unjustifiable censure of Local Bodies by Provincial Government.

5. This Conference is of opinion that in the imposition of Sales Tax, Local Bodies should have been exempted from the operation of the tax in respect of materials purchased by them. Local Bodies should be exempted from payment of this tax by immediate executive action and effect should be given to such exemptions retrospectively and the amounts so far collected from Local Bodies should be refunded to them.

6. This Conference regrets that Government have made no provision for giving any share of the proceeds of Sales Tax to Local

Bodies and have thereby deprived them of a source of income which Local Bodies in other countries are enjoying. In the circumstances Government is requested that a substantial share of the proceeds of Sales Tax should be given to Local Bodies on some equitable basis.

7. This Conference requests Government to bear a substantial share of the expenditure on schemes of Local Bodies for housing their Harijan and menial staff and suitable sites for the purpose be given to Local Bodies free of cost by Government.

8. This Conference requests Government to encourage municipalisation and nationalisation of public utility services. As a first step, electric and transport services should be municipalised and nationalised and handed over to appropriate Local Bodies.

9. This Conference is of the opinion that Government grants for Drainage and Water Works and other Public Health Schemes should be at least 50 per cent even in case of Borough Municipalities.

10. This Conference notes with regret that grants in respect of Communications are continually being reduced. Government is, therefore, requested to restore these grants and to augment them in view of the deterioration of Roads and of the necessity of reconstructing and modernising them. This Conference would like to impress upon Government the necessity of laying down equitable principles of distribution of Communications grant in order to do justice to every Local Board and with a view to avoid the impression that these grants are not impartially distributed.

11. This Conference requests Government to exempt T. P. Scheme plots from payment of non-agricultural assessment and for the purpose to extend the limits of village sites, or "Gaathan Lands" wherever it is necessary to do so for extension of town limits by launching T. P. Schemes. If, however, the N. A. Assessment is continued to be recovered by Government, the proceeds should be handed over to Local Bodies concerned.

12. As the present economic condition of the agriculturists is not satisfactory, the L. F. Cess should not be raised to annas three as was desired by Government.

13. This Conference requests Government that it should make available to Local Bodies free of charge technical advice regarding schemes of water supply, land acquisition, epidemic relief and other technical subjects where Government have under their employment experts maintained at the expense of Provincial Government. Legal advice free of charge may also be provided.

14. This Conference requests the Government to pay grants towards expenditure on the following items which expenditure is held inadmissible for Government grant at present:

(1) Cost of buildings; (2) Expenditure on Drawing teachers; (3) Expenditure on Music Teachers; (4) Expenditure on Physical Inspectors; (5) Expenditure on Books and Prizes; (6) Expenditure on Hindustani Schools; (7) Expenditure on Visual Instruction; (8) Expenditure on additional servants entertained after the transfer of control; and (9) Expenditure on contingency and Magazines in excess of *datum line* expenditure.

15. (a) This Conference requests Government to make necessary amendments in Municipal Acts with a view to effective recovery of taxes by sale of immovable properties and transferring of possession thereof.

(b) This Conference requests Government to make provision in Municipal Acts authorising Municipalities to inspect relevant entries in Dealers' Accounts with a view to avoid leakage in Octroi revenues.

16. Government is requested to amend Municipal Acts with a view to provide remedies to avoid deadlocks which sometimes occur owing to the difference of opinions between the President and majority of members who express non-confidence in the President.

17. This Conference regrets that undue burden has been placed on the Municipal finance due to expenditure on the working of the Shops and Establishment Act and requests Government to shoulder this expenditure.

18. Government is requested that whenever they declare increase in dearness allowance, interim relief, bonus, etc. to Government staff, they should simultaneously announce grants to Local Bodies to cover entire expenditure for granting similar relief, increment, bonus, etc. to their (Local Bodies) own staff to avoid dissatisfaction amongst them.

19. This Conference requests the Government to allocate to Local Bodies a substantial share of income from entertainment tax and electricity surcharge and stamps on transfers of properties, petrol tax, etc.

20. Government is requested to give facilities to Local Bodies to incur capital expenditure by giving loans to Local Bodies at an easy rate of interest and for expeditious disposals of their loan applications.

21. (a) This Conference is of the opinion that all open lands belonging to Government within Municipal limits except lands required by Government for their own purpose should vest completely in Municipalities. Municipalities should have unrestricted right to let them or put them to special use. Government should not claim any share in the income derived from this source. If necessary, Government may impose a condition that realisation from such lands should be used only on capital works. Government is requested to give effect to this resolution immediately.

(b) This Conference is of the opinion that the wells, tanks, trees, etc. at present under the management of Local Boards and Panchayats should vest wholly in them for all public purposes.

22. This Conference is of the opinion that charges levied for maintaining lunatics as well as for anti-rabic treatment from Municipalities should be borne by Government.

23. This Conference is of the opinion that centage charges fixed by Government for preparation of plans, scrutiny and estimates in respect of schemes of sanitation such as Drainage Works and of Water Works are very high. It is the duty of Government to help the Local Bodies in these matters through their Public Health Department free of cost, or at nominal charges only. As regards the execution of such works Government should not levy charges higher than the cost actually incurred by them.

24. This Conference is of the opinion that the share under the Motor Vehicles Act after abolition of Toll System received by the Local Bodies is quite inadequate in view of the fact that Government income from this source has considerably increased, and therefore requests Government to distribute the total proceeds equitably amongst the Local Bodies.

25. (a) Several articles liable to Octroi duties are received in the City by post, and the same cannot be detected as the articles are delivered directly to the merchants concerned by the Postal Department. The result is that the Municipality is losing its revenue from Octroi on such articles. Government of Bombay is requested to devise means to see that this severe leakage is stopped.

(b) Government is also requested to consider the question of similar leakage in respect of articles transported through Railways and Customs Authorities.

26. In view of the fact that Municipal taxes and cess are the first charges on immoveable property, this Conference requests Government to amend Municipal Acts to enable these taxes to be

recovered by execution through Civil Courts without filing suits by the Municipalities.

27. This Conference earnestly requests the Bombay Government to immediately hand over the balance of "harsod" which is lying with Government with effect from the date on which the Anderson Scheme came into effect.

28. This Conference is of the opinion that those Municipalities within whose limits there are Railway buildings and lines, platforms, and other properties should have a right to levy taxes in the same manner as they levy taxes on private properties. This Conference therefore requests the Minister for Local Self-Government to move the Government of India in the matter with a view that the Municipalities may be able to levy such taxes.

29. Municipalities which were Local Authorities under Primary Education Act and which have now ceased to be so due to taking over the control of School Boards since 1938 should be called upon to pay only 33 per cent as other non-Local Authority Municipalities are called upon. It is inequitable and unjust to demand 50 per cent from such Municipalities. This Conference is therefore of the opinion that the amounts recovered in excess of 33 per cent should be refunded and where the amounts are not recovered they should be remitted.

30. This Conference is of opinion that Gram Panchayat Finance requires to be substantially strengthened. The only means by which this can be done is by allocating at least 15 per cent of the land revenue recovered by Government from the Village concerned. The Government is therefore requested to make such allocation of land revenue without delay.

31. This Conference urges upon Government to retain the cumulative system of voting at present prevailing in the elections to Local Bodies.

32. This Conference requests the Government to pay 5 per cent charges for meeting the expenditure on staff for carrying out scarcity works as was being paid on previous occasions by the Government. The Local Boards had undertaken number of such works during the last two years but said charges so far have not been paid.

33. Whereas political and economic conditions have considerably changed since the recommendations of the Kale Committee were made, this Conference requests Government to appoint a Committee of experts to go into the problems of (1) financial adjustment; (2) functional division between Government and Local

Bodies; (3) the extent and machinery of Provincial control over Local Bodies; and (4) amendment in laws governing Local Bodies with a view to rehabilitate the finances of Local Bodies and to put them in a position to work efficiently. The present Acts are now out of date and require early revision.

34. Roads in Municipal limits require modernisation. Finances of Municipalities are so poor that they cannot afford to modernise them. Government is therefore requested to give substantial grant-in-aid to encourage modernisation of roads.

35. This Conference is of opinion that Local Fund Cess should be given on Forest Revenue where Forests abound as in the districts like Kanara and others.

36. This Conference requests Government to amend the present Acts to provide for the increase of the life of Local Bodies to 5 years instead of 3 years as at present.

37. This Conference requests Government to see that while estimating grants to aided educational institutions expenditure on those items which are considered essential should be held admissible for Government Grant.

38. This Conference is of opinion that in view of the present meagre resources at the disposal of the Municipalities, most of them find it impossible to take up and carry out schemes of (1) Road-Widening, (2) Slum-clearance, and (3) Opening of Conservancy lanes, etc. which are of vital importance to the health of the citizens. The Conference, therefore, recommends to Government to pay to Municipalities grant-in-aid equal to 50 per cent of the expenditure on the above-mentioned schemes.

39. This Conference endorses the demand for the unification of Karnatak.

40. This Conference requests Government to give special consideration to the claims of Districts like Kanara which have special problems of their own and which deserve special financial assistance from Government.

LOCAL SELF-GOVERNMENT INSTITUTE

(BOMBAY PRESIDENCY)

NINETEENTH ANNUAL REPORT AND AUDITED STATEMENT OF ACCOUNTS FOR THE YEAR 1945-46

I have the pleasure to submit to the Provincial Council of the Institute the Nineteenth Annual Report for the year ending 31st December 1946 and the Statement of Accounts for the year 1945-46 audited by the Examiner, Local Fund Accounts and also by the Hon. Auditor, Mr. R. N. Rajadnya.

The Executive Committee.

The Provincial Council in its Meeting dated 23rd February 1946 elected the following members to form the Executive Committee :—

1. L. M. Patil, Esq., B.A., LL.B., M.L.A. (*President*).
2. G. D. Vartak, Esq., B.A., M.L.A. (*Vice-President*).
3. Sardar Shivrao Bhawanrao Thorat.
4. W. G. Shetye, Esq., B.A., LL.B.
5. Annasaheb Gopalrao Awate, Esq.
6. M. N. Wantmurimath, Esq.
7. S. S. Matti, Esq., B.A., LL.B.
8. Padam K. Illava, Esq., B.A.
9. R. V. Parulekar, Esq., M.A., M.Ed., T.D.
10. S. S. Pradhan, Esq., B.A., LL.B. (*Jt. Honorary Secretary*).
11. S. S. Naik, Esq., B.A., B.Sc., L.C.E. (*Honorary Secretary*).

Honorary Office-Bearers.

The following members were the Office-bearers during the year under report :—

1. *President*.—L. M. Patil, Esq., B.A., LL.B., M.L.A.
2. *Vice-President*.—G. D. Vartak, Esq., B.A., M.L.A.
3. *Hon. Secretary and Treasurer*.—S. S. Naik, Esq., B.A., B.Sc., L.C.E.
4. *Jt. Hon. Secretary*.—S. S. Pradhan, Esq., B.A., LL.B.
5. *Hon. Auditor*.—R. N. Rajadnya, Esq.

Membership of the Institute continues to have practically the same strength as in the year 1943-44. During 1945-46 some of the Panchayats failed to pay their subscription and therefore the strength attained in the year 1944-45 could not be maintained as was foreshadowed in the last annual report.

Activities of the Institute.

The following Conferences were held during the year under report :—

1. Conference of Chairmen of Local Authorities and School Boards was held at Poona in Khan Bahadur Mole-dina's Hall of Poona Suburban Municipality on 5th May 1946 under the Chairmanship of Shriyut C. A. Vyas, President, District Local Board, Kaira.

2. Konkan Divisional Conference of Local Bodies was held at Thana in the Municipal Hall under the Presidentship of Shrimati Hirabai P. Bhapkar, President, District Local Board, Ahmednagar. It was inaugurated by Shriyut G. D. Vartak, B.A., M.L.A., Minister for Local Self-Government, Government of Bombay.

The following further Conferences were projected :—

* (1) Maharashtra Divisional Conference of Local Bodies at Ahmednagar.

† (2) Gujerat Divisional Conference of Local Bodies at Nadiad.

(3) Karnatak Divisional Conference of Local Bodies at Hubli.

During the year under report, communal disturbances had an adverse effect on admission of pupils who could not find any accommodation nor safety. There was, however, not much financial deficit on this account as the total number was very near that of the last year. The expected increase, however, could not be reached.

The English Quarterly Journal continued to be published during the year though in a smaller size owing to paper control regulations. At the end of the year under report, however, permission to revert to the original size has been obtained. As a result the English Quarterly will now be published as formerly. The Vernacular Journals, however, will take some time to be published as printing difficulties continue.

The following Works have been published during the year under report :—

1. *Borrowing by Local Bodies* by S. S. More, Esq., B.A., LL.B.
2. *History of Primary Education in the Province of Bombay, 1815-1941* by B. N. Vaidya, Esq., B.A.
3. *Water Supply* by S. S. Naik, Esq., B.A., B.Sc., L.C.E. (New Edition).
4. *Cases on Local Self-Government Acts* (2nd Volume, New Edition) by Chunilal D. Barfivala, Esq., M.A., LL.B.

* This Conference was held on 24th and 25th January 1947. The President-elect Shri. Bhausaheb Raut was unfortunately involved in a motor accident and could not therefore preside on the occasion. Shri. S. S. More, B.A., LL.B., was good enough to accept the presidentship which was offered to him by the Delegates.

† This Conference was held on 1st and 2nd February 1947 under the Presidentship of Dr. Chandulal M. Desai.

5. *The Survey of Primary Education in Rajapur Taluka* (District Ratnagiri) by D. J. Sardeshpande, B.A., B.T., under the guidance of R. V. Parulekar, Esq., M.A., M.Ed. (Leeds), T.D. (Lond.) and Rao Saheb D. J. Kulkarni, B.A., S.T.C.D., and subsidised by Sheth Motiram Narayan Desai Topiwalla, Bombay.

Research students continue to take advantage of the Institute's Library which has been recognised by the University of Bombay for post-graduate studies under the guidance of myself and Mr. Barfivala, Director of the Institute.

Activities of our Book-depot are showing signs of revival on account of partial restoration of transport facilities and relaxation of paper and printing restrictions.

As was pointed in my previous reports, Local Bodies have found the Institute's agency highly beneficial in the matter of purchasing a great variety of stores required by them. The Institute was able to secure for Local Bodies articles at controlled rates which otherwise it would not have been possible for them to secure. In several cases highest Government Authorities were approached by the Institute and stores for Local Bodies were purchased with their assistance.

With the co-operation of the Government of India and of Bombay, the Institute has been able to continue to give papers to Local Bodies at much below even the controlled rates. An offshoot of this activity is the supply of envelopes to Local Bodies, which the Institute has undertaken to manufacture, print and distribute. Here again, the Local Bodies who availed themselves of this service, have benefitted themselves considerably, because the sale price has been fixed much below the controlled rates fixed by Government. Another offshoot of this activity is the printing and supply of vernacular Muster Rolls to School Boards at rates which have been certified by the Superintendent, Government Printing and Stationery, Bombay as reasonable. They are sold at prices below the rates quoted outside.

The Government of Bombay have continued to entrust to the Institute the work of scrutinising the requirements of Local Bodies pertaining to numerous printed forms required by them to be purchased from Yeravda Prison Press.

The following other activities are continued this year also.

1. Maintaining an Employment Bureau for L.S.G.D. Diploma-holders of the Institute.
2. Giving of information and advice to

Local Bodies on a variety of Educational, Administrative, Legal and Technical subjects.

The Provincial Council have already authorised me to purchase and establish a Printing Press for the Institute. Serious difficulty confronting us is with respect to premises for running the Press and for purchasing suitable machinery. It is proposed to put up the Press in the Suburbs if a suitable place cannot be had in the town on a reasonable rental basis. It is expected that suitable arrangements in the Suburbs can be had on a reasonable rent. I have been advised that if sound second hand machinery cannot be had, new up-to-date machinery should be indented from abroad. I hope to place such an indent for the machinery as early as possible.

Establishment
of the Institute's
Printing Press.

New Activities.

1. Negotiations are going on with the Government of Bombay for entrusting to the Institute the work of distribution of Forms at present printed at Yeravda Prison Press as Local Bodies are undergoing great inconvenience under the present distribution system. It is expected that Government will dispose of the matter favourably.

2. Negotiations are also going on with the Government of Bombay for granting the Institute facility of getting the printing work of the Institute as well as work of some of the Local Bodies entrusted to the Institute through Government Printing Press. It is intended ultimately that Forms for Local Bodies as well as their printing work should be done through the Printing Press which the Institute proposes to establish. The above negotiations therefore are for an interim arrangement.

The Statement of Accounts of the Institute for the year 1945-46 audited by the Hon. Auditor Mr. R. N. Rajadnya is appended hereto. The Auditor has offered the following remarks:

"I have great pleasure to certify that I have audited the accounts of the Institute for the year 1945-46 on the 19th, 20th, 21st and 22nd June 1946 and that I have found them correct and well maintained."

"I repeat my words of high appreciation to the work of the Institute's Office which I used in my last year's audit remarks."

Audit Note of the Examiner, Local Fund Accounts on accounts of the Institute for the year 1945-46 is annexed herewith.

You are aware that during these most abnormal times, the staff of the Institute has continued to put in most strenuous work despite the fact that the work has

Institute's
Staff.

increased manifold and entails heavier responsibility and attendance for longer hours. I wish we could show our sympathies and better appreciation of the sincere ungrudging output of heavy and responsible work particularly when we are passing through days of great hardship. No praise of Mr. Barfivala is too high, looking to the extraordinary ability that he brings to bear on the Institute's activities.

S. S. Naik,
Hon. Secretary and Treasurer
LOCAL SELF-GOVERNMENT INSTITUTE

**Audit Note on the Account of the Local Self-Government Institute,
Bombay Province, Bombay, for the year 1945-46.**

No. L. 23/A-1526

Office of the Accountant General,
Local Audit Department,
Bombay, 19th September 1946.

From

The Examiner,
Local Fund Accounts, Bombay.

To

The Secretary to Government,
General Department, Bombay.

The accounts of the Local Self-Government Institute, Bombay Province, for the year 1945-46 were audited between the 21st August and 2nd September 1946.

2. The accounts were found to have been well maintained and call for no remarks.

3. It is gratifying to note that there was full co-operation and the minor points were settled on the spot.

4. A statement of accounts of the Institute for the year 1945-46 prepared in the form approved by Government is appended to this note duly certified as correct.

T. N. S. RATNAM,
Examiner.

No. L. 23/A-

Copy forwarded to:—

The Honorary Secretary & Treasurer, Local Self-Govt. Institute,
Bombay.

The Senior Auditor, Bombay III Circle (V.G.P.).

T. N. S. RATNAM,
Examiner.

LOCAL SELF-GOVERNMENT INSTITUTE
(BOMBAY PRESIDENCY)

Statement of Accounts for the year 1945-46

Particulars	Receipts	Expenditure	Expenditure classified by Sub-Heads			Miscellaneous
			Establishment	Stationery and Printing	Postage	
	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.	Rs. as. ps.
Opening Balance:						
Head Office	59,692 2 7					
Branches	114 4 6					
Subscription	...	...	...	...	...	...
Government Grant-in-aid	...	...	...	...	...	...
Publication	...	2,302 0 0	12,001 1 0	808 5 0	837 13 0	1,351 14 0
General administration	...	17,021 2 0	...	...	...	...
Library and Equipment	...	461 5 0	...	...	...	...
Unpaid Bills	...	13,102 14 0	...	...	...	...
Conferences	...	54 8 0	...	...	...	...
Investments	...	15,240 0 0	...	...	...	...
Miscellaneous	...	2,400 12 10	...	...	...	...
Training Classes	...	1,051 7 0	...	...	...	...
Deposits	...	...	...	...	...	...
Advances	...	35 0 0	...	...	...	...
	86,935 3 1	51,669 0 10				
Closing Balance:						
Head Office	34,571 12 3	35,266 2 3				
Branches	694 6 0					
Total	86,935 3 1	86,935 3 1				

The closing balance of Rs. 35,266-2-3 includes Rs. 6,031-8-7 being Employees' Provident Fund Account. It also includes Rs. 21,554-4-6 being deposits for paper supply etc., from Local Bodies and Rs. 4,161-14-0 being primary Education Advance.

The closing balances exclude the following investments:—

3½% Government Securities (Face Value) Rs. 39,000
One Share of Poona Central Co-operative Bank Rs. 50

Rs. 39,050

Verified and found correct.

T. N. S. RATNAM
Examiner, Local Fund Accounts, Bombay.

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SELF-GOVERNING AUNDH*

(REPORT OF THE CHAPEKAR COMMITTEE)

Introductory

The Resolution which was accepted by Government and which forms the text of the Government Resolution had been sponsored by Pandit Satavalekar on 13-11-1945 in the session of the State Representative Assembly.

The Resolution of the Government published in the *Extraordinary Gazette* dated 7th March 1946 announcing the appointment of a Committee, runs thus:—

It is well nigh six years since the inauguration of Full Responsible Government in Aundh State; hitherto in every village two and in some cases even three elections have been held. It is time to take the next forward step with a fresh vision, a fresh experience, and fresh planning after reviewing the administration; and whereas the experience so far gained by the actual working of democratic institutions such as the Panchayats is calculated to be a guide to others even outside the State, and whereas a union of the Deccan States in the South has been already initiated, it has become necessary carefully to chalk out projects more beneficial than those of today. For this purpose, a Committee be appointed in order to decide the plan of action with a view to achieve further progress during the next six years, after reviewing and minutely examining the administration during the last six years and bringing the present constitution under exhaustive scrutiny. The following are the members of the Committee:

Members:

Shriyut N. G. Chapekar, *President*.

Shriyut P. H. Patwardhan.

Shriyut Bapusaheb Gupte.

Shriyut S. D. Satavalekar.

The Government therefore direct that in all the places which the Committee will visit, the heads of all departments, e.g. the Revenue, Police, Judicial, Education, Public Works, Taluk Boards, Village Panchayats, Health, Accounts, etc. should render all possible assistance to the Committee. Since the Committee owes its appointment to the Representative Assembly, it shall nowhere meet with any inhospitality; it is virtually a State Committee. This Committee has been designated

*The original report is in Marathi. This purports to be a nearly close translation of the original.—*Secretary, Chapekar Committee.*

as the Chapekar Committee; the Speaker of the Representative Assembly, Mr. N. G. Chapekar, will be the Chairman of this Committee.

All departments should render every assistance to this Committee. It is likewise the desire of the Ministry that the legal practitioners and the gentry should express their views freely if and when called upon to do so by the said Committee.

Shriyut Satavalekar dropped out of the Committee as he pleaded inability to work. Still he remained as an Organizer. After the letter of Mr. Satavalekar was received, we have been informed by the Ministry that the remaining 3 members should carry on the Inquiry.

Mr. A. G. Mehendale was appointed as Secretary by the Ministry on 3-7-1946 by Order No. 375. Later, the State Servants were afforded special protection, in order that they might give replies to inquiries without any reserve. The Committee began actual work on 24-4-1946 at Aundh; and on 7th and 8th of May a preliminary meeting was held in Poona and the outline of the inquiry was discussed.

In our Inquiry 66 written memoranda were presented to us by as many witnesses. Out of these 48 were called for oral evidence. 21 State Servants have given oral as well as written evidence. The Registers of 64 Panchayats were examined and 32 villages were visited on the spot. The total length of the Committee's tour in the State was 948 miles.

In every place we visited, a large number of people assembled besides the panchas and the number of those with whom we had a parley may come to 75.

The Committee give their heart-felt thanks to all individuals who assisted them in the work of Inquiry by supplying information. But the Committee is extremely grateful to Pandit Satavalekar for the valuable assistance rendered by him with untiring industry and zeal. He took upon himself the duty of an organizer and in that capacity prepared the questionnaire, wrote letters to hundreds of people and, determined to reach the completion of the work without any hitch, got the State to remove all conceivable hindrances. In some cases he even accompanied the Committee in its tour and rendered varied assistance. But for his great labour, the Committee would not have been able to do their task so expeditiously and so thoroughly.

We also wish to record with appreciation that the State administration also quite readily and unhesitatingly supplied to us all such information whatever required of them by the Committee.

The State rendered great assistance to the Committee by appointing Mr. Anant Govinda Mehendale as Secretary. He made himself

very useful and the work of the Committee was facilitated by having in him an active, diligent, well-informed and intelligent Secretary. There are many who can do what they are told to do, but it is rare to obtain services of a person with initiative. The Committee derived great assistance from Mr. Mehendale in adjusting their proposals to the economic resources of the State and in the scrutiny of accounts.

The State sanctioned a sum of Rs. 4,500 for this work.

Any constitutional project is very likely to be affected to a greater or lesser degree by the geographical environment of the region in which it is to be worked. Hence we commence our comments with a survey of the geographical features of the Aundh State, and examine as to how far the geographical conditions described justify the entrusting the management of local affairs to the people themselves.

We then proceed to give a picture of the poverty of the people by ascertaining the *per capita* income from land, estimated addition made to it by income from cattle and industries. Our examination of the problem of Inam Grants has led us to the conclusion that other villages have to support the Inam villages.

We have next discussed the effects, disheartening as well as encouraging, of the new Constitution promulgated in 1939, on the subjects of the State. We have further dwelt on the political agitation outside the State which retarded the natural development of new institutions and shown the way in which poverty-ridden States should work democratic constitutions.

We have offered some suggestions for making the old Constitution more successful. We have recommended extension of the period between elections, by one year and enlargement of the Representative Assembly by conferring the suffrage on a number of different interests and also the untouchables and the women. We have provided a machinery of arbitration for decisions of judicial cases. Thereafter having made helpful suggestions bearing on the administrative machinery, we have discussed extensively the functions of Village Panchayats, on account of their novelty. As the responsibility for the administration of the village, in all its aspects has been cast on to the Panchayat, we have assigned to it an adequate staff. All these projects have the Panchayat as their nucleus and education has been planned so as to fit in with it.

At the end we have shown how the changes we have proposed are compatible with the present income of the State and in that connection we have discussed the items of the Civil List of Shrimant Rajasaheb and the expenditure on Devasthan.

PART I

GEOGRAPHICAL CONDITIONS

A look at the map in the Appendix is enough to give one an idea as to how complicated, expensive and in the end thankless the State administration is. The territory of Aundh State is scattered in the two districts of Satara and Bijapur and the worst of it is that eight out of twenty-four villages in the Aundh and Kundal taluks stand isolated like so many islands and surrounded by British territory and the territories of other States. The remaining sixteen villages form themselves into eight groups of two each separated from each other.

The lone village of Manu stands on the hillside 16 miles to the south-west of Ogalewadi. To reach it one has to traverse 16 miles of British territory. The protection of such a place is next to impossible. The British Government easily took over from the Pant Pratinidhi the prosperous town of Karad; but they never thought of offering a village contiguous to the State in exchange of Manu. Similar is the case of 'Chikhalpol', a village in Taluka Aundh which is eighteen miles from Aundh and between the two there is not a single village owned by the State.

In Taluka Gunadal, Kotyal and Hangargi are twenty miles and twelve miles respectively from Gunadal and lie insulated. Even the Talukas are thrown apart from one another. Atpadi is 60 miles from Aundh and Gunadal is 125 miles away by the motor road; to add to all this the language of the people of Gunadal taluka is Kanarese. The case of the village Takkalagi illustrates how incongruous situations are created by historical events. The majority of the population consists of Marathas such as Gayakwads, Mahadiks, Katkars and Chavans. The whole Taluk of Gunadal would shout for a Kanarese school while this village Takkalagi would insist upon having a Marathi school. No wonder if under such conditions administration displays laxity.

To stress the ineffectiveness of the administration is not our purpose here. What we want to urge is that it has become a necessity to allow people to manage their local affairs on account of the insularity of the villages. Other arguments in favour of Village Self-Government may or may not appeal to all. But we believe that the argument based on geographical conditions cannot fail to appeal to every thinking person. These ideas surged to our minds instantly we stepped on the village sites of Manu and Kotyal.

Economic Condition (Agriculture)

Poverty of the people is a great impediment in the path of progress. We cannot take a step forward unless it is removed. The reason is obvious: Man must keep body and soul together before he makes any

progress. For this reason we are constrained to review the economic features of the State.

There are 18,412 families in the State. Of these 3,082 families own no land. This means that out of a total population of 83,868 nearly 15,500 persons have no land of their own. It follows that only 68,458 persons have land.

The staple food of the people in the State is Jowar or Bajri. A person requires about six maunds (Bengal) that is two and a half maunds according to the Satara measure (The Satara seer equals 104 tolas); or 2 sacks of Jowar. On this calculation the population of 83,868 would need 2,10,000 maunds of Jowar.

Let us now consider the produce of the land. The total cultivable land in the State is 2,79,449 acres. Out of this, 2,01,355 acres of land is 'Jirait' and 14,969 acres 'Bagait'. 63,125 acres are fallow. It is noteworthy that out of this fallow land about 52,200 acres lies in the 32 villages of Atpadi Taluka. We could nowhere get a satisfactory explanation why in this famine-stricken Taluka so much cultivable land should lie fallow.

The ratio of land to the population works out at 3 acres, 13 gunthas per head on the basis of the crop raised from an acre in different parts of the State. The average produce per acre is $2\frac{1}{2}$ maunds of Jowar. This means that one would be able to garner a crop of 8 maunds of Jowar in $3\frac{1}{4}$ acres of land.

We have stated above that $2\frac{1}{2}$ maunds of grain is needed by a man for food consumption. Consequently he will be compelled to meet all his other requirements out of the remaining $5\frac{1}{2}$ maunds. Pre-war market-rate was six to eight rupees per maund. On these calculations a farmer can hardly lay by forty rupees each year and with this amount he has also to provide himself with clothing, salt, chillies, oil, jaggery, etc. But this is a sheer impossibility. For this estimate takes no account of land revenue let apart the expenses of cultivation. Besides provision for marriage, religious rites, treating of guests, sickness and famine would be unthinkable. Evidently the economic condition is very hard. It is indeed so powerful as to prevent the success of any scheme of reform that we may adopt.

The cultivated land works at $2\frac{1}{2}$ acres *per capita*; out of this 2 acres 12 gunthas is 'Jirait' and 7 gunthas 'Bagait'. We are told that the former produces twice as much as the latter. From this it will be seen that the produce per head from land actually cultivated is only $6\frac{1}{2}$ maunds. Deducting from this $2\frac{1}{2}$ maunds required for bread, only 4 maunds of Jowar remains for meeting other expenditure.

Let us probe the matter deeper; assuming that in every family there is at least one unweaned child, we shall have to exclude 18,412 babies in as many families; we may therefore safely regard 65,456 as the food consuming population.

Even supposing that all the land in the State is brought under the plough, the above population numbering 65,456 will get $4\frac{1}{4}$ acres of land per head, which will yield $10\frac{1}{2}$ maunds. Even with such a minute calculation the income per head for items other than food does not work out even at Rs. 50-60.

Such calculations are confessedly only approximate; nevertheless it will serve to give an idea of the poverty of the people, and it is essential that Government as well as the subjects should realize this fact.

It must be remembered that in the State there is no other source of income, barring the two factories which have prospered only recently. Although there may be numerous sources of revenue to the State, land is the solitary item of income for the 'ryot'. Dairy products, fruit, vegetables, are not important enough to take into account. The following are the different crops:—Jowar, Bajri, Wheat, Rice, Cotton, Chillies, Turmeric, Tobacco, Groundnuts, Tur, Gram, Karadi, Oil Seed, Pulses and Lentils.

It is necessary to state that the word 'poverty' is here used to denote starvation. For the conception of poverty is relative. We speak of poverty only where there is riches. When we say that there are poor people in England and America, the idea of their poverty is suggested to us by looking at the rich. In the State there is not a single citizen who can be called rich. Thus we must understand by the word poor, a man who cannot even obtain sufficient food and clothing. In fine, the question before the State is not how the citizens will become rich but how they can live decently by procuring adequate food and raiment. It will be apt to consider the question of increased production of wealth from this very point of view. By the by it is necessary to prevent waste and extravagance caused by peoples' ignorance, by suitable legislation.

Thereupon the Administration will have to outline a scheme for the production of wealth. No one says that it is impossible to get more yield from the present acreage. May be, we shall have to resort to communal life in order to avoid waste and to increase wealth. To elaborate a scheme for this purpose does not fall within the province of this Committee. Others have already suggested what supplementary industries can be organized in villages along with agriculture. The State will be able to prepare a scheme by taking those suggestions into consideration. We, for our part, make only one suggestion, viz.: the State should undertake to purchase at a standard rate the yarn spun by the people

and the same utilized for making cloth by starting handloom weaving in every taluka. This will promote the production of Khadi and solve the question of unemployment. This scheme will also ensure that the Administration has fulfilled its promise of supplying work to every person. No citizen of the State can say in future that he is starving for want of work. This is one great benefit of such a scheme. At the most the State will have to provide the citizens with spinning wheels.

In this connection, it will be apt to recall that Shrimant Rajasaheb had offered to the citizens the concession of paying the land revenue in the form of an equal value of yarn and that too in accordance with a resolution of the Praja Parishad of Gunadal taluka. In spite of this not a single subject of the State has taken advantage of this concession. Since this concession still holds good, we desire to remind the subjects of the State thereof. We suspect that both the people and the State have been unmindful of this regulation which has ever remained on paper only. No one seems to have made any effort to give effect to it.

Animals as Wealth

Of beasts and birds, the latter seem to be less useful from the point of view of man. There are very few birds by killing which man can add to his articles of diet. On the contrary beasts serve man by handing over their all-in-all to him. They are certainly useful while alive; but even after their death man adds to his wealth by utilizing their bones and skins. That is why we have to look upon the animals as so much wealth. In the main, only the following species of animals are to be found in the State: cows, bulls, she- and he-buffaloes, horses and donkeys, goats and sheep. The number of horses is 626 and that of donkeys 183. These are negligible. Horses are used for riding and conveyances while donkeys are used for carrying goods. Horses and donkeys cannot subserve any purpose after ceasing to live.

The number of cows is 8,659 and that of buffaloes 4,294. Besides goats, these are the only milking animals. A cow or other animal with an offspring does not give milk and the number of such is generally half of the total, as far as we can infer. If we suppose that a cow gives, in all, $1\frac{1}{2}$ seers of milk for the two milkings we should not be far wrong in our estimate. We have supposed that a she-buffaloe yields twice as much milk as a cow. On this calculation the total yield of milk in the State is 12,000 seers a day. This is a very low figure; because taking the population of the State into consideration it works at 9 to 10 tolas per head. The future Panchayats should devote more attention to increasing the supply of milk. And, if the already meagre quantity is sold and sent beyond the boundary of the State, the Panchayats ought to adopt legal remedies for prohibiting such an export. The total

income from milk is 3,000 rupees a day at the rate of 4 seers to a rupee; so the yearly income works out Rs. 10,80,000.

In all places where animals are found, a factory for tanning hides is a necessity. At present there is not a single factory for the manufacture of leather goods. For this reason raw hides are sent out of the State and the subjects of the State have to be content with the mere sale price thereof.

The number of bullocks in the State is 14,865. Compared to this the he-buffaloes are very few, being 288. The bullocks are used for ploughing and other field-operations and for carrying goods. Comparing the area of cultivation and the number of bullocks, a farmer is compelled to plough 18 acres with the aid of one bullock.

The ploughing season generally covers two to three months. One bullock can effectively plough only 8 acres. From this it is obvious that we require half as many bullocks again as we have with us. Because there is not sufficient to live upon, people sell bullocks as an additional means of livelihood. The shortage of bullocks is responsible for indifferent ploughing and eventually for deficiency of crop. Such is the vicious circle. It will be the duty of the Panchayats to discuss how to improve this state of things. After cattle come goats and sheep. The total number of goats is 20,927 and that of sheep is 63,716. This number includes both male and female animals. Really, goats and sheep ought to be considered separately because sheep are useful specially on account of their wool while she-goats simply yield milk and the he-goats are killed for food. In the State, the two Talukas, Khar-sundi and Atpadi, show the largest number of goats and sheep. Atpadi and Khar-sundi have 26,000 and 27,000 sheep respectively. For this reason there is a larger number of shepherds here than in other Talukas. These two talukas are really one being the old Atpadi Mahal. In this tract there are many grass lands and barren fields, and it is this very tract which is frequently visited by famine. The grass grown on the barren grass land is very short and does not grow high, and hence it is not easily eaten by the cattle. It is only goats and sheep that can graze on it. So also when there is famine the Bajri and Mataka, etc. sown in fields does not grow but goats and sheep can live on the few inches of the growth of the crop. For these reasons the number of sheep in this Mahal is very large and on that account villages with a shepherd population have sprung up.

As the number of he- and she-goats, and that of rams and ewes has not been shown separately in the statistics of goats and sheep we cannot calculate the quantity of milk and mutton. As most meat-eaters eat the flesh of goats and sheep alike, very great importance attaches to them as part of the dietary of man.

The two shearings of a sheep give us half a seer that is one pound of wool. The total number of sheep in the State would give 32,000 seers. Even counting simply wool, the total income in the State from this source would be Rs. 50,000 (Rate Re. 1 = 50 tolas). The industry of making rough blankets is very thriving. There are 94 looms for woollen stuff in the State and they produce 17,160 blankets annually and their value is Rs. 1,69,500. In short the *per capita* income of the citizens is raised by about two rupees on account of sheep.

The dung of goats, sheep, cows, bulls, he- and she-buffaloes is utilized as manure; this is a very important item to be taken into account. The shepherds take their sheep to districts outside the State, lodge them in the fields and earn money thereby.

Animals can be more useful than some men. A man who is a fool is neither a rational human being nor a beast and is of no use to society. On the contrary he acts as an obstacle to social progress.

If the State makes some provision for the insurance of animals, this species of wealth would grow rapidly. We invite the State earnestly to consider this point.

Factories

There are in all 10 factories and works in the State. The detailed information about them is given in the Appendices. Out of these four or five factories have started working during the last year or two and they serve at present only to swell the number; because they have not yet come to the stage of actual production. The first four or five have earned a sound reputation in the sphere of production and among them Messrs. Ogale's and Kirloskar's Works have attained all-India reputation. The share capital of all the factories is Rs. 32,50,000. The said capital has been divided among 11,000 shareholders; naturally so many persons have a personal interest in these industries. The total employees in all the factories are approximately 3,200.

There are Labour Unions at Kirloskarwadi and Ogalewadi. The number of members of these Unions comes to about 1,800. The State has garnered an income-tax of about Rs. 8,00,000 from these two Works alone during the last four years. This yearly income of about two lakhs is equal to the land-revenue of the State. These two Factories have added nearly two and a quarter rupees to the *per capita* income. If this is brought home to the people, they will realize from what point of view it is necessary to look at the industries. Another point which should be noted is that these Factories have not materially affected the agricultural production of the State. If the State had adopted the same policy with regard to the new factories started at Viravade and Bichud, the agricultural land there would not have been converted into non-

agricultural land. The site occupied by the works at Kirloskarwadi did not yield any income to the State.

The State ought to observe as much caution as possible to see that the growth of factories does not trench upon agricultural production. The Committee has made a recommendation to give the owners of factories as well as their employees representation in the Legislature.

Our scheme envisages one constituency for the factories and one for the employees thereof. We suggest that only those factories which are registered in the State should have the right of voting. All the factories are to send their representatives by a majority vote; each factory will have only one vote.

We think that a constituency of factory-workers should be formed. Some witnesses have proposed that only the members of registered unions should be given the right to vote. We demur to this. There are only 1,800 members of the Workers' Unions in the two factories. Those not in the unions number 1,400, and we do not think it desirable to deprive them of the right to vote. Therefore a single constituency should be formed of all workers and they should send one representative to the Legislature. The only condition is that the candidate who offers himself for election must be an actual worker in some factory or other in the State.

The raw material which is required to keep the factories going is not produced in the State. Most of them have to procure it from outside. For this reason, it is just that the State should offer them concessions which they are not likely to obtain elsewhere. In the first place the State should tackle the question of their protection and take care of the life and property of the employees and the factories. For this purpose, in the Works both at Ogalewadi and Kirloskarwadi which are showing a progressive development, the State needs maintain at its own expense a posse of ten armed policemen. It is not difficult for the State to meet such an expense, out of the revenue obtained by it in the form of Income-tax from these factories.

Unfortunately, factories have been started in this country at wrong places, owing to adventitious causes. The State should bear in mind that if factories are started in the vicinity of the place where raw material is available, the factories started in unsuitable localities would find it difficult to compete successfully with them; consequently it would be in the State's own interest to treat the factories sympathetically. Whenever new factories are proposed, it would be apposite to permit their being launched only after considering whether the raw material required is produced in the State or not.

The management as well as the workmen in the factories should not entertain in their minds the strange notion that they must obtain the full equivalent of the sum, which they pay to the State as tax. Administration is run by means of taxes. Just as the farmer pays a tax on his land, the manufacturer must pay a tax likewise; this by no means smacks of any injustice. Only the factories must adequately secure the protection from the State.

It is the duty of the State to enact laws which would always ensure peace and amity between the owners of factories and the workers, and to protect factories from aggression and violence from outside. It is for this reason that we have suggested the provision of an additional police force for the sake of keeping order.

Inams

Inams are of two categories. In the one the revenue of a village is conferred as Inam; while in the other certain lands are conferred as Inam. Even in the second sort we must suppose that the Government foregoes in favour of the Inamdars the land revenue which it would have got otherwise.

In the Aundh State with 72 villages, the total revenue of 12 villages and half the revenue of 4 villages have been awarded as Inam. The table of Inam villages has been attached in an appendix, from which it will be seen that the State has lost an income of Rs. 29,990. Over and above this, revenue of the lands given as Inam is about Rs. 44,990. In all it comes to Rs. 74,980. Apart from this, individual cash annuities amount to Rs. 6,000 every year. From this it will be clear that whereas the State realizes Rs. 2,00,000 from land, the Inamdars in the State realize Rs. 81,000.

Evidently 1/3rd of the State belongs to Inamdars. From one point of view, the condition of Inamdars is better than that of the Ruler. While the Inamdar grabs the revenue without any corresponding liability, the responsibility for the welfare of the Rayats in the Inam villages lies upon the State. This means the whole burden of the people in Inam villages falls upon the shoulders of the rest of the people.

We must prominently mention the Inam System as one of the many causes which have retarded the general progress of the State. The custom of granting Inams must have been fostered by the notion that the King is the absolute owner of his Kingdom.

Out of 16 Inam villages, two villages trace their grant to very ancient Mogal Emperors. 4 villages in Taluka Gunadal have been granted as Inams by Adilshahi Kings. One village has been granted as a Religious Gift to Karad Brahmans by the Chhatrapati of Satara. One

thing to be noted here is that the revenue of Saidpur is lost to the State while the cost of administration has to be borne by the Aundh State. Where the Inamdars live in the State their Inam—as so much money—circulates in the State. The same Statement can be made with regard to two or three other Inam villages (Umbargaon, Kotyal, Lohagaon).

Umbargaon has been granted as Inam to the temple Priests of Pandharpur; hence the land revenue of the village is taken to that town in British territory.

Kotyal is granted as Jahagir to the Darga Jahagirdar as half and half; hence the revenue (half) of the village is taken by that Jahagirdar to Bijapur since he resides there. In the same way the Lohagaon Jahagirdars being residents of Bijapur, the revenue of the village does not remain in the State. In this way Rs. 9,400 are sent out every year. There is practically no example of an opposite description, viz. that of a citizen of Aundh being an Inamdar in a British province.

The practice of the Rulers granting Inams to their relatives is universal. Agreeably to this, three villages have been granted as Inams to the relatives of the Ruler, viz. Tadavale, Vibhutwadi and Awalai. The holders of the Inams realize Rs. 2,400 from these three villages. In this place we have no desire to make any observations upon the legality of this right of the Rulers to grant Inams. Our intention is merely to draw the attention of every one to this phenomenon. If the process continues, a Ruler can completely blot out the whole State by granting Inams to several persons, if he chooses to do so.

The village Lingivare has been given as Inam for performing ablutions, Samdhya and such other religious acts. The information whether these acts like Samdhya are actually performed or not is not obtainable from State records. This village was granted as Inam some two hundred years ago and the holders realise as revenue the sum of Rs. 1,099.

Gomewadi and Hitavad had been granted by Pant Pratinidhi (Ruler of Aundh) some two hundred years ago as 'Personal Inam'. The revenue of these two villages of about Rs. 3,800 accrues to these Inamdars. Today no useful function remains for Deshpandes and Deshamukhs to perform and surely no one in these days does any work appertaining to these offices. The reason of the grant is not known.

The village Karagani has been reserved by the Ruler of Aundh for the last several years for his private expenses. If we keep in mind the fact that the net revenue of the village is Rs. 7,000 it would not be unfair, in fixing the Civil List of the Rajasaheb to take this revenue into account as so much paid already.

When these Inams were granted, the State had no source of income except the land revenue; the ignorance and the suicidal policy

of the donors is thus prominently brought home to us. The custom of the donation of lands is very ancient and as the Smritis lay down that such a donation confers merit, this injunction had a powerful sway over the minds of Rulers. The fact that the conditions in ancient times were different is ignored.

When Brahmans are given a village as a religious-gift, it is really a gift of land. On the other hand the alienation may be presumed to be that of the revenue and not of the soil when a village is granted as Inam to persons other than Brahmans.

Economic Inequality

Peace and order in Society is disturbed on account of the inequality of wealth. On the strength of superfluous money a man is tempted to perpetrate any kind of injustice and he also succeeds in the endeavour. Fortunately or unfortunately the poverty in the State being all-pervading there is no room for an economic hierarchy coming into being. In the absence of industries, land is the sole means of the production of wealth. For this reason, it will be advisable for us to see how land has been distributed among the people.

There are in all 18,412 families, of which, 3,082 families are landless. It would be profitable from the administrative point of view, if the State were to keep a separate record of such families. Brahmans who are servants by occupation have no land; so also the men of the shepherd caste do not depend on land. Similarly people of the untouchable castes like Mang, Dhor, do not pay much regard to land and earn their livelihood by following other occupations. The occupations of some people are of such a nature that they cannot afford to look after land.

Shepherds leave their residence for six months and go to other places with their sheep for livelihood. This was noticed by us in the Kharsundi Taluka. These people return to their villages only for four months during the rainy season to cultivate land. From lack of intensive cultivation, the land suffers and the crop is poor. In such a case it will be quite advisable for the State to raise a bigger crop by taking over the land and cultivating it carefully and scientifically. The owners of the land would have no ground for complaint, if they are given the produce which they are raising today.

Those who do not receive any income from land maintain themselves by following other pursuits. The landless do not necessarily starve.

Deducting these landless families, there remain 15,330 families. The acreage fit for cultivation in the State is 2,79,449. If we distribute

this land equally among 15,000 families, 18 to 19 acres fall to the share of one family. There are 19,301 Khattedars in the State. This works out at 1.25 revenue-payers per family. It will be seen from the tables given in the Appendices that families in the State having an allotment of less than 18 acres number 8,720 and those having more, number 6,610. So there is no reason to suppose that there is great disparity with regard to land. There are only 844 families owning more than 50 acres of land. But it is to be noted that there are 1,868 families having less than an acre. We can safely include them in the 3,082 families which possess no land. Roughly speaking we can say that 5,000 families in the State do not rely on land for their livelihood. It will not be out of place if the State were to inquire into the adequacy of their means of livelihood.

In our opinion the State should make land inalienable by suitable legislation. It is not desirable from the point of view of the fertility of land that the owners or cultivators of it should change from time to time, by sale or mortgage. We opine that the idea commonly entertained about the credit of the farmer being lowered thereby is not true. Today the State is in principle the owner of all land, on account of the application of the Land Revenue Code in the State.

If the time has not come to go so far as to declare that land is not alienable and to get the assent of all reasonable men to it we think the alienation should be restricted to a prescribed limit. This limit should be decided upon after considering how much land is necessary for the sustenance of one family. We think that the continuation of the right possessed today by the head of the family to sell all land, in complete disregard of support of women and minor children, is unjust and detrimental to the family.

At the least such restrictions should be imposed upon the alienability of agricultural land as on inquiry are found to be necessary so that the remedies to be adopted for increasing the productivity of land may not be rendered ineffective by the present unrestricted power to alienate all land. If it is found necessary to adopt a system of communal farming, it would not be advisable to allow fragmentation. Similarly the State Government will have to consider sooner or later the question whether the State should not itself be the owner of all land by abrogating all private ownership of land.

In fine, if we consider land alone, it cannot be said that great inequality has arisen in society and there seems to be no reason to fear that a handful of landlords will be in a position to dominate others.

PART II

THE CONSTITUTION OF 1939 AND ITS REACTION.

The Act known as the Constitution Act of 1939, became Law on the 6th of February 1939 A.D., after receiving the assent of the Rajasahib. This Act brought into being a wonderful revolution, a parallel to which would rarely be met with in history. It effected a transference of Authority, for the like of which people of other countries had to spill their blood. Here, however, power was obtained by the subjects of the Aundh State by the mere good will of the Ruler when the people themselves had never asked for it.

By this Act the Ruler transferred power, which vested in him alone, to the ruled. No doubt attempts were made before to make people participate in some measure in the State administration. But decidedly there was no idea of complete transference of power into the hands of the ruled.

We cannot doubt that this extraordinary event took place by the encouragement and the ardent desire of Shrimant Appasaheb, the second son of Shrimant Rajasahib, after he had returned from England on the completion of his education.

The special features of this Act may be stated as follows:—(1) The establishment of Village Panchayats. (2) Provision to allot half the State revenue for the village people for their local concerns. (3) The right given to the Legislature to fix the Civil List of the Rajasahib. (4) The provision for the trial of cases in the village itself. (5) The conferment on the subjects of individual liberty—Freedom of Speech; Freedom of the Press and Freedom of Meeting and Association. (6) Conferring of adult suffrage, male as well as female.

It was inevitable that after the transference of Power, the Ruler should become the First Servant of the State and in the above Act he declared himself to be such.

This Act completely transformed the whole Administration, so much so that the persons who merely indulged in academic discussions about the people being the source of power began to find their hearts trembling. Several persons began to feel an apprehension that if Power got into the hands of the uneducated, untutored and uncultured people, most untoward developments might occur. The people who occupied a premier position in the old Constitution became disconcerted, fearing that they would no longer receive the honour and respect to which they had been hitherto accustomed. Even the Officials became disconsolate, knowing that their prestige and the awe inspired by their office had

by the nature of things ebbed away. Such an occurrence was certainly what one might expect.

We cannot say that the apprehension aroused was totally unfounded. History reveals examples of atrocities committed by the people when democracy was established in the place of unrestrained autocracy. The accrual of political power to the common people is taken by them as signifying that they have now become the recipients of the Kingly power. And the ideas which they have stored up in their minds, as a result of experience, around the word 'King' begin to produce a powerful effect on their own minds. The idea commonly entertained about a King is that he is one who practises injustice and tyranny, one who is above the restraints of law and one who is given to a free indulgence in pleasures. Hence, clothed with authority and disentangled from the frightful and overpowering pressure of Kingly power the innate devious human tendencies so long only stifled and suppressed are violently let loose and the so-called representatives of the people openly practise bribery, indulge freely in adultery and behave autocratically; self-interest runs amok.

The following extract will show that people exhibited such a behaviour, after the advent of the French Revolution:—

"The number of crimes increased from year to year, and if feudal depravities, formerly shamelessly flaunting in the light of day, though not abolished, were yet temporarily forced into the background; on the other hand, the bourgeoisie vices, until then cherished only in privacy, now bloomed all the more luxuriantly. Trade developed more and more into swindling. The fraternity of the revolutionary motto was realised in the chicanery and envy of the competitive struggle. Corruption took the place of violent oppression, and money replaced the sword as the chief lever of social power. The right of the first knight passed from the feudal lords to the bourgeoisie manufacturers; prostitution assumed proportion hitherto unknown".

Several witnesses who gave evidence before us have made similar complaints against the 'Sarpanchas' and 'Panchas' as also against Taluka Samities or Boards. e.g. "The village is beset with the rule of Goondas"; "The tendency towards crime is increasing"; "Vices are waxing strong"; "We find that freedom is synonymous with license"; "The administration is run on the basis of self-interest"; "A lot of interference is seen in the matter of appointments and transfers of teachers"; "A police-constable is asked to do any kind of work"; "The Panchas succumb to private influence"; "Bribery is on a larger scale"; and so on.

A man forms in his mind a certain notion and if anything, however trivial, occurs which would accord with that notion he consoles himself with the belief that his notion has a basis in reality. Such is human nature. Yet we are very glad to state that not a single murmur was uttered against the Presidents of the Talukas Kharsundi, Gunadal and Aundh. Similarly the Treasury Officer of the State says in his evidence that there is no example of any Sarpanch or President of a Taluka Board having been charged with any criminal misappropriation of public moneys. This admission on the part of State Officials that no case of misappropriation has been found, although no proper system of accounting and auditing is in force and thousands of rupees are passing into the hands of the Presidents of Taluka Boards, is extremely important. At the same time we must put it on record that we did come across witnesses who said most vociferously that the members of Panchayats take bribes, practise tyranny, in short they make people utter a cry to Heaven to save them. But we have to come to the conclusion that all such statements are irresponsible and certainly exaggerated. From this, no one should infer that it is our intention to make an absolute statement that every transaction, small or big, on the part of every Sarpanch or President of a Taluka Board is as clear as crystal-water.

The principal reason of the prejudice against the Panchayats is the 'black market' alleged to rage in controlled articles. Very many complaints were made to us about this 'black market'; but as the topic does not come within the orbit of our Inquiry, we do not give it separate consideration. But we are pretty certain that the charge of creating such a market by selling things underhand cannot be said to be altogether unfounded. The State might, if necessary, make an inquiry by appointing an independent Committee.

Then there is scope for receiving bribes in judicial business. There is a possibility of Justice being vitiated by private influence, by acceptance of bribes and by taking sides; and 14 witnesses have in fact complained that Justice has been denied on account of the above reasons. Out of these 4 are pleaders, 2 are Presidents of the Taluka Boards, and the remaining 8 are gentlemen of the higher castes, living on an independent income. Most of them charge the Panchayats with partiality rather than with bribery. As opposed to this 14 witnesses have testified before us to justice being administered most satisfactorily. The impression which we received, after making our inquiry in every village we visited is that the giving of justice is generally free from corruption. If the cases of corruption had been numerous, such a charge would have been preferred in the Revision Applications sent to the Sarnayadhish. And if this had happened, the Sarnayadhish could not have avoided mentioning such cases in his Report. But the

Sarnyayadhish, in his written statement has in no place hinted at corrupt practices. In this matter a special importance attaches to the statements of the judges. They state that justice is free from corruption, e.g. "It does not look as if the Panchas receive bribes"; "There is no reason to doubt the purity of the administration of Justice"; and so on.

We do not think that the complaint made about occasional miscarriage of justice is unfounded. Still we do not feel the least hesitation in making a general statement that the work of administering justice is going on satisfactorily. There is no doubt that this result is due to the systematic supervision exercised by the High Court Judge and other judges.

Many Panchayats make an attempt to effect compromises orally in order that the judgment should not be set aside on account of technical mistakes in law. We do not think that this leads to any injustice. Still it is necessary that the compromise arrived at should be put in black and white in order to avoid future litigation.

A notion has spread among the people of the State that since the rights of self-government have been conceded to the subjects, the number of crimes is increasing. We have said above that it is natural for crimes to increase after the pressure of fear is removed. But before giving actual statistics it is necessary to advert to one fact, viz: that the number of crimes has increased even in British territory during the last seven years. If persons imagine that there are more crimes in Aundh than in British territory, the notion is entirely erroneous. The experience in British territory is today really such as to cause anxiety. The British authority has been weakened and the new authority which has taken its place has not yet taken a firm root; if such a state continues for a long time, we shall not help witnessing the rule of highway-men (Goondas) everywhere.

As soon as fear ceases as an influence on the mind, the desire for money and women gets ample scope to exhibit itself. Dacoities, adultery, rape—these crimes flourish. Where there are marked enmities the crimes of incendiarism and murder take place on a larger scale. Like the desire for money and women, the desire for revenge is equally natural. In a well-ordered social organism this desire remains suppressed. Hence we need not be frightened at the prospect of a slight increase of crimes in the State, on account of transference of power to the people.

Let us now see the number of crimes which took place after the actual coming into force of the Constitution Act. From the Report of the Sarnyayadhish for the year 1940-41 the average number of

crimes during the previous quinquennium is 183. After that year the number of criminal prosecutions is as follows:—

Year	Cases before the Magistrate	Cases before the Sessions Judge	Increase over the previous average
1940-41	304	13	121
1941-42	322	3	139
1942-43	267	2	84
1943-44	289	3	106
1944-45	279	4	96
1945-46	—	—	—

These statistics are very instructive. The number of criminal cases immediately increased by 121, as soon as the new Act came into force—that is to say when people began to obtain justice in their home. That more cases were filed as the result of the presence of the Court of Justice in a person's own village is a natural happening. To keep the Court far away from a village is tantamount to denial of justice.

It must be borne in mind that as compromises were effected the tide of cases which surged at first soon ebbed away. We were told in most places that no record is kept of cases in which a mutual compromise was effected by the Panchas. If then, the increasing number of crimes were the effect of the New Constitution, the crimes would have increased in a steady gradation. But from the above figures we find a decreasing number of cases from 1942. Serious crimes are tried in a Session Court and if we look at the number of such crimes we find that from 13 in the first year the number came down to 2, 3 and 4.

Let us now see whether the Panchas themselves committed offences and misused the position they occupied. There are in all 74 Panchayats including those of Kirloskarwadi and Ogalewadi. Out of these, the Sarnyayadhish had to withdraw the judicial powers of only 8 Panchayats. From this one can safely infer that the work of the remaining 66 Panchayats has gone on satisfactorily in the opinion of the Judge. Examining the grounds for the suspension of the authority, we find that the two main grounds are private quarrels between one Panch and another and the neglect of work. As popular government has as its basis the moral aptitude of the people, it is necessary to make a detailed analysis of the grounds of the withdrawal of judicial powers in the case of every such Panchayat.

The Nyayasabha of the village Rajewadi in the Atpadi Taluka had been suspended from 1941 to 1946. Very recently that is in

April 1946, it seems to have been revived. Though the judicial authority was taken away, the Panchayat continued as such and performed functions other than the judicial ones. In July 1939 the first Election took place according to the New Act, but November of 1940 dawned before the 'Nyayasabhas' began to do their work formally; so much time was required for preliminaries. While the Rajewadi Panchayat was set firmly on its feet, an affair developed, the outcome of which was the cancellation of the judicial power of the Panchayat. A widow in that village became pregnant. After calling her into the Office, the Panchas took down her statement and in doing so their object, it was suspected, was to injure the reputation and to incapacitate her for being an heir to the property. Proceedings were started against the Panchas under section 348, 220, 161, 500, and 109 of the Indian Penal Code. Later on the case was withdrawn by Order of the Government but the Chief Judge deprived the Panchayat of its judicial powers. It has been suggested that the Panchas falsely accused the woman and yet no one seems to have denied that she was a widow and became pregnant. It may be that the intentions of the Panchas were not very pure; yet there is not sufficient evidence for asserting that the Panchas were going out of their way, without any reason. Perhaps the Vice-President of the Panchayat named as Tayappa Shirkande may be a relation of the woman as she bears the same surname. We inspected the work of this Panchayat and found that there is no amity between the Panchas and the President even today.

Atpadi is a taluka place and the people of the place are advanced and are great agitators and row makers.

It seems rather difficult in these days for the affairs of the Panchayat to go on smoothly and in friendly spirit. At present at least, education has proved to be destructive rather than constructive. There were two occasions on which the judicial powers of this Panchayat had to be withdrawn. This was due to the existence of factions. No one has charged the Panchayat of Atpadi with incapacity to do work or with unjust administration. The trick of stopping the work by resignations on a large scale in the interests of one's own party was practised there and on that account, the working of the Panchayat came to a standstill. Consequently the Court also automatically ceased to exist.

In regard to the cancellation of the judicial functions of the Panchayat of Karagani the Sirnyayadhish writes in his Report: "The court had to be closed owing to the misbehaviour of the Panchas". But there is no explanation offered about the nature of that misbehaviour.

With respect to the suspending of the judicial power of the Panchayat of Gomewadi, the Sirnyayadhish has written in his report: "There

were many differences of opinion among the Panchas. By the continuation of their judicial power, the public good would have suffered. For this reason the powers of that Court were taken away". In every village there are always some squabbles; on some account or other parties are formed. In some places the elections of members to the Panchayat have themselves led to the formation of factions. The defeated candidates form a party to oppose those who are elected. But considering everything, the failure of the Panchayat owing to the existence of factions is the exception; this at least is a redeeming feature of the situation.

The judicial functions of the Nyayasabhas of Korti and Manu were suspended owing to the occurrence of a murder. The people of Manu murdered the President of the Panchayat, Mr. Gokhale in 1942. From that time upto 1946 the judicial powers of the Panchayat were suspended. No one has any doubt that the murder was due to private grudge. Even the Ministry had got a warning that the murder was likely and within a couple of days of this warning the murder took place. It appears from the Police reports that the Sarpanch had given some offence to the people and at his instigation, the houses of some persons of the party opposed to him had been set on fire and the foot of one person had been cut off.

The higher Police Officers say that the Sarpanch made an unwarranted use of his authority. The geographical situation of Manu is very favourable to the concealment of big crimes and one result of it is the fostering of the inclination to commit such crimes.

Two powerful parties in the village; absence of Police protection; distance of fifty miles from the capital; the hills serving as a girdle round the village; absence of communications—such is the description of this village. After the murder of the Sarpanch, the Panchayat continued only in name. The reason for the withdrawal of powers was not the murder but the private animosities of the Panchas.

The tale of Korti is not dissimilar. The Panchas in the intoxication of their power murdered a man named Changu Tukaram with the help of men of their own party. Changu was the leader of the opposite party. The Sarpanch and all other Panchas have been sentenced. The opinion of the Police officials is that this squabble would have arisen even if the accused had not been Panchas. Like Manu, Korti also is an isolated village and has earned for many years a notoriety for private feuds.

The Nyayasabha at Saidapur was suspended in February 1942. The following incident was responsible for it. A man named Kapale died as a result of the knocks and blows he received at the hands of

the Police during the enquiry of a crime committed by him. The Panchayas decided to put a cloak over this offence of the Police and exercising their authority irresponsibly made arrangements for the disposal of the dead body.

The last example is that of Veibhutwadi. Here three of the Panchas committed theft accompanied by house-breaking at the house of the Sarpanch. Such was the charge brought against them. Afterwards it was found that the recognition of the accused by the Sarpanch was mistaken and the prosecution was withdrawn by the State. The officials became convinced that the names of the Panchas were included in the charge out of spite. However, the cancellation of the judicial power of the Panchayat Court was a step in the right direction.

It is clear from the detailed account given above, that the reason for cancelling judicial authority was not bribery or partiality but private squabbles, assaults and factions. And although 8 out of 72 villages are soiled with this blot, all the Panchayats cannot be worthy of blame. On the contrary, their work stands out in bold relief and appears brighter on account of the cancellation of the rest.

As to the individual offences of the Panchas, it appears that 16 out of 72 Panchayats were involved in criminal prosecutions and 36 out of 360 Panchas had to appear before Courts as the accused. 20 prosecutions were started counting both private and crown cases. In 3 out of these the crime was proved and in 2 cases the accused received punishment; one accused got the benefit of the first offence. In 3 cases the accused were declared not guilty and let off, by the Sirnyayadhish. In 5 cases mutual compromise was effected and 9 prosecutions were withdrawn by the State. The higher Police Officers think that two of these last should not have been withdrawn.

5 out of 36 accused were convicted; 5 accused were discharged as not guilty; 9 accused escaped scot-free by mutual compromise and the State withdrew prosecutions against 17 accused.

The following are the offences charged against the Panchas: Assaults 6, encroachment 1; defamation 1; kidnapping a girl 1; murder and abetting murder 1; false charge 1; grievous hurt 1; using false weights in private shop 2; receiving bribe for concealing an offence 1; cutting down trees in the State area 1; marrying a minor girl without the consent of the father (but with the consent of her grandmother) 1.

It is obvious, that considering the nature of offences, many of them are trivial. It is true that serious crimes like murder have occurred. But they have special causes of their own and it cannot be said that they are the result of the New Constitution. We do not feel the least doubt that the Panchayats tried to do their work with great zest, accord-

ing to their lights, even though a great responsibility had fallen on their shoulders, all of a sudden.

There was no one to guide the Panchayats. The Ministry should have made some arrangement to supply an expert guide. Still it must be observed that even if guidance had been received, it would have been perfunctory or nominal. The Panchas themselves ought to be their own guides, learning by degrees while doing their work. Not to talk of Aundh State, every one in India also is groping in the dark in a similar fashion. No one has any clear idea about village uplift. We have to learn this wisdom from experience alone. Despite all this, the work of the Panchayats would have been much more methodical, if some provision had been made for offering guidance.

People do not know how to keep accounts. The Panchayats have not been given any indication as to how to organize the work of the Office, how to be systematic and why. No one knows how to write minutes of Meetings. In many places no meetings have been held for as long a period as four years. As no one was there to supervise his work the Secretary has tried as far as possible to avoid occasions necessitating the use of his pen. For this reason, the work done by the Panchayat Office has been practically nullified. No idea has been given either to the Panchas or to other citizens as to how to take advantage of self-government. Their stock of ideas has not gone beyond the limits of building schools, making roads and providing water. When in every village, people were asked as to what they were going to do after the completion of these tasks, no one could give any answer.

Granting all these failings, there is no doubt that the grant of self-government has created an enthusiasm hitherto unknown. A dead society has been revived. Everywhere you see a new movement and life. Every one has become conscious that the revenues of the State belong to the people. A great upheaval has taken place in society from top to bottom. Every one has begun to think that the State belongs to him. The result is that the Panchayats have come forward to do things conducive to public utility by making some sacrifice of money and by putting in physical labour. Children were sent to school willingly. The number of pupils rose from 3,500 to 6,000. The percentage of literacy rose to 14. Many schools secured buildings of their own. For 72 villages the number of schools came to 86. Instead of one high school of the old days, three sprang up. In some villages, handsome serais were built; in others dilapidated temples were repaired. More than 40 miles of good road was constructed. In some places drinking water was supplied by digging wells, tanks and bores. In one or two places bunds were placed across streams. In two places in the

Taluka of Gunadal masonry dams were constructed across the river. The arrears of land revenue, which had amounted to a very big sum during many years, was handed over to the Treasury by Rayats of their own accord. Several Panchayats got pretty little office-buildings of their own. In this manner, many amenities were made available to the villagers. It is worth noting that these advantages were shared by all without discrimination. In some villages, separate schools were opened for Harijans. In the State 700 Harijan children are receiving instruction today. The Harijans had not the least difficulty in entering the Panchayats. Even a solitary Muslim in a village had no difficulty in being elected as Sarpanch. The outlook of the people is expanded. It was urged before us that one at least of the farmer class should be placed in the position of a Minister. The thing on which we can pride ourselves most, is that the people themselves began to insist that illiteracy should be regarded as a crime. In our itinerary, we found that the Panchas could tell us off hand, the population of the village, the acreage of land in the village, the number of houses, etc. We think that this cannot but be counted as some progress at least from the viewpoint of popular knowledge. This extraordinary change in the general mental outlook is, in our opinion, far more significant than the actual work done by the Panchayats.

There is no reason to suppose that this optimistic description would apply to every Panchayat; nor is it our object to suggest it. A detailed information as to how much work was done and by whom can be obtained from the tables in the Appendices. The same process never produces the same effect on all and the examples of a desirable effect are sure to be few. But the noteworthy thing is that the desired effect has been produced in not a few places.

This enthusiasm, quite praiseworthy, met with adequate response from the State. The State permanently reduced the amount of land revenue to the tune of Rs. 50,000 and put heart into the people. The lands which had come into liquidation of debts were, instead of being sold by auction, restored to the owners after realizing the amount of loan with interest.

During the last seven years, the State had to face the calamity of a famine twice and on those occasions the State expended Rs. 50,000 for famine relief. It also disbursed Rs. 25,000 without interest for constructing dams, canals, and wells. The expenditure on education rose from Rs. 45,000 to 1,00,000. In this manner the collective good of the subjects was subserved by mutual co-operation. The fact that during this time the State repaid the debt owed by it to the tune of some four or five lakhs is highly creditable to the Ministry. The thing to be specially noted is that all these objects have been achieved when

the State was politically in great distress. The Ministry had to spend days and nights in anxiety as the fate of the State hung in balance. For this reason the Ministry could not give as much attention to the work of the Panchayats as it ought to have given. Therefore one would, instead of picking holes, rather be inclined to congratulate the Ministry on their having safely piloted the ship of State to a safe haven in the very midst of fateful storm.

The outstanding feature of the administration is that so far no one has suffered imprisonment for the expression of political opinions in the Aundh State and freedom of speech has not been placed under restraint.

'Patri Sarkar'

We cannot avoid mentioning prominently the agitation of 1942 as one of the obstacles to the natural or automatic evolution of the Panchayats. It is by now known to everybody that the Satara District was the centre of this agitation. As the major portion of the Aundh State comes under the Satara District, it was natural that the agitation should cause a conflagration in the State.

The effect of it was so far-reaching that the Administrative machine of the State was paralysed. There was neither the power of the Ruler nor the power of the people. The citizen gradually began to admit the sway of the 'Patri Sarkar'; they began to follow its dictates. In our itinerary, we came to know that the citizens had not yet made themselves free from its terror. In one way, the agitation affected the State; while in another way it embroiled the subjects of the State. Really speaking this new experiment of the State in self-government ought to have received encouragement from outside. The Congress itself stood to benefit by it. The people in the State also ought to have taken pride in helping the effort of the Congress by making the experiment of self-government successful. To accept the subjection of another in the matter of thinking is really the worst kind of subjection. This point does not seem to have appealed to the subjects of the State. This assertion is amply confirmed by the form of interpellations in the Legislative Assembly. The agitation undeniably produced a desirable change in the mentality of the people. But it is equally undisputable that the head of a household who allows the interference of another in the management of his household cannot be said to be wise. Without dilating further on this point, we only say this much here that from what we learnt during our inquiry, this agitation acted as a great deterrent to the natural evolution of the Panchayats. Formerly the 'Patri Sarkar' carried on an agitation in the name of the Congress; but now thieves and vagabonds are spreading the philosophy of terror in the name of the 'Patri Sarkar'. It is necessary that the State should immediately put a check to it.

'Praja Parishad'

It seems from the written statement of Pandit Satavalekar that the Praja Parishad has an existence in the State. Unfortunately this Committee were not able to look at the constitution of this Parishad or its Annual Reports. We think that probably there are none. The Committee is of opinion that once power is transferred to the hands of the people, it is the people who are more to be blamed for the errors in Administration than the State. In fact there cannot be an independent institution like the Government, apart from the people, in a democracy. When certain persons cannot resist the temptation of putting the blame on the Ministry, they forget that during the last seven years, no vote of censure was brought against the Ministry even once. In our opinion, it is the active workers in the Praja Parishad who ought to take upon themselves the work of impressing on the people a sense of their own responsibility making helpful suggestions to them for the proper execution of their work and creating generally an enthusiasm among the people. We rather think that it was their bounden duty.

Costly Democracy

It is a universal experience that democracy is a very expensive form of government. In a monarchy works of public utility are rarely executed. The expenditure on administration is extremely limited, because the presiding deity of Legislation, Judiciary and the Executive, is only one and that is the Sovereign. All these functions are distributed under democracy. In a monarchy, care is taken only of the conveniences, comforts and luxuries of the King; whereas in a democracy works of public utility assume great importance. For this very reason, the expenses devoted to the glorification of the King are curtailed, along with his power, in democracy. This is one of the general propositions in politics.

India is a poor country; the Indian States are poorer still, while democracy is expensive; in such a conjecture we are compelled to say that the Indian States cannot afford to run a democracy. Still democracy, being natural, is inevitable. Hence if we have to adopt it we shall be driven to resort to measures which will obviate the necessity of incurring disproportionate expenditure. This point must always be kept in mind by the people. The work which is done in a commercial spirit by persons with fat salaries will be done by citizens simply out of a sense of duty. Co-operation is the very breath of democracy. If there is a lack of co-operation and a spirit of social service, in society, there is no hope of democracy being successful. At the same time we shall not like to wait till men of such a character are created. In creating an institution we must take such care that the men who work it will become unselfish and honest by the very process of working it. A man does not

become honest simply for the sake of honesty. All the economic interests of the whole society must be so closely interwoven that a man should not gain anything by being dishonest. The power to work with which God has endowed man is itself his wealth. And as long as this wealth is intact it would be foolish for a man, a society or a nation, to regard itself as poor. If we want to dig a well, it is not dug naturally, by keeping a bag of money on the spot. Man digs it by physical labour. If in this way we could dig the well in our house by our bodily strength the villagers could similarly do all the jobs concerning the village economy by regarding the whole village like a unitary family; the question of expense would thus never arise. Hence we suggest that the people should voluntarily bind themselves to offer their services to the village for prescribed hours every day. For this reason the suggestion made to the Committee about paying an allowance to the members of the Panchayats cannot receive our approval. We are compelled to lay down the proposition, that as far as possible every kind of job should be done without payment.

We are aware that it is not possible to reduce at a stroke the staff operating today. But agreeably to the above policy, we think that the present staff could be dispensed within a short time. If all the work of the Panchayats go on satisfactorily, there would not be much necessity for the maintenance of a Taluka Revenue Office. So also if agricultural and other operations were to be performed in a co-operative spirit and in a communistic fashion, rights of private property would dwindle and the number of crimes which are at present due to the excess of private ownership would also be reduced and on that account there would be no need to maintain as many Police Officers as we do today.

Though the Panchas are not paid any allowance, they should be regarded as State servants. The members of Panchayats are certainly not the rulers of the village. They are servants who have been elected to do the work of the village. Hence it is to a certain extent inevitable that they should be made amenable to the control of the Ministry. The same principle ought to apply to the members of Taluka Boards and the Presidents of the Boards.

Elections

In the State every adult, male or female, has been granted the right to vote. But we do not find anywhere the word 'adult' defined either in the Act or the Rules. This is a serious lacuna. In our opinion all males and females who have completed 18 years of age should be regarded as adults. Today the total number of voters in the State cannot be stated; because we could not get hold of the list of the voters and the lists of the electors who actually voted in the Gunadal Taluka. In the other four talukas the total number of electors is 41,070. The

population of the four talukas is 76,756; and in these four Talukas the proportion of electors to the population works at 54.4. How far this is correct should be considered by the Ministry. The law ordains that a voter must be a resident of the State and the explanation as to who should be called a resident has been given in the Rules. But in the opinion of this Committee, it would have been more appropriate to use the word 'domiciled citizen of the State' instead of resident. It is true that in such a case it would be necessary for every person to get a certificate of domicile. Perhaps few persons would have to get such a certificate, if a man who possesses a house or some land in the Aundh State is regarded as a domiciled subject. The Ministry may consider this point.

The qualification for a candidate standing for election to the Panchayat is 20 years of age; that is to say only the person who has completed 20 years can stand for election as a Panch. The second qualification is literacy. The power of issuing a certificate for literacy has been vested in Mamledars; it is the opinion of this Committee that it should be taken away from them and vested in the Director of the Educational Department and the graduate teachers in High Schools. Literacy should be construed as ability to read fluently and without faltering any Marathi newspaper or any book fit to be included in the course of the Marathi seventh standard.

Gunadal is an example of strange happenings arising from an admixture of people speaking two languages and of how administration is consequently weakened. The ordinary language of the Taluka is Canarese. As a result of the surging of the wave of insistence on the Canarese language, the Marathi schools in this Taluka were transformed into Canarese schools in 1939. The outcome of this is that the Panchas can enter a Panchayat by obtaining a certificate for literacy in Canarese. But the record of the Panchayat, so also the dealings and correspondence with the Taluka Board and the Representative Assembly are carried on in Marathi. Insistence on Canarese is tantamount to insistence on forgetting Marathi with which most of the people had been hitherto familiar. It needs to be considered whether a candidate for the Panchayat should be required to have a knowledge of Marathi along with that of Canarese, at least for the Gunadal Taluka. Another qualification for a candidate is that of age. Many witnesses have expressed before us the opinion that this age limit should be increased. A difference of opinion is possible about this point. Today at least in this age of rapid changes, people think that young men will be more useful than older men; they display more enthusiasm, natural to youth. And it cannot be said that these two virtues are not essential for making the Constitution a success. Yet a young man, though zealous, is lacking

in foresight. The power of emotion, which is manifest in youth is gradually weakened in later age. -After passing some years of life, a man becomes thoughtful. On the other side it may be said that strong emotions lead a man to action while thoughtfulness makes him inert. The question can thus be argued both ways. It is difficult to say decisively on which side the balance of virtue tilts. After giving consideration to the opposing arguments, the Committee is of opinion that the age limit should be fixed at the completion of the 25th year. After all is said and done age denotes experience and that means wisdom; age is valued only on account of wisdom, not otherwise.

The Act does not debar a woman from standing as a candidate; but so far not a single lady has come forward as a candidate.

It will be clear from the number of electors who have cast their votes that there has been an awakening among the people. In no Taluka except Kharsundi, has the voting gone much below 50 per cent. Though women have been given a vote, they still hesitate to leave their houses and go to the polling station like men. For this reason 50 per cent cannot be said to be a discouraging proportion. The reason why in the Kharsundi Taluka the voting has been 25 per cent seems to be that the villages in the Taluka are very small. In 6 villages out of 16 the candidates were elected without contest, in most of the elections. In them no occasion has arisen for an election so far. Moreover in some other places, there is only the shepherd population and they cannot come to vote as they are away from home at the time of election.

If we look at the list of persons elected in all the elections held so far, there is no reason to feel discomfited. If a new person would have been elected every time, 1,085 different individuals would have been elected upto this day (1939 to the end of 1945). But as a matter of fact only 421 persons were elected once, 170 persons twice, and 108 persons thrice. 41 persons have continuously sat on the 'gadi' of the Sarpanch upto now. So far three elections have been held in every village.

Some witnesses have suggested that a minimum number of votes should be declared by Rules to be indispensable for the election of a Panch. But this suggestion appears to us as impracticable at least for the present.

At present elections are held every three years; in the Representative Assembly 1/3rd of the members retire every year and are replaced by other members to fill up the gap by a fresh election under the present Act. Many witnesses have taken objection to the latter part and we admit the force of the contention. In the opinion of this Com-

mittee this practice of annual election should be discontinued. Next the majority of witnesses think that elections should be held every five years instead of every three years. After full consideration the Committee has arrived at the opinion that the election for the Panchayats should be held every four years.

We think that the practice of making the President of a Panchayat *ex-officio* member of the Taluka Board should continue. By this means the villages and the Taluka will become one organism and the dealings would be carried on amicably. Likewise we are of opinion that the practice of electing the President of the Taluka Board by a majority vote of the members should continue as it is. It is only by this method that the work of any institution can be done amicably and in the spirit of co-operation.

PART III

FUTURE CONSTITUTION OUTLINED

The whole populace of India is poor and ignorant. Not even ten per cent are to be found who could simply read and write. The pressing need of removing this ignorance and poverty is admitted by everybody. We do not think that this great task can be quickly accomplished by following thoughts, which English education has given us and which have held our minds in a grip. We ought to consider how we can extricate ourselves from a situation in which we find ourselves at present by adopting means which suit our present environment.

As ignorance and poverty are to be found principally in villages it is natural sequel to say that all reforms must be initiated in villages.

Democracy certainly means government in accordance with laws. In a monarchy, the word of the King is law. And in all places in the world wherever monarchies flourished, law had no existence apart from the command of the King. In a democracy, the will of all the people is expressed through their representatives. Consequently a Legislative Assembly which makes such laws is an inevitable institution in a democratic State. The laws will be in accordance with the wants of the people. The laws for a simple society of farmers must be simple and must be couched in a language which will be easily intelligible to them. This work, the Legislature in the State can do.

At present, the Representative Assembly is passing laws in the capacity of a Legislature. But we are constrained to say that it is a caricature of a genuine Legislature. The passing of independent laws in Marathi is beyond the capacity, even of big Indian States; much

more is it true then, of a small State like Aundh. In such a case these Legislatures pass in Marathi a law, making a certain British Indian law in the English language applicable to the State. It goes without saying that those who do not know a word of English cannot comprehend what the original law in English is. But this state of things is unavoidable at least for the present. Still it is better to apply the British Indian laws by the Legislature by means of Resolutions, than to pass laws in Marathi purporting to apply the said laws worded in English. It cannot be said that British Indian Statutes in English are not translated into Marathi; some of them are. But there is nowhere the practice of applying those translated acts. Perhaps the reason may be, that the Marathi of these translated laws is not intelligible either to the judges or to the people.

Next to the Legislature, it is necessary to create an institution as Executive for putting the laws into effect and such a one is the Ministry. As the whole responsibility for execution lies on the Ministry, it is necessary that the whole staff of servants in the State should be entirely under the control of the Ministry, from the point of view of the unity of Executive action. Pays, transfers, fines, punishments, pensions, examinations, grades, and all such matters should be left to the control of the Ministry.

Next, it is the principal duty of the Judiciary to see whether the work of the Executive is in accordance with laws. Domestic Justice between man and man is of secondary importance.

It is impossible for any administration to run smoothly unless these three institutions are highly efficient. In Aundh all these three exist.

The Legislature, the Ministry, and the Judiciary together form an administrative machine. It follows that it is a means and not an end. The end is the progress and greater happiness of the people. In order to accomplish this end, it is necessary to utilize the Village Panchayats.

At present it is the Executive which is expected to devise and execute plans for the betterment of the people. In our opinion, this is no merit of this system. It is the local citizens who could know much better than their representatives in the Assembly, in what their happiness consists, how it can be secured, and what difficulties would be confronted with, on the way. Consequently like the three organs described above, the Village Panchayat—collective consciousness of the people—must logically be regarded as the foundation of our Administration.

Moreover, even if the Ministry attends to the progress of the whole State, it is beyond its capacity to give consideration to the progress of any particular village. No one would reasonably expect the Ministry to do this. So it may be said that as it is beyond the purview of the Panchayats to make laws, the disposal of civil or criminal cases cannot be included in their necessary duties. But today this is generally regarded as the principal business of the Panchayats. In our opinion, this notion is entirely erroneous. The work of the uplift of the village is of such a vast extent that it is enough to spare for the energies of the Panchayats. Similarly this work will never have a *finis*. Every Panchayat will have to be continuously on the alert, in order that it may never meet with a calamity.

While the Panchayat will be looking after the advance of the village, the Taluka Board will have to look after the advance of the Taluka. It will be the duty of the Ministry to chalk out schemes for the increasing prosperity of the whole State.

Representative Assembly

Today the number of members of the Representative Assembly is 20. Out of these 5 are nominated by the State and 15 elected by the people. Out of these 15, 10 are members of the 5 Taluka Boards, each sending 2 members. The President of the Taluka Board becomes *ex-officio*, a member of the Representative Assembly. The other member of the Board has to be elected by the Board itself. The remaining 5 members are elected from the Talukas by the constituency in each Taluka. It is customary to call these members "neutrals".

From this it will be seen that there is no one in the Representative Assembly as a special representative of the women, the untouchables, industry and labour.

There are 10 factories in the State today and the number of workers exceeds 3,500. Considering the present and the future importance of factories, this Committee thinks that the Assembly ought to contain one special representative of the factory owners. The universal experience is that along with the prosperity of the factories, there is an ebullition of the grievances of the workers. For this reason, it is necessary to give representation to the workers. The reasons for admitting the representatives of women and the untouchables are different. Both these groups are backward and the admission of a member in the Assembly to represent them is one remedy to remove their backwardness.

Reserved seats have been given to the factory owners and workmen because their interests are separate and of a special character; and to women and untouchables, because they are groups which are

depressed. There are not more than 3,700 Muslims in the whole State; and some of them are landlords, a few Jahagirdars and many are in State service. Hence we do not see any reason for reserving seats for them; and no Muslim has put forward such a demand before us. In the Aundh State worthy and sensible Muslims never find any difficulty in obtaining the position of the President of a Panchayat or even a Minister. The appointment of Mr. Qureshi as Minister is an instance in point.

Moreover, another point to note is that all Muslims are not homogeneous. There are groups among Muslims between which there is no interdining or intermarriage. Some groups are on the borderland between Hindus and Muslims; that is to say, they are not yet thoroughly assimilated with Muslims. They are so unfortunate that Hindus do not regard them as Hindus while the Muslims are not willing to embrace them as their kith and kin.

These groups are likely to be included among Hindus, if the Panchayats in the Talukas of Gunadal and Atpadi show more wisdom. The Panchayats can manage such matters amicably.

Although it is true to say that both the untouchables and the women are depressed, the manner in which they are pressed down is different in each case. On account of untouchability, the Harijans have been torn away from the rest of society in the sphere of religion and through this, in the ordinary intercourse of life. Their disabilities are both religious and political. Although the untouchability of the Harijans does not come in their way in the State offices, and the Raja's wada, etc. In the Aundh State, we observed that untouchability is still operative as it was before, in the temples and on the rivulets and wells. Although their path has been cleared to a great extent, politically, the Harijans are in the same predicament in matters regarded as religious like temple-entry. Although their untouchability is removed, the doors of the mofussil temples have not yet been opened to them. Besides, though the higher castes keep contact with untouchables in other matters, they do not hesitate to object to their presence in public or semi-public religious ceremonies. In our itinerary, we did not come across a single instance of one place being used for taking water by both touchables and untouchables; and we saw with our own eyes that the Harijans cannot enter a temple. We are therefore constrained to say that the people in the State have not become as progressive as Shri Rajasaheb has. Perhaps there is likelihood of this state of things improving by securing the right of entering the Representative Assembly.

Our Scheme provides for one Representative each for the owners of factories, workers, the untouchable classes, and women; and this Representative should be elected to the Representative Assembly, according to the general rules of election by a special constituency.

Under the present arrangement, the Taluka Board members are in a majority in the Representative Assembly and being thus intimately connected with the administration, many persons complained to us that scope is not given for that sort of outside criticism of the Administration which is desirable. The Committee finds a good deal of truth in this complaint. For this reason, we have suggested a slight alteration, while maintaining the seats of the Presidents of the Taluka Boards.

In our opinion a member of the Panchayats should have a seat in the Representative Assembly. The general electorate should have the right of electing one such member out of these members including the Sarpanch who would stand for election.

At present only one member is elected from each Taluka as a neutral. The Committee has proposed that there should be two neutral members from each Taluka.

The creation of a constituency of all women in the State does not seem feasible on the ground of convenience. We, therefore, propose that one member out of the two General members from Talukas should be a woman and this woman's seat should be allotted to each Taluka by rotation and advertised at the time of election. That rotation, in the opinion of the Committee should be as follows:—(order: Aundh, Kundal, Atpadi, Kharsundi, and Gunadal).

Instead of creating a separate constituency for the untouchables, we propose that in every Taluka, the untouchable electors should elect in each Taluka one representative and then out of these 5 chosen in a primary election, one untouchable representative should be elected by the other 22 members of the Representative Assembly in a final election.

The present Act provides for the retirement of some members of the Representative Assembly and the election of an equal number in their place every year. The Committee does not approve of this. We have suggested that the elections for the Panchayats should be held every four years. In the same way, the elections for the Representative Assembly should also be held every four years. Public opinion accords with our suggestion.

Under the proposals of the Committee, the following will be the total numbers of the Representative Assembly.

(1)	Presidents of Taluka Boards	...	...	...	5
(2)	Members of the Panchayat of the Talukas (elected by all the electors in the Talukas)	...	...	...	5
(3)	General members (Among these one women's seat for every Taluka, according to the order given above by rotation)				10
(4)	Representative of Factory-owners	...	...	...	1
(5)	Representative of Workers in factories	...	...	...	1
(6)	Representative of Harijans	...	...	...	1
(7)	Nominated by the Government	...	...	...	2
Total					25

Is an Opposition Necessary?

Many educated persons have come to think, judging from the example of England, that opposing Parties are a *sine qua non* of a democracy. We, however, think otherwise. Besides the example of England is not applicable in this case. In the Aundh State we are considering the Village Panchayats. In our Scheme, the Representative Assembly has not got as much importance as the Panchayats have. The work of the Panchayats will be successful only by co-operation. Co-operation does not connote the giving of latitude to conflicting opinions. Of course it is the duty of the members of a Panchayat to discuss, from all points of view, the subject which will come before them for consideration. But from these different opinions, the unanimous decision of all the Panchas must emerge. In England, the Opposition watches the Party in power and their measures with a very critical eye. For this very reason, the Party in power does not go very far astray. In the State, it is the people in the village who ought to perform the task of keeping a watchful eye on the doings of the Panchayat; and this will come about only through the spread of education.

We have already said above that in our constitution the Representative Assembly does not occupy a prominent place. Even then, if the constitution of the Representative Assembly which the Committee has proposed will come into effect, that Assembly will give sufficient scope for the expression of public opinion.

Administration of Justice

Today the words, Panchayats and administering justice are regarded as synonymous. But it must be clearly borne in mind that the latter does not fall under the duties which must be performed by a Panchayat. Instead of devoting all their attention to doing the work of a Court, as they do at present, the Panchayats ought to give less attention to that work and more and more to the advancement of the village.

Justice is divided into civil and criminal. We think that in future the following arrangement should be made for civil suits.

It is proposed to constitute a board of five arbitrators to decide every civil suit. Two of the Panchas or arbitrators should be selected by the plaintiff and the defendant respectively, the other two by the sub-judge of the Taluka and the Village Panchayat respectively. The fifth, in the first instance, appointed by the plaintiff and the defendant by mutual agreement. In the event of disagreement between the parties as regards this choice, the Village Panchayat should be authorised to fill the vacancy. The plaintiff shall present his suit to the Secretary of the Village, who will register it in the village record and then forward it to the sub-judge of the Taluka. On the appointment of the Panchas being finally decided the sub-judge will formally announce the formation of the court. The choice of the Panchas or the arbitrators is not restricted to any particular locality or community. The inquiry may be held at a place where either the plaintiff or the defendant resides or at a place where the immovable property, if any involved in the suit, is situate. It will be the duty of the sub-judge to fix the place of inquiry in each case. After the inquiry is completed the arbitrators should send their written decision to the sub-judge concerned, who will draw up a decree in pursuance thereof, a copy of which may be forwarded to the Secretary of the village concerned. The parties are entitled to get a copy of the decree or the judgment at their cost. The responsibility for the presence of the Panchas who are selected by them and other witnesses will chiefly lie with the respective parties; the sub-judge will have no hand in the trial of suits before the Panchas. The Court's nominee will be from amongst the panel of gentlemen of social standing in the taluka which will be published in the *Gazette* by the State. The practice of calling pleaders before a Panchayat should be discontinued. After the 5 Panchas have delivered the judgment, the Secretary should write it down, take down the signatures of all, and should take steps to register it in the Taluka Court and in the record of the Panchayat of the village.

The above scheme is not intended to suggest that the people should not settle the disputes in the village by mutual compromise. On the contrary, it is our earnest desire that the disputes in a village should always be settled amicably. We simply stipulate that every settlement arrived at as a result of compromise should be recorded in the Office of the Panchayat as well as in a Sub-Judge's Court. The Panchayats need not object to such a settlement. Failing this procedure litigants should of course file their suits for trial by the Panchas in the way described above.

For the present at least, the litigation in a village is of a simple nature; so much so that even an unlettered man of average sense can give decision. For this reason, there is no harm in getting suits of all sorts and of any value decided, through the agency of arbitration of the Panchas. There is little likelihood of suits of high values in poverty stricken villages. Notwithstanding this the sub-judge may assume jurisdiction and himself try a case if, in his opinion, the subject-matter of the suit is complicated and there are intricacies of law which will baffle an ordinary intelligence.

At present, the plaintiff has to make a payment of money in advance in the form of Court Fee according to the sum involved in the suit, when he files the suit; this is a copy of what obtains in British India. One doubts the appositeness of this system. It handicaps a poor man, when he seeks to obtain justice; and a sort of licence is given to the rich to oppress the poor. If we make a suggestion to revive the practice of realizing a prescribed sum from a defeated party which was in vogue under the Peshwa Administration, we doubt whether it will be acceptable today.

It would not be just on the part of the State to levy a tax on the people in the form of Court Fee, especially with regard to suits tried by the Panchayats. The State may, if it likes, realize the Court Fee in suits tried by a judge. But to charge Court Fee for suits heard before unremunerated Panchas smacks of injustice.

With regard to criminal cases, in the opinion of this Committee, the Panchayats should decide such criminal matters as described below; other than these should be tried by a judge with the help of assessors at the headquarters of a taluka.

We do not think that, in criminal cases tried by the Gram Panchayats imprisonment should be the punishment; the Panchas should be authorised to impose a fine only. The sum realized by fines thus imposed should be assigned to the Panchayat concerned to cover the general expenditure of that village. In case the fine is not paid, the convicted person should be treated as a prisoner and be made to do some village work and thus the fine should be realized in an altered form. In this matter the Police constable of the Village Panchayat will be found useful.

In the case of a crime, in which it is not known who the criminal is, there is certainly need for investigation. And if the investigation is not possible without the help of higher Police officers, the Panchayats should postpone the inquiry, till the Officers have completed their investigation.

The table of criminal offences which can be decided by the Panchayat alone without the help of a Judge:—

1. Battery; verbal wrangling or abusive language; disturbing the peace in a public street or road.
2. Offences connected with adulteration of food and drinks.
3. Driving a vehicle (cart, motor-vehicles, like cars, buses, etc., tonga boat) rashly; riding a horse rashly.
4. Offences connected with defiling water supply used by the public and defiling the air, etc.
5. Public nuisance.
6. Simple hurt and grievous hurt (excepting the one caused with intent to cause death).
7. Illegal use of force and attack (in anger or by other cause).
8. Kidnapping and abduction; slavery.
9. Theft where the property stolen is worth less than Rs. 50.
10. Mischief.
11. Criminal trespass.
12. Adultery.
13. Criminal intimidation; insulting a person; outraging the modesty of a woman; roaming in public streets in a drunken state.

The State should prepare a code of Criminal Law for the use of Panchayats. It should contain definitions of all offences enumerated above, the punishments to be awarded and other allied matters, expressed in language easily intelligible to the Panchas in a village. In our opinion, the procedure of the Court of the Panchayat, need not be such as at present obtained in British India. It should be simple and dictated by commonsense and experience of every-day life.

The principle underlying the proposals formulated above, is that there is a multitude of miscellaneous offences usually and spontaneously committed in villages which require to be immediately attended to. The members of the Village Panchayat have been, therefore, empowered to dispose of the same on the spot without much legal hindrances, since such offences disturb the harmonious life of the village. The aforesaid enumeration of offences is only illustrative. It is not meant to be exhaustive. It may be amplified or modified in conformity with the principle just enunciated.

The Ministry

The word Ministry is supposed to connote the Council, consisting of the highest executive officers. At present, in Aundh, there are a

Prime Minister and two Ministers; these three together constitute the Ministry. Among the Ministers the Prime Minister is regarded as senior and if at all the Ministry meets in session he is supposed to preside over it. A strenuous protest was made before the Committee that these three Ministers are not necessary and in our opinion there is a good deal of truth in it. Judging by the extent of the State, one Karbhari who is called Diwan or Chief Minister in current terminology is sufficient. When the field is limited, the individual always assumes more importance than the work to be done; and posts are created in order to provide for individuals. For this reason it is necessary that the law itself should lay down that more than one Karbhari (Diwan or Minister) should not be appointed. By reason of unwanted ministers business is hampered, unity of policy is made to suffer and the disposal of work ceases to be prompt. Like other critics, we also think that the administration has become top-heavy.

At present we face such a strange situation, that there are three Ministers and one Secretary. In the opinion of this Committee there should be one Minister with three Secretaries, one Chief and two Assistants. Under each of the latter there should be two clerks. In this way the work of the office of the Ministry should be divided. The Secretary and his two assistants should divide their departments equally. The person senior in service should be regarded as Secretary and the juniors should be Assistant Secretaries. The Secretary and his assistants should have no kind of executive authority like that of a District Magistrate, or the Commissioner of Labour, Supply Officer or any similar head of a department; this is our decided opinion. At present there is a general cry that in the absence of persons skilled in office-work cases are not disposed of, in a proper and systematic manner, and with promptness. It is therefore necessary to have an expert staff appointed.

In our Inquiry, some cases were cited before us in an unexpected manner. From these, we have gained a clear conviction that no servant from top to bottom has even an ordinary knowledge of how to run an office. By virtue of this ineptitude the State has to suffer a loss of thousands of rupees. But in addition, the wheels of Administration also do not run smoothly. With a feeble and fatuous Civil Service the subjects suffer illimitable miseries, because the doings of such a Civil Service powerfully react on them. Owing to a lack of supervision, subordinates become practically independent. It would seem as though the service is above any rules and regulations. The official discipline is easily discarded. The lower officials are found to defy the orders of Superior Officers wantonly. And it is a very pitiful spectacle that not a soul has an inkling of this serious defect. The following instance will bear out the aforesaid aspersions.

In a Vatan case (Vatan Petition No. 2/1934-35) the Commissioner gave the following order: 'It is proved from the copy which is Exhibit No. 17 that both the parties have a joint right or that it has been declared to be so. Hence it will be proper to continue the old practice till the turn of each is determined by the Revenue Department. . . . For this reason the Government should issue an order for fixing the turns of the two parties dated 20-4-46. This decision was forwarded to the Ministry for necessary orders. The Ministry however sent the case to the Collector for taking requisite action on 11-5-46.

It was the duty of the Collector to fix the turns, in pursuance of this order. But forgetting that the Ministry and the Commissioner were his superiors, he gave it as his opinion backed by reasons 'there is no reason why we should fix the turns again' thus kicking at the order of his superiors. This happened on 31st May 1946. Now this affair having reached the Office of the Ministry has been rotting there from that date upto this day. We are compelled to say with regret that this incompetence of the Office of the Ministry is scandalous to a degree. Had this been an isolated case, we might not have adverted to the matter. But this we can say with some amount of certainty that the case, far from being exceptional, is symptomatic of the normal state of things. No Constitution can do any good to the people unless this anarchic state of Administration ceases.

Audit

It is to be regretted that Section 23 of the Constitution Act has not yet become operative. Failing the appointment of an expert Auditor, great confusion in regard to accounts was brought to the notice of the Committee. The cause of the failure of the Administration is to be principally sought in this matter. For this reason we suggest that Shrimant Rajasaheb should appoint, without the least delay, an independent Auditor responsible to him. This officer will lay down the manner of keeping accounts and see after scrutiny that his instructions are assiduously followed in all departments. Accounts cannot be properly checked by importing an Auditor from outside, once in a year or two. The Auditor must look over the daily accounts continuously and the Ministry must do their best to put into effect the improvements suggested by the Auditor. We are anxious to draw the attention of Shrimant Rajasaheb to the enormous waste of money caused by failure to keep systematic accounts. A prominent instance of this came across us in our itinerary. In the accounts of Kharsundi Taluka Board for 1945-46 Rs. 100, Rs. 200 and Rs. 950 have been debited as spent for the supply of provisions during the tour of Shrimant Rajasahib, the Hon. Ministers, and the Chief Secretary, Shrimant Bapusahib respec-

tively. Now all these holders of dignity and office have fixed sums allotted to them as touring expenses; and they have also drawn them during the year. This being so, the Boards could not tell us, under what rule, this expense of catering for those personages was voted. The only object of recording this fact here is to say that such incidents are due to defective methods of enforcing the rules of accountancy. It is extremely necessary to stop their recurrence.

We have not the least doubt that the importance of keeping systematic accounts has not at all been realized by the Office of the Ministry. We had occasion to look at the Report presented by Mr. P. G. Bhagwat on the 18th August 1945; this will largely confirm the statement made by us above. He has pointed out innumerable mistakes: debiting a sum without sanction; writing off at the end of the year thousands of rupees written under the headings "tasalmat" and "abstract". With such unpardonable lapses, it has become impossible to charge anybody definitely even if he has misappropriated any amount of money. The services have found out a way of expending money beyond the budgeted amount and yet to conceal it.

Expenditure, illegal and incurred without the sanction of the Legislature is concealed by crediting a proportionately smaller amount out of the actual receipts. The State Engineer received from the Treasury in 1943-44 the amounts of the bills made in 1940-41, in his own authority. No sensible man would tolerate such chaotic transactions. Mr. Bhagwat says: "It is impossible to detect if a payment is made twice over for the same item." It is a deplorable state of things that Mr. Bhagwat could not lay hands on bills and receipts of the expenditure on Famine Relief work in 1943-44, when he demanded them. If some one were to entertain a suspicion about the proper expenditure of that money, the charge could not be said to be unfair. Mr. Bhagwat writes: "Sums have been scratched with rubber or pen-knife, in the Account Book." In the same place he says emphatically that this practice is very dangerous. But who minds the poor Auditor, however insistent he may be. The incompetence of the Office of the Ministry is proved indisputably by the manner in which it disposed of this Report. Really speaking, the Auditor had presented the Report to Shrimant Rajasahib and from him it passed to the Ministry for necessary action. But the sad part of the affair is that the Ministry did nothing to implement it; not only that, they did not even feel it necessary to explain their views on it to the Rajasahib. Even the Office of the Rajasahib showed no inclination to demand explanation from the Ministry. If the Report of the Auditor is to harbour dust in this fashion, we do not understand what the object is in spending money on the appointment of that officer.

We wish to bring to the notice of Shrimant Rajasahib and the Ministry one more item. All the Ministers, the Chief Judge, the Superintendent of Police, Deputy Director, Civil Supplies, and the member of the Inam Inquiry—the posts of so many are regarded as honorary; which means that they receive an honorarium instead of a salary. We do not regard this as a desirable arrangement. It is so difficult to decide whether persons in receipt of an honorarium form a part of the State Servants and whether the rules and regulations of the Civil Service are applicable to them or not. Taking a sum as an honorarium, they take in addition dearness allowance, travelling allowances and others quite openly. We cannot say whether the Treasury Officer has inquired under what rules all this is practised.

According to the Constitution Act, the responsibility for seeing whether Accounts are kept properly or not and public money is properly spent or not lies with Shrimant Rajasahib personally. For this reason we humbly beg to suggest that he should no longer connive at these happenings. A mere utterance of plausible principles would not avail us to maintain democracy; a minimum standard of morality and a sense of justice amongst the people, combined with strict administration are essential.

Village Panchayats

In the Aundh State, Panchayats have been formed in every village and even in the Wadi—an adjunct—of a village. But considering what in our opinion is the adequate revenue for making the Panchayat a success, it seems difficult for a Panchayat to go on in a village the revenue of which is very much under Rs. 2,000. So also, if the population of a village is small, there is a likely difficulty of securing the required number of competent persons to manage it. With these two points in view, we are constrained to suggest the formation of a group of two or three villages. In forming such a group of more than one village, we have followed the principle that the villages in the group are within a radius of two or three miles. According to this scheme, if it is given effect to, there will be 48 Panchayats instead of 74 as at present. We could not follow the above principle strictly, on account of the scattered territory of the State; this we could not help. For instance, the population of Pargaon is less than 500; yet we had to keep the village as a separate unit. Even in the matter of revenue the village falls short. The same is the case with the village Padali. It is our desire that the villages included in a group, should in course of time become an organic whole. When there is no chance of this being materialized we are unfortunately compelled to make a departure from our original plan.

A Panchayat has been formed in the village Sangam Mahuli; but it seems to us there is no need of one. In this village, the majority of people are Brahmans and they are mostly fed on the bounty of Satara. It does not own even a few inches of land beyond the actual site on which it is built; the revenue of the village is only Rs. 50 but it is not land revenue.

The village without a Panchayat should be administered by the State in the same manner in which they were administered before the Constitution Act. (Kirloskarwadi, Ogalewadi, Bhawaninagar, Sangam Mahuli, Saidapur Colony).

In pursuance of the scheme outlined above, the following will be the Panchayats in the several Talukas:

Name of Taluka.				Number of Ps. today.	Number in the new Scheme.
Atpadi	...	...	...	16	9
Kharsundi	...	...	...	16	9
Kundal	...	...	...	13	10
Gunadal	...	...	...	16	10
Aundh	...	...	...	13	10
				74	48

In every Panchayat 5 permanent and 2 reserved Panchas will be elected. The elections of these should be held once in every four years simultaneously in all villages in the State. The policy of holding partial elections every year is disapproved by the Committee. The election of Presidents should be by a majority vote of the Panchas in the Panchayat. The present practice (the election of the President by the village in case there is no unanimity among Panchas) is hardly conducive to the maintenance of the prestige of the President and to the harmonious working of the Panchayat.

With a view to promote the efficiency of the Panchayat we propose to assign to it the following staff:—1 Secretary, 1 Teacher, 1 Policeman, 1 Ramoshi (guard), 1 Mahar, Patil and Kulkarni will also be placed on this staff. In order to realize the dream of self-administration, it is needful that all the work which at present is done in the Office of the Mamledar or Mahalkari should be done in the village so far as it concerns itself.

The Duties of Village Panchayats

Census of the people; census of houses; census of animals; record of births and deaths; recording number of trees; management of milk and dairy-products; supply of water; growth of trees; rearing animals;

schemes for the increase of crops; management of the Record of Rights; record of debts; registration of documents; cleanliness of the village and its health; record of sick persons; record of unemployed persons; and if remedies for unemployment are not available in the village, to make a representation to the Ministry; management of the education in the village, looking after crafts and industries, etc. If there are sick persons with no means, the Panchayats should arrange to supply them with meals out of common store and arrange for their medical treatment. The Panchayat will be responsible for the collection and payment into the treasury, of the land revenue of the village. If people are informed of all fresh occurrences in a village, by means of manuscript newspapers, a curiosity would arise in their minds about the same. This newspaper can easily be published in the office of the Panchayat. It can well be a vehicle to convey news such as the birth of a new child, the names of persons who died; the birth of new calves, kids, etc., the sex of the calf, atmospheric changes, important State news, local sales and purchases, etc.; the villagers thereby would gradually learn how each event affects their daily life. The Panchayats ought to keep a record of the age of cattle and of trees. For this purpose, the Panchayats will have to record immediately how many trees have grown or are planted every year and how many are preserved. We have said above that every debt transaction should be registered in the office of the Panchayat. It is also desirable to have a record of the total indebtedness in the village. If not supremely impracticable, it should be made illegal to contract a debt, it is then the duty of the State to satisfy the needs of a citizen when a debt is unavoidable.

The practice of storing grass or 'kadba' in a house is dangerous. For this reason independent and safe sites should be found in different localities, according to convenience, for storing grass or 'kadba' and the latter should be stocked there. The Panchayats should see to it that not more than three or four days' stock is kept in the house.

Disputes about land are inevitable till the communal way of life is initiated. It is necessary to dispose of them quickly. Such disputes, therefore, should be settled on the spot by the Panchayats. In places where there are canals and in some places, even in using well-water, the turns are fixed by the authorities and clashes inevitably arise with regard to them. It may at times happen that the withering crops of any out of turn fields may necessitate a departure from the established practice. The Panchayats should be given the necessary authority in such cases; in like manner boundary disputes, the damage to the crops by cattle trespass, the illegal and improper falling of trees, the refusal of a wife to live in the husband's house, etc. should be settled by the Panchas on the spot to the satisfaction of all. Such cases do not brook delay in disposal.

Protection

Hawkers and others from outside come into the village for diverse vocational purposes. Although the occupation of some of them is honest, the movements of others are suspicious. Hence if the police are made to record the names of such visitors, every day, the record will be useful for the investigation of a crime later on. Moreover, the Panchayat would have at its disposal a good material for deciding what trade is in the best interest of the people and what it not.

There is a likelihood of the Panchayat deriving a good deal of assistance from the police constables placed under its supervision, in the immediate enquiry after the occurrence of a fire, of an accidental death, and serious offences of other kinds. A sort of spade work of a preliminary nature if promptly done assuredly helps the future investigation by higher authorities who by the exigency of the situation are always late in taking charge of the case.

Chief Police Officer of the State is entitled to supervise the work of the Panchayat Police and communicate his opinion to the Ministry a copy of which may be sent to the Panchayat. Otherwise this constable is entirely at the disposal of the Panchayat.

We have already described the staff adequate to do the work of the Panchayat; this staff and the members of the Panchayat, taken together are to carry out the duties described so far. The Panchayats must personally exert themselves for the work of the village-uplift outlined above, at least for two or three hours a day.

For this reason, the Secretary of the Panchayat must be industrious and well-informed. The people of the village should have affection and regard for him and it is necessary to give him such a pay as would enable him to devote enough leisure to spend his life for the sake of village-uplift. The initial pay of the secretary should, in the opinion of the Committee, be Rs. 50 and the final pay, Rs. 75 per month. The Ministry should provide for a month's training for the secretaries before their appointment. He should not be transferred from one Panchayat to another, because he has to secure the advancement of the village along with his own, only by sticking to a particular village. Though he supervises the whole village he would be regarded as its chief servant. The teacher, the constable, the village Patil, Mahar and Ramoshi will remain as village assistants.

The scale of pay of the constable handed over to a Panchayat, we think, should be Rs. 15 to Rs. 25. We propose an allowance of Rs. 10, 5 and 5 to the Patil, Mahar and Ramoshi respectively for this extra work. The salary budget of every Panchayat will be as follows:—

Name	Initial pay	Final pay
	Rs.	Rs.
Secretary	... 50	75
Teacher	... 40	60
Police constable	... 15	25
Village Patil	... 10 the present allowance.	10 the present allowance.
Ramoshi	... 5	5
Mahar	... 5	5
Total Rs.	125.	Rs. 180.

By way of additional income, the Panchayats may be empowered to levy marriage cess, adoption cess, house tax and similar taxes.

Education

The Scheme for public instruction is dovetailed with the Constitution of the State. In fact, the success or failure of the experiment in government which we have here advocated depends on the scheme for instruction of the people. Great importance is, therefore, attached to public instruction in our general scheme.

At present on the completion of education a person forsakes the village or the town which gave him that education. One result of this is that only the scum remains behind in the village by reason of which the villages are continually deteriorating in quality. The object of our scheme is that education imparted should make the boys useful citizens of the village. They should receive such education as would be necessary and useful for running the Panchayats successfully. At the same time, it should be planned so that their intellect should develop, their desire for knowledge should be keen and they should be able to think for themselves about every matter great or small in all its aspects.

We do not think that our scheme of education will be successful, if we accept as true the current notion, that money must be poured like water on education. For this reason, it is incumbent on us to chalk out a scheme which is inexpensive, so as to suit a poor rayat.

The central idea of our scheme of education is that the village is the proper subject-matter of learning as well as teaching. Accordingly, the stumbling-block of apparatus would not come in our way. We lay great stress on oral education. We do not think there is absolute necessity for pupils having a book in their hands, when teaching other subjects than the reading-book. There is need of a small library for the school. The stocking of treatises useful for the suggested curriculum, in every school, is unavoidable. It goes without saying that the provision for this must be made by the State. But one should not forget that the treatises are chiefly useful to the teachers. Moreover, the idea

that the teachers have to stuff knowledge into the heads of pupils must be abandoned. The only business of teachers is to assist the pupils in acquiring knowledge. The pupils have to learn, themselves; they are not to be taught by some outside agency.

The next important point is about the duration of teaching during a day. We do not think it is the proper thing to lock the students up in a school-house for the whole day. By thus being detained in the school for the whole day, they are prevented from being useful for domestic work; whereas even small children are useful for the management of the family to a farmer. Children useful for domestic duties escape from his hands and for that reason, no farmer entertains a favourable opinion about education; because he cannot see the future benefits of education while on the contrary he is keenly conscious of the immediate disadvantages. For these reasons, we hold the opinion that the period of daily teaching should not exceed an hour and a half to two hours at the most.

After that, it is necessary to settle the question of the age at which a child should begin its education. A child can be taught even from its third year. But today we are not considering the Kindergarten System. Some are of the opinion that children of eight should be admitted; others think that education should begin at the age of ten. The opinion that the age of ten is the proper age for commencing education on account of the growth of the faculty of comprehension is not completely wrong. But it is to be borne in mind that if children in a village remain without schooling upto ten years, they are likely to contract habits of being truants and vagabonds. Balancing conflicting arguments and considering all the factors of the situation, we regard eight as the proper age for commencing education.

Speaking generally, the curriculum chalked out by us would not extend beyond six years. If a boy enters the school at the beginning of his eighth year his education would be completed at the end of his thirteenth year and he will get out. After that only those boys who are fit for higher education can go to the Taluka School. For the present we do not make any suggestions about the curriculum or the time of daily tuition, of that type of school. We, however, like to observe that education should be completed at the end of the eighteenth year of age.

As the village itself has been fixed upon as the subject of teaching, the great treatise, namely the village, is spread before the boys. They have to receive education from that treatise.

At present, great stress is laid on making all people literate, that is, to teach them to read and write. In the opinion of this Committee, literacy is only a means of acquiring knowledge and not actual know-

ledge. No one shall pick up a book and read it simply because he is able to read. It is only when an interest in any subject has been created that one shall think of reading treatises on that subject. Hence we think that the principal object of all education is to create a taste in the mind of a pupil for the innumerable subjects which are inter-woven with life. If any one cares to have a direct testimony to the fact that the current system of education does not produce such a taste, he should make enquiries as to how many holders of degrees have with them any books and if so which they are and how many.

If a complete and detailed study of one village is made, several subjects will be mastered by the pupils, e.g. Language, Mathematics, Geography, History, Philosophy, Politics, Research, Drawing and Painting, Sociology, Religion, etc.

It is advisable for the Government to arrange for the training of the teachers before they are appointed to their tasks. We believe three months will quite suffice for the purpose.

Let us illustrate what we mean. Suppose there is a river nearby, the students may well be acquainted with all possible information relating to same. Let them for instance know the source and length of the river, also where it terminates. They may likewise be told how the river has benefited or is likely to benefit the village. They may be similarly asked to think for themselves what would have been the state of things had there been no river at all. It is equally necessary for them to know how the river has contributed, if at all, to the formation of habits. Different varieties of soil may be collected and the boys be instructed as to the qualities of the same. If the village happens to be an ancient one possessing historical importance, the students may be initiated into the science of archaeology by excavation or otherwise. It is not impracticable to ask the students to collect leaves, flowers and fruits of different trees round about the village and explain to them the utility thereof. A taste for linguistic studies may be created by asking the student to mark words, idioms, and other peculiarities of language from the speeches and conversation of men and women in the village. The students may also acquire an insight into the religion by minute observation of the various festivals, ceremonies and performances of the religious rites in the course of the year.

We have simply hinted at the possibility of the educational scheme that we have adumbrated here. With a little exercise of ingenuity any teacher, we think, would be able to sharpen the intelligence of his students and create in them a thirst for knowledge. We do not imagine that it is beyond the capacity of a diligent, resourceful and intelligent teacher.

The theoretical education relating to agriculture may be implemented by practical training if 5 to 10 acres of village land is handed over to school. The planting and rearing of trees by the students may give them relevant knowledge as regards watering, manuring, etc. This sort of planting can be done even on the premises of their respective houses. We expect the teacher to be diligent enough to enforce correct code of conduct on the part of the students both in and outside their homes, e.g. nobody will object if he prescribes a rule that bathing is pre-requisite in the case of students attending the school. It is also necessary to inculcate discipline and neat and tidy habits on the boys and girls.

Mind, body and intellect make a Man. His utility will be enhanced only by the simultaneous development of these three elements. It would be needless to add that along with intellectual and cultural education physical training should also be catered for.

It should not be thought that the curriculum given below is exhaustive and that it should be adopted to the letter. Subjects can be made to change their places; only that the main policy should not be altered.

The State should appoint a separate Educational Committee for this purpose and get it to fix up a curriculum consistent with the above objective and also to prepare the right type of text-books.

According to this scheme one teacher will have to be normally supplied to every village and in some cases two or three according to the population. We have already laid down a period of an hour and a half to two hours as the duration of daily lessons. So by making three groups, it would not be difficult for one teacher to put in a minimum of work for five to six hours every day.

The Committee is of opinion that the teacher supplied to the Village Panchayat should get an initial pay of Rs. 40 and at retirement get a pay of Rs. 60. The Committee desires that the maximum pay should be made easily available to the teacher at least for 10 years.

According to the present population of the State 125 such teachers would be required and on their account, Rs. 60,000, as pay and Rs. 5,000 for other expenses, i.e. in all Rs. 65,000 would be the expenditure for this education.

It seems that the Taluka Boards have placed before them the ideal of opening one English High School in each Taluka. In our opinion such an ideal is suicidal for a boy as soon as he passes the Matriculation, runs after service instead of staying in a village. The ideas that he imbibes in the present system of education are not conducive to his remaining in a village and solving the problem of maintenance by render-

ing service to the people. For this reason, he is unable to resist the temptation of service abroad. In this manner, we are, every year, sending outside the persons who have received education at the expense of the State. So we think that these High Schools should better be closed. But if the State is bent on running them, there is no objection to do so if they would be financially self-supporting. In the present condition of the finances of our State, it cannot afford to impart this expensive English education, which will be of no use to the Panchayats.

This scheme of village education proposed by us is outlined in accordance with Section 22 of the Constitution Act.

CURRICULUM

First Year

1. Alphabets and Barakhadis (ka, ki, ku, kai, etc).
2. Conjunct consonants.
3. Writing, reading and constructing a sentence (the pupils to construe sentences themselves and to write them on the board).
4. Drawing (on the board with white and coloured crayons).
5. Handicrafts—clay-models, fruit and images of Ganesh made of clay.
6. Recitation.
7. Numbers and Multiplication tables.

Second Year

1. Lives of Mythological and Historical personages—a book of about 150 pages printed in big type to be prepared.
2. A book of 200 pages containing lessons on subjects useful for village life.
3. Arithmetic—Multiplication tables, the idea of multiples; Oral calculation, about the sale and purchase of milk and grains; a study of coins; weights and measures.
4. Spinning and other manual crafts.
5. Reading of Newspapers, Recitation, Institutional knowledge.

Third Year

1. Geography; History; Religion; Politics; Economics; (broad principles).
2. Arithmetic—Interest; Geometry—explaining height, length, width, distance, weights.

3. Reading newspapers; handicrafts, etc. History and Geography of the Aundh State.
4. Recitation.

Fourth Year

1. Language—Grammar; Origin of language; writing to dictation, poetry; collection of words current in the spoken language.
2. Arithmetic; Geometry; Algebra.
3. History and Geography of India. Story-telling.
4. Elocution and making by heart and reciting.
5. Essay-writing; Modi writing and reading.
6. To learn how to draw the map of the village.

Fifth Year

1. Book-keeping; Banking; Commerce.
2. Modi writing, reading and recitation of good verses containing epigrams.
3. Elocution and essay-writing.
4. Agriculture; Extra reading. Astronomy; General information about diverse Sciences.

Sixth Year

1. Research—Historical dynasties; temples; ancient records and letters; Customs, manners, etiquette, etc.
2. Book-keeping; Arithmetic.
3. Education in culture; Rules to be observed in behaviour and deportment and in dealing with Society; teaching of Aesthetics.
4. Elocution and writing in newspapers.
5. General knowledge.
6. Extra reading.

The Budgets of the Taluka Samitis

Lot of misunderstanding has arisen over the meaning of Sections 17 and 18 of the Constitution Act. In countries where democracy is completely established, the people have full control over every fraction of public Revenue. From this point of view, the Ministry cannot spend even a pie without the sanction of the Legislature. This is the rule of Democracy for all times to come and to interpret these sections in a manner inconsistent with it, is not in the fitness of things. The Legislature has made a permanent bifurcation of the total Revenue by Section

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17. According to this Section half of the sum is to be given to the people and all administrative functions are to be managed within the other moiety. The Legislature has only to decide how much of the latter is to be spent on daily administration and how much if possible is to be kept as a Reserve. This half of the Revenue embraces the Civil List of the Rajasaheb, pensions settled by the British Government, the pensions of State servants, the Vatan, and the expenditure on day-to-day Administration. Really speaking, the pensions given by the order of the British Government are beyond the pale of the State Legislature; the same may be said of the pensions of State servants. So naturally, the expenses of Administration and the Civil List of the Rajasaheb are the only proper subjects for discussion and intercession by the Legislative Assembly.

Though the half of the Revenue reserved for the public does not admit of any diminution by the Assembly, the latter's right to discuss the way it should be expended has not been taken away. The Ministry as well as the Legislative Assembly have authority to scrutinize the expenditure of the Taluka Samitis. It follows that there is no statutory bar under any of the above two sections to placing the budgets of Taluka Boards before the Assembly for general discussion. The only reservation is that the Assembly is powerless to propose any reduction. Every year a sum equal to half the Revenue must be handed over to them and the detailed budgets of the Taluka Boards prepared so as to equate their expenditure to that figure, must be placed before the Assembly for its sanction, in accordance with Section 19(C). No expenditure can be incurred by them without the sanction of the Assembly. If we succeed in securing the approval of the Government to our proposals, the Panchayat budgets will merit more attention than those of the Taluka Samitis. The Ministry therefore will have to place the Panchayat budget before the Legislative Assembly for sanction. True it is that the Village Panchayats were brought into being by the Constitution Act of 1939. But it seems pretty certain that no thought was given to make them efficient. The result was that the Taluka Samitis came to possess unmerited importance of office at the cost of the Panchayats. On account of their detachment from the village, which should have been the natural centre of activities, the Taluka Samiti lacked initiative and could not identify itself with individual villages. The roads connecting one village with another, medical department, veterinary department, vaccination, epidemics, higher education, etc. are the items falling within the province of the Taluka Boards.

The Staff of every Taluka Board should be as follows:—

	Pay	Rs.	
1 Secretary		50	per mensem.
1 Clerk	"	25	"
1 Surveyor	"	30	"
2 Peons	"	25	"

At this computation, the standing expenses of every Taluka Committee come to Rs. 130 a month or Rs. 1,560 a year; and the 5 Boards together would expend Rs. 7,800.

Medical Department

Every Board should have 3 Doctors and 3 servants under them; their pay should be Rs. 35 for a Doctor and Rs. 12 for the servant, i.e. Rs. 47 or Rs. 564 per year—thus 3 Doctors and 3 servants the

annual expenditure would be	Rs. 1,692.	
For Ayurvedic medicines	" 2,000	
For Vaccination	" 500	
For Veterinary department	" 1,000	
For Epidemics	" 500	
Total Rs.	5,692	For one Taluka.

On this calculation the total medical expenditure on the Medical department would work at Rs. 28,460.

The Committee recommends the closing of High Schools imparting higher education, under the control of the Taluka Boards. But for higher education, outside this, the following should be the scale:—

	Rs.
Atpadi	10,000
Kharsundi	6,000
Aundh	10,000
Kundal	10,000
Gunadal	6,000

Thus Rs. 42,000 in all would be spent in the several Talukas for education higher than that imparted by the Village Panchayats.

The standing expenditure on Public Works:—

	Rs.
1. Atpadi Taluka	1,500
2. Kharsundi Taluka	1,500
3. Kundal Taluka	500
4. Aundh Taluka	500
5. Gunadal Taluka	500

The total for all Public Works—Rs. 4,500 (yearly expenditure).

Thus the total expenditure, including that on the offices of all the Panchayats and all the Taluka Boards would be

	Rs.
1. Offices of the Panchayats ..	72,000
2. Education under the Panchayats ..	65,000
3. Offices of the Taluka Boards ..	7,800
4. Medical department ..	28,460
5. Higher education ..	42,000
6. Public Works ..	4,500
7. Temples ..	4,500
Total	Rs. 2,24,260

The Budget of the Central Government—Devasthan and 'Khasagi'

A temple must be either private or public; no other category is imaginable. If it is private, it can have no concern with the State as a whole. If you regard a temple as public, it is incomprehensible how it can be the property of the whole State. If a temple of a deity is founded in a town or village, it will be the property of the whole of the town or of a particular community in it. But the State as a whole can have nothing to do with that deity. For this reason, we have serious misgivings as to the propriety of donating money towards the maintenance of any temple out of the general revenues of the State. In case a temple belongs to a particular town or a community, it would be in the fitness of things that the town or the community should look after it. If this line of thinking is logical, it shall have to be considered whether to disallow the small sums which are expended at present on the village sanctuaries since it is but meet for the people in the village to manage the local shrines by voluntary subscription.

The State has not opened an Ecclesiastical department, nor do we think that it is practical politics.

At present a sum of Rs. 27,500 is expended on small and big sanctuaries in the State. This is by no means a trifling sum. It, therefore, behoves the people to keep an eye over its expenditure. Out of this Rs. 23,500 are spent on Devasthan in Aundh, under the supervision of Shrimant Rajasahib. We suggest that this sum should be transferred to the Civil List of the Rajasahib. If the suggestion is approved of, the balance of Rs. 4,000 which is spent for sundry temples in several villages may be placed in charge of the Panchayats. If on the other hand our proposal is not accepted, such a large sum as Rs. 23,500 should be spent through a special Committee of Panchas appointed for that purpose. This Committee should consist of three members: one re-

presenting the Legislative Assembly; one State-official (*ex-officio*) and one respectable gentleman who is a resident of the town of Aundh. As we see the signs of the approach of a situation which would render futile any attempt to perform the usual prescribed rites owing to the absence of competent priesthood, we are putting forward the suggestion of transferring the temples to the Privy Purse of the Ruler.

Examining the Budget of the Aundh State, as it is today, we find that apart from Rs. 70,600 allotted for the private expenses plus dearness allowance of the Palace, there is a further contribution of Rs. 56,000 approximately on account of stables, pilgrimage, the private purse of the heir-apparent, marriages, the Ruler's official tours, temples, illness and such various items. We have to further add to it the amount of Rs. 3,000 expended on Staff-bearers, Jamadars, sweepers and such other menials symbolizing the dignity of the State and the official celebrations of the Dasara, Diwali, and the Makar Sankranti. In the opinion of the Committee, it is absolutely necessary to reduce this huge amount which is in the neighbourhood of Rs. 1,25,000.

Over and above this, the Ruler enjoys the revenue of the village Karagani, which has been wholly set apart for the private expenses of the Ruling Chief; so also a part of the revenue of the villages Kinhai and Vite. The aggregate amount would come to about Rs. 10,000. We cannot ignore this sum when fixing the Civil List. Besides, it is to be noted that the expenditure of about Rs. 23,500 on the Devasthan of Aundh has no connection with the State as an entity. It is necessary, in our opinion, to determine how much the State is to expend for the private shrines of the Ruler.

We beg to suggest here, that instead of allotting a separate sum for the private expenses of the heir-apparent, they should be met out of the revenue of the village Karagani, so that this liability should not impinge upon the State Revenue or the Civil List of Shrimant Rajasahib. The next point is that outside the Civil List as now recommended, no other sum will be allotted out of the State Revenue for pilgrimage, stables, illness, education of persons in the Royal family, donations, marriages, official tours, or the temples, etc. and it would be quite unjustifiable.

We, however, make an exception in favour of symbols of Royalty such as Bhalidar, etc. as well as the touring expenses of the Ruler in connection with his visits to the Honorary Resident of Kolhapur, His Excellency the Viceroy, Delhi. After anxious consideration we have come to the conclusion that Rs. 23,500 at present allotted to the Aundh Temple plus Rs. 36,500, in all Rs. 60,000, should constitute the Civil List.

The Committee also thinks, that the pensions given to the private servants of the Ruler ought not to be a burden on the State treasury. If, therefore, the Ruler desires that his private servants should receive pensions, the Pension Contributions for these servants should be paid into the State treasury in the accordance with Pension Rules obtaining elsewhere, out of the Civil List. It is only if such a contribution is paid that these servants should be given the pension.

Another prominent item of expenditure in the Central Budget is the salaries of services. In the present Budget this expenditure including pay, dearness allowance, touring charges, and other permanent sub-heads comes to Rs. 1,25,000. We have already recommended the placing of the whole civil service excluding staff of the Panchayats and Taluka Boards wholly under the Ministry. Moreover, there is, a universal complaint that owing to insufficient staff in some of the offices, the despatch of work is not prompt. To leave no ground for such a complaint, the staff must be increased; as a set-off, some places can be abolished when the Office of the Ministry and the Revenue Department are reorganized. Care should be taken in the reorganization to be effected, that the total expenditure on the civil service should not exceed Rs. 1,75,000. The Committee has supplied a table in an Appendix showing the required number of State servants, who are expected to do full six hours' duty during a day; this may profitably be utilized if necessary.

Next the important head is the pensions, which must be comprised in the Central Budget. According to the Budget, as we envisage it this item comes to Rs. 18,000.

The total expenditure on jails is about Rs. 10,000. Under head 'Pargana Vatandar' comes a sum of Rs. 7,500. Both these items are debited to the Central Budget.

Putting all the heads together, the total expenditure of the State will be presented as under:—

Rs.	
2,24,260	Expenditure by the Panchayats and Taluka Boards.
1,75,000	Permanent staff and other recurring heads of expenditure controlled by the Central Government.
18,000	Pensions.
10,000	Jails.
7,500	'Pargana Vatandar'.
5,000	Allowance in cash, settled by the British Government to the members of the Royal family.
60,000	Civil List and Devasthan.
Rs. 4,99,760	

We find, on examining the figures of the net income of the State for the last seven years, that the average annual revenue of the State is somewhere between Rs. 5½ and Rs. 6 lakhs. Latterly new heads of Revenue like the Income-tax, Tobacco tax, Sales tax, etc. have been created in the State and the proceeds of those taxes are showing an upward trend. Consequently the balance remaining after fixing the permanent expenditure as we have outlined above can safely be utilized for the sundry expenses in all the departments and also for general development.

THE REMARKABLE FEATURES OF THE NEW SCHEME

1. Some villages have been grouped together in consideration of the planned expenditure and the revenue of the group.
2. The responsibility of the village uplift has been thrown to the Village Panchayats and they have been given an adequate staff to enable them to discharge that responsibility.
3. The education has been so planned as to promote the scheme of rural uplift.
4. In order that justice should be cheap, speedy and clean, some change has been suggested in the Constitution of the Panchayat tribunals.
5. The Harijans and women have been given representation in the Legislative Assembly.
6. Emphatic warning has been given as to how a good government can be converted into an evil one by neglecting to enforce systematic accounts.
7. The expenditure under the new scheme has been shown not to exceed the income of the State.

It is necessary to appoint the following committees in order to bring to fruition the new proposals relating to the Village Panchayats:—

(a) **The Law Committee:**—To prepare a draft bill in order to give a legal shape to the proposed constitutional changes.

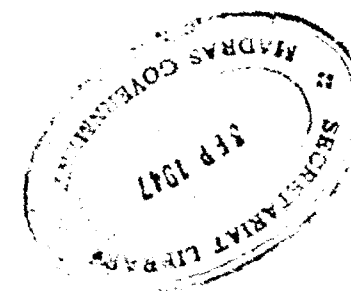
(b) **The Judicial Committee:**—To distribute the work between the sub-judges and the Village Panchayats to prepare rules of procedure for the trial of civil suits and criminal cases, to define offences in simple language and to fix the gradation of punishments; and

(c) **The Education Committee:**—To prescribe curriculum, to write new suitable books and to make necessary rules.

POPULATION FIGURES EXPLAINED

According to the census of 1941 the population of the Aundh State is supposed to be 88,723. But at the time of the census there were fairs in the two villages of Karagani and Boblad. The fairs attract people from outside. This foreign population of these two villages is recorded to be 4,855. Deducting this figure from the aforesaid 88,723 the net population of the State is 83,868.

	Males	Females	Total
Hindus (Intermediate) ...	23,093	22,159	45,252
Hindus (Depressed) ...	9,086	8,655	17,741
Harijans ...	4,905	4,650	9,555
Lingayats ...	2,956	2,276	5,232
Brahmins ...	2,077	1,976	4,053
Muslims ...	2,039	1,827	3,866
Jains ...	173	124	297
Anglo-Indians ...	12	1	13
	44,341	41,668	86,009
Boblad fair population ...			-2,141
			83,868



Statement showing Population, Area, Land Revenue, Jirayat, Bagayat and Fallow Land. [TABLE No. 2]

No.	Name of Taluka	Population	Land Revenue Rs.	Area Acres	Area unfit for cultiva- tion acres	Cultivable Land Acres	Details of cultivable Land			Number of wells
							Jirayat	Bagayat	Fallow	
1	Atpadi	23,206	48,585	1,14,191	14,328	99,863	65,411	4,840	29,612	1,354
2	Kharsundi	18,466	30,228	96,569	12,599	83,970	55,890	5,417	22,663	1,340
3	Kundal	18,190	51,552	27,420	3,544	23,876	15,827	2,762	5,287	653
4	Gundal	9,859	41,607	53,148	3,003	50,145	43,817	1,057	5,271	278
5	Aundh.	14,147	30,831	24,690	3,095	21,595	20,410	893	292	447
	Total	83,868	2,02,803	3,16,018	36,569	2,79,449	2,01,355	14,969	63,125	4,072

Statement showing the Distribution of Land among the Families and Khatedars. [TABLE No. 3]

No.	Name of Taluka	Population	Families	Landless Families	Khatedar	Land									
						owning one acre or less Land	Khatedars owning 5 to 10 acres of Land	Khatedars owning 1 to 5 acres of Land	Khatedars owning 5 to 10 acres of Land	Khatedars owning 10 to 20 acres of Land	Khatedars owning 20 to 30 acres of Land	Khatedars owning 30 to 50 acres of Land	Khatedars owning more than 50 acres of Land		
1	Atpadi	23,206	4,778	926	5,971	522	1,180	1,185	1,431	735	532	386			
2	Kharsundi	18,466	4,819	675	4,484	357	1,009	948	981	536	405	248			
3	Kundal	18,190	3,917	626	4,909	921	1,377	867	508	265	132	39			
4	Gundal	9,859	2,211	587	2,292	72	367	513	550	334	214	242			
5	Aundh.	14,147	2,587	268	2,445	462	713	424	268	172	264	142			
	Total	83,868	18,412	3,082	19,301	2,334	4,646	3,937	3,738	2,042	1,547	1,057			

N. B.—Families owning Land are 15,330. The ratio of these to Khatedars is 1 Family = 1.25 Khatedars.

[TABLE No. 4

Animals.

No.	Name of Taluka	Horses & Ponies	Donkeys	Breeding Bulls	He-buffaloes	She-buffaloes	Cows	Bullocks	Goats	Sheep
1	Atpadi	189	75	12	52	592	2,454	4,205	7,024	26,312
2	Kharsundi	259	16	2	97	660	2,643	4,268	6,514	27,177
3	Kundal	50	40	2	73	1,484	1,147	2,713	2,603	3,969
4	Gundal	70	27	2	34	560	1,231	1,881	2,881	3,216
5	Aundh	58	25	1	32	998	1,214	1,798	1,905	3,042
	Total	626	183	19	288	4,294	8,689	14,865	20,927	63,716

[TABLE No. 5

Statement Showing the Production of Cloth from Handlooms.

No.	Name of Taluka	Hand-looms for cotton yarn	Production		Approximate value in Rupees	Hand-looms for Woollen Yarn	Output (Blankets)	Approximate value in Rupees	Hand-looms for Khaddar	Output of Khaddar in Yards
			Sarees	Dhoties						
1	Atpadi	105	10,566	2,155	1,31,250	40	10,000	1,00,000	11	16,750
2	Kharsundi	3	200	200	3,000	40	6,750	67,500	...	...
3	Kundal	141	1,000	700	11,800	12	360	1,500	19	2,200
4	Gundal	6	135	165	4,000	2	50	500	8	1,625
5	Aundh	4	192	...	2,000	...	...	...	...	...
	Total	259	12,093	3,220	1,52,050	94	17,160	1,69,500	38	20,575

Statement giving the details of Factories in Aundh State (as on 31-12-1946) [TABLE No. 6

No.	Name of the Factory	Paid-up share capital	Share-holders	Workers.			Labour Unions	Members of the Union	Owned privately	Nature of Industries
				Officials	Labourers	Total				
1	Kirloskar Bros., Ltd.	13,87,590	5,949	99	1,340	1,439	One union	842	—	Farm implements, Iron Furniture & other iron Materials.
2	Ogale Glass Works, Ltd.	10,00,000	3,771	8	1,276	1,284	Two unions	899	—	Glass.
3	Aundh Soap and Chemical Industries, Ltd.	90,180	222	9	94	103	No	—	—	Soap.
4	The Sugarcane Products & Industries, Ltd.	2,66,000	221	3	205	208	No	—	—	Sugar.
5	D. N. Mhaskar & Co.	1,12,000	—	5	63	68	One union	37	Private	Iron Welding, etc.
6	Sayanakar Bros., Ltd.	32,930	629	7	27	34	No	—	—	Wooden Furniture.
7	Handmade Paper Ltd.	2,68,450	160	—	—	—	—	—	—	Paper.
8	The Modern Industries, Limited	35,000	300	12	30	42	No	—	—	Iron articles.
9	S. K. Industries, Ltd.	50,000	—	—	—	—	—	—	Private	Confectionery.
10	Digvijay Mills.	50,000	—	5	25	30	—	—	Private	Textile.
	Total	32,92,150	11,252	148	3,060	3,208		1,778		

Statement of Inams and Jahagirs. [TABLE No. 7 (A)]

No.	Name of the village.	Inam area acreage.	Land Revenue of the area.	Amount credited to Govt. for Judi.	Net amount for Inamdars	Remarks.
1	Kautoli	2,694	Rs. 1,819	Rs. 710	Rs. 1,109	Deshapande Vatan Inam from Mogul Emperors.
2	Avalai	4,101	1,675	723	952	Personal Inam to the wife's brother granted in 1843 by Shrimant "Thotepant".
3	Umbergaon	2,445	820	145	675	Devasthan Inam to Pandharpur Vithal Rickmini in 1829.
4	Lingivare	3,883	1,360	261	1,099	Personal Inam for ablution and prayer, granted in 1766 by Bhagwantrao Pratinidhi.
	Miscellaneous Inams in Atpadi Taluka	7,754	6,162	1,559	4,603	
	Total Atpadi Taluka	20,877	11,836	3,398	8,438	
5	Banapuri	8,385	3,276	1,021	2,255	Deshamukha Vatan Inam from Mogul Emperors.
6	Tadavale	741	1,252	629	623	Personal Inam to the wife's brother in 1843 by Shrimant "Thotepant".
7	Karagani	15,955	10,070	2,801	7,269	For the private Expenditure of the Ruling Pratinidhi.
8	Gomewadi	4,591	2,360	331	2,029	Personal Inam in 1724 by Shripatrao Pratinidhi.
9	Hivathad	4,245	2,103	354	1,749	" " " 1752 by Jagajeevanrao "
10	Vibhutwadi	465	1,486	663	823	Personal Inam to the wife's brother in 1843 by Shrimant "Thotepant".
	Miscellaneous Inams in Kharsundi Taluka	3,696	1,606	404	1,202	
	Total Kharsundi Taluka...	38,078	22,153	6,203	15,950	

11	Sonakire	2,243	2,658	783	1,875	Personal Inam in 1768 by Shrimant "Thotepant".
	Miscellaneous Inams in Kundal Taluka	5,064	19,229	4,979	14,250	
	Total Kundal Taluka	7,307	21,887	5,762	16,125	
12	Saidapur	943	4,631	1,116	3,515	Inam to Brahmans of Karad in 1697 by Chatrapati Rajaram Maharaj.
	Miscellaneous Inams in Aundh Taluka	10,471	19,413	4,533	14,880	
	Total Aundh Taluka	11,414	24,044	5,649	18,395	
	Miscellaneous Inams in Gundal Taluka	14,831	17,320	7,370	9,950	
	Total for Aundh State	92,507	97,240	28,382	68,858	
	Jahagirdars					
13	Kotyal				3,479	The income of these four villages, after deducting the village expenses, is divided equally between the State & the Jahagirdar. These Jahagirs have their origin from Adilshahi of Bijapur. These were transferred to Aundh State when the British Government took over the Bagewadi Mahal of the Pratinidhis and gave in return Gundal Taluka. The transfer is of the revenue of Bagewadi Mahal and that of Gundal Taluka deducting the Jahagir amount.
14	Dhanargi				1,354	
15	Lohagaon				887	
16	Galgale				296	
	Total Jahagirdars				6,016	

Classification of Inams.

[TABLE NO. 7 (B)]

No.		Amount Rupees
1	Personal Inams	37,133
2	Paragane Vatandar *	10,474
3	Village Officers † (Govt.)	9,983
4	Devasthan Inam	8,613
5	Jahagirdar (Gundal Taluka)	6,016
6	Village Officers ‡ (Public)	1,833
7	Vatan Inam *	484
8	Rajakiya Saranjam §	333
	Total	74,874

* Deshapande, Deshamukha, Deshachaugule, Mutalik (Ajahat Deshamukha), etc.

† Patil, Kulkarni, Mahar, Ramoshi, etc.

‡ Joshi, Carpenter, Blacksmith, etc.

§ Damodar Gangadhar Gadgil, Bichud.

[TABLE NO. 8]

Suspended Nyayasabhas.

No.	Name of the Nyayasabha.	Date of Suspension.	Reasons for Suspension.	Date of Restoration.	Remarks.
1	Atpadi	No. 427 15-3-1941	The cases before the Nyayasabha were found to have been pending for a long time. There was no speedy disposal. For members of the Nyayasabha asked for leave or sanction of their resignations. The Panchayat was suspended by the Ministry.	No. 197 29-9-1941	The Panchas withdrew their resignations and gave an undertaking that they would not delay the disposal of cases.
2	Rajewadi	No. 309 23-1-1943		No. 391 10-4-1944	Fresh election of the Panchayat was held and the new Panchas asked for restoration of their powers. The Ministry & the Nyayadhish, Atpadi also recommended the restoration.
3	Karagani	No. 0 5-6-1941	The work of the Nyayasabha was not satisfactory.	No. 472 15-3-1946	Fresh election of the Panchayat was held and a demand for restoration of powers was made by the new Panchas.
4	Gomevadi	No. 431 16-2-1941	The Panchas could not give a satisfactory explanation regarding the allegations made against the Nyayasabha.	No. 452 15-3-1946	Fresh election of the Panchayat was held and the Panchas made a demand for the restoration of powers. The Minister and the Nyayadhish also recommended.
		No. 599 15-6-1941	Complaints were received that the work of the Nyayasabha was not satisfactory owing to the internal disputes among the Panchas.	No. 315 15-2-1944	Do.

Suspended Nyayasabhas—Contd.

No.	Name of the Nyayasabha.	Date of Suspension	Reasons for Suspension.	Date of Restoration.	Remarks.
5	Vibhutwadi ...	No. 189 27-10-1942	The working of the Nyayasabha was not satisfactory on account of the factions among the Panchas. In 1941 there were no sufficient candidates for the election and hence Panchayats in both these villages could not be established. Therefore the work of the Nyayasabhas was stayed.		Fresh election of the Panchayat was held and the Panchas made a demand for the restoration of powers. The Minister and the Nyayadhish also recommended.
6	Chinchale	No. 469		No. 316	
7	Jambhulni	8-12-1941		15-2-1944	
8	Manu ...	No. 188 27-10-1942	The work of the Nyayasabha proved to be unsatisfactory owing to private disputes among the Panchas.		The Panchas gave an undertaking that they would do the work of the Nyayasabha in an efficient manner.
9	Saidapur ...	No. 645 22-2-1942	One Piloo Bala Kapale died during Police investigation. The Panchas used their power under Sec. 174 of the Cr. P. Code in an irresponsible manner and allowed the dead body to be burnt without proper inquiry. The Panchas were involved in the commission of grave offences such as murder.	No. 164 14-11-1943	
10	Korti ...	No. 24-6-1944		.....	

SELF-GOVERNING AUNDH

Progress of Secondary Education.

[TABLE No. 10]

Year	Shri Yamai Shri Nivas High School—Aundh.						Shri Bhawani Vidyalaya —Atpadi					Pratinidhi Vidyalaya —Kundal				
	No. on Roll	Average attendance	Collection of Fees Rs.	Total Ex- penditure	Standards	No. on Roll	Average attendance	Fees Rs.	Total Ex- penditure	Standards	No. on Roll	Average attendance	Collection of Fees Rs.	Total Ex- penditure	Standards	
1936-37	233	203	1,311	6,116	Matric	86	72	63	2,458	I to IV	126	113	141	3,101	I to V	
1937-38	235	218	1,614	11,567	"	95	88	75	2,847	"	157	109	173	2,546	I to IV	
1938-39	251	235	1,797	10,450	"	98	83	58	2,351	"	150	121	150	2,387	"	
1939-40	226	211	2,724	9,655	"	64	56	92	2,647	I to V	169	130	164	2,636	"	
1940-41	223	208	3,624	.....	"	78	66	96	2,711	"	115	101	344	3,275	I to V	
1941-42	230	190	3,785	7,580	"	99	89	94	3,250	"	105	95	334	3,891	"	
1942-43	257	205	3,793	7,593	"	123	103	338	4,135	I to VI	123	99	356	4,417	I to VI	
1943-44	283	238	6,005	9,859	"	127	101	550	4,946	"	122	93	440	4,813	"	
1944-45	310	230	6,522	11,837	"	194	101	1,120	6,978	Matric	121	93	549	6,248	"	
1945-46	313	242	5,615	11,285	"	195	146	1,412	8,881	"	180	125	687	7,897	"	

Statement Showing the Progress

Serial No.	Name of Taluka	Population	1946		1946			1937		1938		1939	
			No. of Schools in 1946	No. of Teachers in 1946	Schools Teaching first three Standards	Schools Teaching first four Standards	Schools Teaching seven Standards	Number on Roll	Average daily Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance
1	Aundh	14,147	15	40	8	4	3	698	482	696	467	855	587
2	Atpadi	23,206	23	50	5	15	3	761	430	726	505	722	495
3	Kharsundi	18,466	19	36	10	5	4	715	401	644	400	665	393
4	Kundal	18,190	12	47	2	6	4	709	563	716	550	752	536
5	Gundal	9,859	16	28	10	4	2	678	481	721	453	598	385
Total ...		83,868	85	201	35	34	16	3,531	2,352	3,503	2,375	3,592	2,396

of Primary Education.

[TABLE No. 9

1940		1941		1942		1943		1944		1945		1946	
No. on Roll	Average Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance	No. on Roll	Average Attendance
986	694	1,034	756	1,080	853	1,081	901	1,184	892	1,240	846	1,181	840
1,317	868	1,403	1,039	1,433	1,177	1,512	1,069	1,251	940	1,363	997	1,380	993
920	624	1,037	662	1,008	647	1,004	660	1,019	637	925	658	982	703
1,021	735	1,248	919	1,374	1,096	1,269	1,041	1,191	914	1,245	943	1,282	915
875	529	959	601	889	638	890	626	877	586	876	566	988	634
5,119	3,450	5,681	3,977	5,784	4,411	5,756	4,297	5,522	3,969	5,649	4,010	5,813	4,085

Statement showing the details of Public Works constructed by the Panchayats either through Government help or through Public Contribution since 1939—40 to 1945—46. [TABLE No. 11]

Serial No.	Name of the Village	Particulars of the Public Works done.	State aid.	Public Contribution of the Villagers.	Remarks.
			Rs.	Rs.	
1	Atpadi	(1) Buildings of the Shri Bhavani High School —11 rooms	15,000	1,500	
2	Shetphale	(2) Atpadi Central Hospital—6 beds	8,000	2,000	
3	Madgule	(3) Atpadi Madgule Road—5 miles	950	—	
		(1) Building of the Primary School	5,500	—	The dam has been recently washed out.
		(1) Dam at Lengarewadi	500	400	
4	Bombewadi	(2) Talim at Lengarewadi	100	400	
5	Pimpri (Khurd)	(1) School building	200	250	Incomplete.
		(1) School building	175	325	
6	Kautali (Inam)	(2) Public well	500	—	
7	Vithalapur	(1) Public well	—	550	
8	Nimbavade	(1) School building (under construction)	3,500	—	
9	Galavewadi	(1) " " "	1,700	500	
10	Umbargaoon (Inam)	(1) " " "	170	500	
11	Lingivare (Inam)	(1) Maruti Temple	—	800	
12	Vibhutwadi (Inam)	(1) School building	110	500	
13	Pimpri (Budruk)	(1) Maruti Temple	150	300	
14	Gharaniki	(1) School building	450	—	
15	Valvan	(1) Public well	650	200	
		(1) Dam to the Nallah	700	300	The dam is wahsed out.
		(2) Maruti Temple	300	300	
16	Ghanand	(1) Two wells for Harijans and one for others	385	125	

				Through Panshi fair taxes.
17	Kharsundi	(1) Kharsundi Zare Road—10 miles and Kharsundi Nilkananji Road—5 miles	13,000	—
		(2) School building—7 Rooms	20,000	—
18	Banapuri	(3) Water arrangements for Harijans	75	—
19	Kapil	(1) Public well	450	300
		(1) Dharma Shala	1,300	3,700
		(2) Temple of Laxmi for Harijans	—	1,200
20	Kodoli	(3) Talim	200	700
		(1) School building	2,050	—
21	Dushere	(2) Office for Panchayat	370	—
		(1) Dushere Kodoli Road—2 miles	2,500	1,000
		(2) Takya for Harijans	1,000	200
22	Gondi	(3) Office for Gram Panchayat	300	—
		(1) Gondi to Shenoli Station Road—2 miles	3,500	1,100
23	Bichud	(2) Office for Panchayat	400	100
		(1) Sub-distributory to the Krishna Canal	2,900	—
		(2) Talim	550	700
24	Ramapur	(3) Station Road 1 mile	—	2,500
		(1) School building and Panchayat Office	1,875	75
25	Alsand	(2) Talim	700	—
		(1) School buildings	2,200	1,100
		(2) Talim	600	1,500
26	Kundal	(3) Reservoir for Kain water	1,300	1,300
		(1) Public well	5,000	—
		(2) Talim	300	300
27	Shirasgaon	(3) School building	1,500	—
		(1) School building	1,200	300
		(2) Maruti Temple	—	1,100
28	Aundh	(1) Repairs to the Old Tank	4,000	—
29	Pargaon	(1) Talim	300	400
		(2) Dip on the Nallah and approach road	800	1,100
30	Chikhalhol	(1) School building	650	500
31	Ghonashi	(1) Maruti Temple	1,100	500
32	Saidapur	(1) School building	700	—
		(2) Ferry Boat on the River	3,000	1,100

Serial No.	Name of the Village	Particulars of the Public Works done.	State aid.	Public Contribution or Manual help of the Villagers.	Remarks.
33	Viravade	(1) Dip on the Nallah	Rs. 600	Rs. 200	Washed out.
34	Gundal	(1) Well for Harijans	800	—	
35	Kengalgutti	(2) Public Lavatories	400	—	Out of Sugar and Grain profit.
		(1) School building	2,000	—	
36	Boblad	(2) Bore well	500	—	Out of Sugar and Grain profit.
		(3) Temple	—	300	
		(1) School building	2,000	—	
37	Shirbur	(2) Bore well	500	—	
		(1) Do.	500	—	
38	Kanabur	(2) School building	2,000	—	
		(1) Do.	500	—	
39	Hosur	(2) Bore well	500	—	
40	Jamagi	(1) Do.	500	—	
41	Galgale	(1) Do.	500	—	
		(2) Maruti Temple	—	600	
42	Hangargi	(1) Bore well	500	—	
43	Bolchikalgi	(1) Public well	200	—	
44	Nandyal	(1) Two Public wells	600	—	
		(2) School building	200	—	
45	Kotyal	(1) Basaweshwar Temple	—	1,200	
		(2) Bore wells (Two)	1,000	—	
46	Takalgi	(1) Well on Laman Tanda	1,000	—	Donated by Shrimant Rajasaheb.
47	Hubnur	(1) Well for Harijans	200	—	
		(2) Breeding Bull	—	250	

Statement Showing the Strength of Voting and the Number of Re-Elected Panchas [TABLE No. 13]

No.	Name of the Taluka	Number of Panchayats	Panchas who were elected continuously for three times	Panchas who were elected twice	Panchas who were elected only once.	Percentage of Polling	Sarpanchas who were in their seats for three times	Remarks.
1	Aundh	13	24	24	75	Not available	7	As per new Constitution Act the first election of all the Panchayats was held in 1939. Thereafter 1/3rd of the villages were selected for re-election and by the end of July 1945 every village Panchayat was elected thrice including the first election.
2	Kharsundi	16	23	39	98	25%	10	
3	Gundal	15	22	41	77	Not available	11	
4	Atpadi	15	20	38	89	45%	7	
5	Kundal	13	19	28	82	65%	6	
Total ...		72	108	170	421	—	41	

SELF-GOVERNING AUNDH

Statement showing the Particulars of Expenditure of the Sums Received
(As per accounts received)

No.	Name of the Taluka.	Education.		Public Health.			Justice.		Public Works Department.
		Salaries, dearness allowance &c.	Other Expenses.	Salaries, allowances &c.	Medicines.	Other Expenses.	Salaries & allowances &c.	Other Expenses.	
1	Atpadi ...	1,14,336	11,682	14,713	6,001	642	10,233	9,297	32,070
2	Kharsundi.	54,494	3,220	4,831	3,355	1,218	11,063	7,542	23,514
3	Gundal ...	55,187	3,615	8,315	4,106	1,282	7,647	3,681	14,064
4	Aundh ...	70,919	5,416	14,939	8,151	2,345	7,616	11,350	24,271
5	Kundal ...	...	...	The Committee could not lay their hands on the					
	Total ...	2,94,935	23,933	42,798	21,613	5,487	36,559	31,870	93,919

N.B.—(1) The Revenue and Police Departments were in the Central Government, before they were transferred to Taluka Samitis in the year 1943-44.

(2) The total net income of the State amounts to Rs. 32,00,000 for this period of 7 years; therefore the Taluka Samitis were entitled to Rs. 16,00,000 as per section 17 of the Aundh State Constitution Act.

by the Taluka Samitis during the last seven years (1939-40 to 1945-46)
from Taluka Samitis)

[TABLE NO. 12]

Devasthan & Dharmadaya.	Revenue.					Police.		Grand Total.
	Salaries, allowances etc.	Pensions.	Jail.	Paragane Watandars.	Other Expenses.	Salaries, allowances etc.	Other Expenses.	
4,346	19,797	7,355	6,899	6,165	4,068	13,192	1,903	2,62,699
2,769	14,893	1,004	2,025	...	4,589	10,043	2,710	1,47,270
3,410	16,314	5,642	350	4,419	4,457	10,497	1,639	1,44,625
8,175	12,136	1,300	...	4,228	3,888	9,114	1,141	1,84,989
Balance	Sheets & Accounts of Kundal Taluka.							
18,700	63,140	15,301	9,274	14,812	17,002	42,846	7,393	7,39,583

(3) 'Other Expenses' include Travelling Expenses, Dead Stock & Furniture, Printing, Stationery, Forms, etc. 'Other Expenses' of the Revenue Department include survey expenses as well.

Statement Showing the Expenditure on Account of Shrimant Rajasaheb and Huzur Devasthanans

[TABLE No. 14]
(In Rupees)

Particulars	1-7-1940 to 30-6-1941	1-7-1941 to 30-6-1942	1-7-1942 to 30-6-1943	1-7-1943 to 30-6-1944	1-7-1944 to 31-3-1945	1-4-1945 to 31-3-1946
Income of the State	3,20,000	3,28,000	3,62,000	6,23,000	3,95,000	8,24,000
Civil List	36,000	34,915	42,905 + 1,896	51,203 + 3,300	42,595 + 12,268	84,000
Darbar (Tours, Paga, etc.)	7,094	4,770	7,139	13,280	16,193	16,306
Shrimant Yuvaraj	9,704	2,009	7,283	7,548	15,653	12,424
Motor and other miscellaneous	—	—	1,924	4,793	6,651 × 24,765	8,471
Total	52,798	41,694	61,147	80,124	1,18,125	1,21,201
Devasthan*	15,000	18,636	15,444	17,974	13,834	21,650

+ Amounts debited to advance account and taken over.

× Expenditure incurred on account of the illness of Shrimant Rajasaheb.

* The amount is expended under the Supervision of Shrimant Rajasaheb.

Population & Land Revenue of Villages to be grouped together for Panchayats.

TABLE NO. 15

ATPADI TALUKA.			KHARSUNDI TALUKA		
Group	Population	Revenue	Group	Population	Revenue
1 Atpadi	7,626	16,280	1 Karagani	4,638	4,083
2 Shetphale	1,870	5,440	Gomewadi	1,430	621
3 Pimpri (Khurd)	966	1,560	2 Banapuri	1,163	1,434
Bombewadi	428	1,175	Tadavale	730	850
4 Madgule	1,224	3,816	3 Nelkaranji	2,040	4,870
5 Nimbavade	2,314	3,962	Hivatad	859	612
6 Digbanchi	3,760	6,950	4 Kharsundi	1,031	1,880
Umbergaon	435	240	5 Valvan	807	1,713
7 Rajewadi	663	1,700	Chinchale	410	1,331
Lingivare	509	430	6 Ghanand	753	1,490
8 Vithalapur	830	2,810	Kamath	315	1,072
Kautuli	799	930	Jambhulni	300	1,540
Sherewadi	116	150	7 Pimpri (Budruk)	762	2,036
9 Galavewadi	553	910	8 Gharaniki	929	2,454
Avalai	668	930	9 Zare	1,528	3,286
Palaskhel	445	1,080	Vibhutwadi	771	829
AUNDH TALUKA.			KUNDAL TALUKA		
1 Aundh	4,423	3,460	1 Kundal	4,769	12,500
2 Kinhi	1,987	5,810	2 Kodoli	1,718	6,670
3 Korti	993	3,307	3 Alsand	1,388	5,707
4 Pargaon	462	937	4 Kapil	1,350	4,946
5 Saidapur	1,265	2,475	5 Dushere	1,399	4,236
6 Padali	303	1,600	6 Manu	937	4,121
7 Viravade	493	3,500	7 Bichud	1,493	3,667
8 Ghonashi	419	1,600	8 Gondi	790	3,485
9 Chikhalhol	901	2,210	9 Ramapur	872	3,145
10 Vihapur	1,127	3,930	10 Sonkire	1,162	1,219
Belavade	426	1,654	Shirasgaon	870	1,794
GUNDAL TALUKA					
1 Kotyal	1,200	5,400	6 Gundal	1,064	1,830
2 Hangargi	987	3,760	7 Boblad	431	2,850
3 Shirbur	424	3,140	8 Takalagi	942	1,530
Kengalgutti	448	2,440	Hubnur	512	770
4 Kanbur	471	2,150	9 Dhanargi	763	2,518
Galgale	390	900	Lohagaon	882	2,310
5 Hosur	363	2,970	10 Bolchikalagi	439	1,380
Jamagi	282	1,750	Nandyal	260	1,250

Necessary Services

[TABLE NO. 16]

1. POLITICAL OFFICE

1 Political Secretary
1 Head clerk
1 Clerk
1 Havaldar
2 Peons
2 Staff Holders (Bhaldars)
1 Jamadar
1 Pharas
2 Bhois

2. AUDIT DEPARTMENT

1 Accountant and Auditor—General
1 Head clerk
1 Clerk
2 Peons

3. JUDICIAL DEPARTMENT

1 Sarnyayadhish
1 Registrar and Subjudge (Aundh Taluka)
1 Head clerk
1 Nazir
1 Record Keeper
1 Typist
1 Bailiff
3 Peons
1 Subjudge (Atpadi Taluka)
1 Nazir
1 Clerk
1 Bailiff
1 Peon
1 Subjudge (Kundal & Gundal Talukas).
1 Nazir
1 Clerk
2 Bailiffs
1 Peon

4. PRIME MINISTER'S OFFICE

1 Prime Minister
1 Secretary to Government
2 Under—Secretaries to Govt.
1 Head clerk
3 Clerks
1 Motor Driver
3 Peons
1 Motor Cleaner
1 Guest—House Manager
3 Servants (Guest House)

5. TAX COLLECTION DEPARTMENT

1 Officer for Income, Sales and Tobacco tax (Port Folios such as District Magistrate, Labour Commissioner, Registrar of Companies should be entrusted to this Officer)
2 Head clerks
1 Typist
2 Peons
1 Senior Inspector (all taxes) Factories and Aundh Taluka.
1 Clerk
1 Peon
3 Police Constables
1 Inspector (Atpadi and Kharsundi Talukas).
1 Clerk
1 Peon
3 Police Constables
1 Inspector, Kundal & Gundal Talukas.
1 Clerk
1 Peon
3 Police Constables

6. REVENUE & ACCOUNTS DEPARTMENT

1 Treasury Office, Collector and Registrar, Co-operative Societies
1 Deputy Accountant
1 Cashier
5 Clerks (Account)
1 Head clerk (Revenue)
1 Clerk (")
1 Clerk (Society)
3 Peons

7. SUB-TREASURIES

5 Aval Karkuns
5 Clerks
5 Peons

8. PROTECTION

1 Police Superintendent
1 Head clerk
2 Clerks
2 Orderlies
2 Sandni Swars for Tapal
1 Peon

45 Headquarter Police (including Officers)

5 Sub-Inspectors for Talukas
5 Head Constables, Class I (Jamadar)
5 Hawaldars
46 Taluka Police (Aundh 6, Atpadi 10, Kharsundi 10, Kundal 10, Gundal 10.)

9. JAIL & RECORD

1 Record Keeper and Jailor
2 Clerks
2 Peons
5 Jail Guards

10. EDUCATION

1 Pramukha Sanchalak
1 Head Clerk
2 Peons
2 Taluka Sanchalaks
2 Peons
1 Curator of Aundh Museum
1 Clerk " "
2 Peon " "
3 Gardeners " "
3 Police Guards for Museum
1 Librarian
1 Peon

11. PUBLIC WORKS' DEPARTMENT

1 State Engineer
1 Overseer
1 Mistri
1 Clerk
1 Peon

12. PUBLIC HEALTH

3 Doctors
3 Compounders
3 Dressers
3 Peons
2 Vaccinators
2 Peons
2 Veterinary Surgeons
2 Peons

13. SURVEY DEPARTMENT

1 Classer (Grade of a Mamlatdar)
2 Surveyors
1 Peon

14. PUBLICATION

1 Press Manager
1 Pressman
1 Compositor

15. TALUKA SAMITIS

5 Secretaries
5 Clerks
5 Surveyors
5 Peons
15 Ayurvedic Vaidyas
15 Peons
3 Road Clerks
13 Coolies for road repairs

16. GRAM PANCHAYATS

48 Secretaries
48 Police Constables
125 Primary Teachers
72 Village Officers (Patil & Kulkarni)
72 Village Guards (Ramoshi)
72 Village Peons (Tara or Mahar)

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SOCIAL SERVICES ADMINISTRATION (In the Madras District Municipalities)

By

V. VENKATA RAO, M.A., M.LITT.,
Politics Department, Madras University.

Introduction

Municipal councils have undertaken the responsibility of providing multiple services for the benefit of individuals.

What are these social services? It must be said at the very outset that there is no official definition of what constitutes public social services. Nor is there an agreement among experts as to which of them should be included in the list of social services and which of them should be excluded. Some say that all the services provided and financed by the municipal councils may be regarded as social services. While others say that social services are those whose object is "the enhancement of the personal welfare of individual citizens". If this definition is accepted, they do not include such services as Street Sweeping, Sanitation, Lighting and Town Planning. According to this view direct services rendered to the individuals are social services. They are also called constructive community services, for they are designed to construct and sustain the personality of every individual. They are, for instance, education, direct medical treatment, maternity services. This definition is, of course, very narrow and has been discredited with the widening of the conception of the functions of the State. We shall, therefore, adopt the former view according to which all services intended to enhance the social welfare of the individual citizens are social services. They include such services as sewage disposal, roads, water supply, education, preventive medicine and town planning. They are all social services in the real sense of the term because they are intended to increase not only individual but also social welfare.

These services may be classified into three groups. Firstly, the basic community services such as general sanitation, drainage, maintenance of roads and streets and water supply; secondly, remunerative services such as electricity, transport, etc.; finally, personal services such as education, hospitals and dispensaries.

The impact of the provision of these services is to benefit those persons whose incomes are low and insecure or who are stricken with extreme poverty and misfortune. Imagine for a moment the position of a labourer with insecure income starting on the unchartered seas of married life. It is beyond his means to provide his wife with all the maternity services when she becomes pregnant. But where social services are provided at public expense, he can get her examined at an ante-natal clinic free of cost; he can get her admitted in a maternity hospital for confinement; he can take the baby to a child welfare centre and secure for it good milk free of cost; he can take the baby to a hospital when it becomes sick; he can get it admitted in a school after attaining the age of five. This is a typical example and it shows how the less fortunate are benefited by the provision of social services, how their standard of life is thus raised substantially and how the social welfare of the community as a whole is increased.

The provision of social services is a product of the 20th century. Twenty-five years ago very few services such as water supply, medical relief and elementary education were provided in a perfunctory manner. However, the present-day tendency is to provide all such services which are likely to go for the 're-making of man'.

This part is divided into six chapters : education, public health, maternity and child welfare, control of communicable diseases, water supply and drainage, town planning and housing. In the preparation of this book a number of obligations were incurred. The writer desires to express his gratefulness to Sir R. M. Stathem, the Director of Public Instruction, Dr. R. M. Mathews, the Director of Public Health, Mr. K. Ramunni Menon, I.C.S., the Inspector of Municipal Councils and Mr. B. B. Shankara Rao the Examiner of Local Funds Accounts for permitting him to consult the records available in their respective offices. He is also indebted to Sri Santhana-krishnan, the District Educational Officer, Madras, and Dr. Rajeswari of the Maternity Hospital, for reading the chapters relating to their departments and making many useful suggestions; to Mr. J. P. L. Shenoi, I.C.S., Commissioner of the Madras Corporation for permitting the writer to visit the municipal institutions.

CHAPTER I

EDUCATION¹

Historical Background

The enactment of the Town Improvements Act, 1871, is an important land-mark in the history of education in the municipal areas.² It is true that the Act does not say definitely the kind of education which the municipal councils should provide nor does it say the amount that should be set apart for the purpose. Further, no special tax was levied as was done in the Local Board areas for the purpose. However, the Act contemplates the expenditure of money raised under its provisions for the diffusion of education.³ As a matter of fact the Act was introduced—it was so asserted in a paper laid before Parliament on 29-7-1870—to make better provision for the extension of education.⁴ Further, while relieving the councils from the payment of contribution towards the police charges, Government indicated that education should be the chief of the services that should take its place. And it appears that Government fixed 15 per cent of the total revenue as the minimum that should be spent on education. In practice, however, only 4 per cent was spent on education in 1882.

In 1882, there were only 621 schools in municipal areas either managed directly or subsidised by municipal funds and the total expenditure on education was only Rs. 1,36,912.⁵

The progress of elementary education upto 1882 was therefore poor. Lord Ripon's Government appointed the Indian Education Commission to go into the question. The first resolution of the Commission reads as follows : "While every branch of education might justly claim the fostering care of the State, it is desirable, in the present circumstances of the country, to declare elementary education of the masses, its provision, extension and improvement, to be that part of the educational system to which strenuous efforts of the State should now be directed in still larger measure than hitherto". Another resolution of the Commission stated that, "An

1. Municipalities are concerned mainly with elementary education and as such High School education occupies a secondary place. During the period under review only one Council, Salem, maintained a second-grade college.

2. To Sir Thomas Munro must go the credit for taking the initiative in the matter of education. He addressed a circular letter to all the district officers on 25-6-1822 to furnish him with particulars regarding the state of education in their respective districts. According to the figures furnished there were 12,498 schools with 1,88,650 pupils. See Arbuthnot—*Papers on Education*, 1855, p. 1 and Hartog—*Some Aspects of Indian Education*.

3. *Report of the Local Self-Government Committee*, 1883.

4. Sathianadan, *A History of Education in Madras*, 1894, p. 82.

5. *Report of the Local Self-Government Committee*, 1883.

attempt be made to secure the fullest possible provision for an expansion of primary education by legislation suited to the circumstances for each province.”⁶

The resolutions of the Commission did not produce the desired effect. The provision made for the education of the masses was so very inadequate and unsatisfactory that Gokhale, speaking about elementary education, during the budget session in the Imperial Legislative Council in 1906 said, “what is needed is a clear aim and a resolute pursuit of that aim in a feeling of faith and with enthusiasm for the cause. The first step is to make elementary education free in all schools throughout the country”.

To this proposal Sir Arundel replied : “The hope and aspiration of the Hon’ble Member for a universal and free primary education is one that must meet with wide sympathy and would be kept in view as a distant peak to be one day attained while the work of the present must be slow progress along the plains.”

Though Sir Arundel asked us to crawl along the plains for some time to come, the Government of India issued a circular to the Provincial Governments proposing the abolition of fees in all the elementary schools excepting in the primary department of the secondary schools and desired the Provincial Governments to communicate their views.⁷

The Government of Madras agreed with the suggestion of the Government of India and went to the extent of saying that the abolition of fees would result in the extension of elementary education.⁸

After reviewing the replies of the Provincial Governments the Government of India said : “The replies of the local governments have been considered . . . but no further action can be taken at present owing to want of funds”.⁹

This caused disappointment to Gokhale and his colleagues in the Imperial Legislative Council. For they were hoping that something positive would be done to make elementary education free. They built up their hopes on the remarks of Sir Edward Baker in the Financial Statement for the year 1907-08. Sir Edward said : “These figures do not include any provision for the cost of free primary education, which formed the subject of some discussion in the debates on the last financial statement. . . . The Secretary of State has agreed to make provision for additional amounts to meet the expenditure

as a consequence of the abolition of fees provided a suitable scheme is prepared.”¹⁰

Gokhale did not rest on his oars. He moved the following resolution in the Imperial Legislative Council : “This Council recommends that a beginning should be made in the direction of making education free and compulsory throughout the country and that a mixed commission of officials and non-officials should be appointed at an early date to frame definite proposals.” Speaking on the motion, Gokhale said that compulsion should, in the first instance, be limited to male children between the ages of 6 and 10 ; that free and compulsory education should be brought into existence within a period of 20 years ; that Government of India should bear 2/3rds of the total expenditure on education ; that compulsion should, in the first instance, be introduced in the urban areas with a population of one lakh and above ; that education should be a divided head so that the Central Government may have a greater control over local governments ; and that education should have a separate secretary.¹¹ The motion was opposed by the Government and it was withdrawn. Subsequently, Gokhale introduced the famous elementary education bill in the Imperial Legislative Council on the 16th March 1911 to make better provision for the extension of elementary education but the bill was defeated by 38 votes to 13.

These efforts of Gokhale did not go in vain. The Government of India was induced to take steps to extend elementary education and as a consequence they issued a resolution on the educational policy on 21-2-1913 wherein they stated : “For financial and administrative reasons of decisive weight the Government have refused to recognise the principle of compulsory education ; but they desire the widest possible extension of primary education on a voluntary basis. As regards free elementary education the time has not yet arrived when it is practicable to dispense wholly with fees.”

This was the position in 1920 when the Madras Elementary Education Act was enacted. The main provisions of the Act are it is obligatory that every municipal council should provide elementary education as far as its funds permit ; the councils may levy education tax with the sanction of the Provincial Government ; the councils may introduce compulsion with the previous sanction of the Provincial Government ; till 1938 there were District Educational Councils in each district consisting of non-officials and officials endowed with the responsibility for the extension of elementary education. The municipal councils in the respective districts were

6. *Indian Education Commission*, 1882, para 224.

7. Government of India, Home Department. Serial No. 33, p. 1.

8. Government of Madras, Home Department. No. 138D. 24-2-1908.

9. Answer by Sir Herbert Risley. I.L.C. Proceedings, 4-2-1910.

10. Government of India, Home Department. Serial No. 33, *op. cit.*, p. 337.

11. Speech of Mr. Gokhale, I.L.C.P., dated 18-3-1910.

represented in these District Educational Councils. Thus compulsion of a permissive nature was first introduced in 1920.

Compulsion : Administrative Measures to be taken

The administrative measures to be taken for the introduction of compulsion are the following : A council which desires to introduce compulsion within its area should first pass a resolution for the introduction of compulsion specifying the age group, sex and the area of residence of the children to be brought under compulsion. A copy of the resolution and a scheme for the enforcement of compulsion should be sent to Government in the Education and Public Health Department. The scheme should give particulars as to the number of elementary schools existing in the area in which compulsion is proposed to be introduced ; the number of teachers employed and the existing accommodation and equipment ; the present expenditure ; the number of children that will be brought under compulsion ; how many of them can be absorbed in the existing schools ; how many new schools should be started and the number of new teachers that should be employed ; whether the council proposes to exempt any person or class of persons from the operations of compulsion and if so what their number is. Finally, it should be shown how the scheme will be financed.¹²

The scheme is scrutinised by the Education Department and the Government may or may not sanction the scheme. If a scheme is sanctioned one of the first steps to be taken is the constitution of a committee for the area concerned. The committee consists of the Deputy Inspector of Schools of the circle as President and the Headmasters of the elementary schools as members. It may consist of such other members as may be nominated by the Director of Public Instruction.

The functions of the committee are to prepare a list of pupils of the school-going age that should attend the school ; to scrutinise the list of pupils who did not attend the schools ; to pay visits to the parents and guardians of children and persuade them to send their children to school ; to investigate into all cases of default and forward the defaulters' lists to the chairman of the council for necessary action.

Where compulsion is introduced, it is obligatory on the part of all parents and guardians to send their children of school-going age to the school unless they are specially exempted. They are also under an obligation to ensure the regular attendance of their children

at school till they complete their fifth standard. The school-going age has been fixed for the Muslim boys between 6 and 12 ; for the non-Muslim boys 5-11 ; for the non-Muslim girls between 5 and 10 and for the Muslim girls 6 and 11. If any parent or guardian fails to send a child to the school or keeps the child away from school for more than 15 days in a quarter, he may be punished with a fine. But the parents are not under an obligation to send their children to school where attendance at religious instruction in a faith other than that to which the child belongs is compulsory ; or the child is prevented by sickness or infirmity or such other reasonable cause or if the child is receiving instruction in some other satisfactory manner.

The agency to enforce compulsion is the chairman of the council. He is empowered to impose penalties on those who fail to send their children to school. However, before imposing a penalty, due process should be observed. That is, the person concerned should be served with a notice to show cause why a penalty should not be imposed. The reply of the parent should be sent to the Deputy Inspector of Schools for investigation and the imposition of fine depends on his recommendation.

Secondary Education

So far as secondary education is concerned the councils are not under an obligation to provide it. This does not mean that the councils are not competent to manage secondary schools. On the other hand a number of municipal councils are maintaining secondary schools. However, as we had already noticed, the chief concern of the councils is the elementary education.

Administrative Agency

We now come to the agency or agencies created for the administration of secondary and elementary education in the municipal areas. It is said that this responsibility is shared by three agencies, viz.: the executive authority representing the council, Advisory Bodies and the Inspecting authorities of the Provincial Government. However, the ultimate responsibility rests with the councils and their executive authorities. It is they that provide funds, construct buildings, appoint teachers and punish them if anything goes wrong. The executive authority is the manager of all the municipal schools. But it must also be said that the role of municipal councils in the field of education is a minor one. For, as we shall see later on, it is the Provincial Government and its agents that exercise effective control over educational administration. The councils are bound to

12. Memo. No. 2021. L.M. 24-9-1922.

give effect to the orders issued by the Director of Public Instruction and his subordinates. This point must be kept in mind while dealing with educational administration in the municipal areas.

Next to the councils, we have advisory bodies. There was an advisory body in each district known as the District Secondary Education Board. The Board consisted of the President of the District Board and the representatives of other local authorities that maintained secondary schools. The functions of these boards were purely advisory and they were consulted on all matters concerning secondary education. In practice, however, these boards were generally inactive and indifferent. The members of these boards took no interest in educational matters and secondary education would not have suffered, had these boards not existed.

Besides these secondary education boards, there were District Educational Councils in each district till 1939. They were the statutory bodies created for the purpose of expansion of elementary education. The councils consisted of representatives of all the local authorities which maintained elementary schools. Their functions were the preparation of schemes for the expansion of elementary education; recognition of schools or classes opened. Experience, however, showed that these bodies did not work as satisfactorily as they were expected to. They were generally filled mostly by interested people and partisans. Further, the arrangement was dyarchical in nature. The District Educational Councils were held responsible for the preparation of schemes but the enforcement of the schemes was vested in the municipal councils. When the councils failed to enforce the schemes they had no power to enforce them. Therefore, they miserably failed to expand elementary education for which purpose they were created. They were, therefore, abolished in 1939. In their place Taluq Advisory Committees were constituted for each Taluq. The Taluq Advisory Committees consisted of the Members of the Madras Legislative Assembly and Council residing within the taluq, the President of the District Board or the Vice-President of the District Board whoever resided within the taluq; the Senior Deputy Inspector of Schools, the Sub-Assistant Inspectress of Schools, the Tahsildar of the taluq and eight others nominated by the Collector of the district. The Chairman of the committee was appointed by the Collector of the district. The Deputy Inspector was the secretary of the committee. The functions of the committee were to bring to the notice of the authorities concerned irregularities, if any, in the working of schools, the grant of recognition to them and the allotment of grants to them. In short, the functions were purely advisory.

Accommodation and Equipment

All schools must properly be housed. Every school building should be spacious enough for children to move about. It should be well ventilated, and evenly lighted. Further, there should be enough space for purposes of playgrounds and gardening. In selecting sites for the construction of school buildings it must be remembered that they are not in low level, that they are not in the neighbourhood of high trees and houses, or that they are of made-up soil, or moist throughout the year. Nor should they be near the channels, tanks, lakes, noisy roads, shops, or factories. The design of the building should be according to the type design prepared and issued by the Sanitary Engineer to Government. As regards the amount of space that should be provided for each child it should be as follows: For elementary schools $9\frac{1}{2}$ square feet of space per pupil in average attendance and in secondary schools 11 square feet of space per pupil. The windows must be situated in such a position that light and air are admitted without any difficulty. Each class should have an independent entrance and no class-room should serve as a passage to another room. The minimum height of the rooms should be at least 12 feet in the case of secondary schools and 10 feet in the case of elementary schools if the building happens to be a tiled one and in the case of terraced buildings it should be 12 and 14 feet respectively. The dimensions of each room should be 24×25 feet. Adequate number of latrines and urinals should be provided at a respectable distance from the school building.

Near the entrance inside every elementary school a board giving the following statistical particulars should be placed: the name of the manager; the standards recognised; the number of teachers; the number of pupils on rolls; the number of school places and the hours of work.

Admission of Pupils

The admission of pupils in the elementary schools should ordinarily be made twice in a year, first at the commencement of the school year and again for a second time after the Dasara or Christmas or Pongal holidays according to the custom in the area. Whenever admissions are to be made at other times the permission of the Deputy Inspector of Schools or the Sub-Assistant Inspectress of Schools as the case may be should be obtained. Pupils below five years should not be admitted. Before admitting any child he should be examined and admitted in the class for which he is fit.

As regards admissions in the secondary schools the Head Master is vested with the power either to admit or refuse admission. The

council or the executive authority have no power to interfere with the powers vested in the Head Master. The Head Master may admit any student from an elementary school or private study after examination in any class not above III Form. As regards students who are holders of a transfer certificate no examination is held. They should be admitted into the class or form to which the certificate entitles them. Admissions are generally made only once at the beginning of the year.

Medical Inspection

The scheme for the medical inspection of pupils was first introduced in 1920 but was kept in abeyance till 1925. In 1925, Government came forward offering grants to the municipal councils for the medical inspection of boys in all secondary schools.¹³ But it was found that many of the councils did not take advantage of the voluntary system. Therefore, in 1926, Government ordered the introduction of compulsory system of medical examination in all the secondary schools for boys.¹⁴ As regards girls, it was left to the discretion of the municipal councils. In 1928, Government ordered the medical inspection of all boys studying in all elementary schools in areas where compulsion was introduced.¹⁵

Medical inspection was conducted by registered medical practitioners with an L.M.S. or M.B.B.S. degree. The medical officer was appointed by the executive officer.¹⁶

However, it was found in 1932, that the system of medical inspection of pupils did not produce results of sufficient value to justify its continuance. Therefore, it was discontinued in 1932 and since that date we are not having compulsory medical inspection of pupils in elementary schools. But some of the councils continued the system, meeting the cost partly by special fees and partly from the general funds.

Fees

As regards the levy of fees in elementary schools it is permissible. But in practice, fees are not levied in a great majority of the elementary schools under the management of the councils. Where, however, fees are levied, the management is permitted to exempt poor girls from the payment of fees and the loss is made good by a grant from the Provincial Government. In 1936-37, fees were

13. G.O. No. 641. Law. 29-4-1925.
14. G.O. No. 655. Law. 19-4-1926.
15. G.O. No. 289. Law. 15-2-1929.
16. G.O. No. 16. Law. 16-6-1928.

collected in some of the schools under the management of the following councils : Vaniyambadi, Chidambaram, Villupuram, Saidapet, Coimbatore, Ongole, Udipi, Periyakulam, Cochin and Karur. In Madura, fee was collected from pupils studying in the weaving classes. The total amount of fee thus collected was only Rs. 3,249 in all the 80 councils in that year.¹⁷

But fees are charged in all the secondary schools. The rates at which they should be levied are laid down in the Madras Educational Rules. The Municipal councils are prohibited from levying fees in excess of the rates prescribed in the rules. However, certain classes of persons are permitted to pay only half the fee charged and some are exempted from the payment of even that half. For instance, boys belonging to the depressed classes and communities which have been declared to be backward are eligible to the half fee concession,¹⁸ and if the councils desire to exempt them from the payment of even that half they may do so provided the amount thus foregone is made good from the general funds.¹⁹ Similarly, half fee concession is extended to girls of all communities, and to all pupils belonging to the Muslim community and Oriyas.²⁰

Secondly, the councils are permitted to remit the whole or part of the fees from the poor pupils provided such remission does not exceed 10 per cent of the total fees realised during the previous year.²¹

Thirdly, no school fees should be collected from the children of Women teachers in Government employ or municipal employ or local board employ or in the pensionable establishment of Government, provided the monthly pay of such teachers is not more than Rs. 75 per month if they are widows and Rs. 50 in the case of others.²²

Fourthly, girls reading in the middle school classes are exempt from the payment of fees.²³ Half fee concession is extended to all girls in Form IV to VI.

Lastly, fee concessions are also extended to children, brothers and sisters who are solely dependent on persons who are in active military service.²⁴

These concessions are, however, subject to certain limitations. Firstly, they shall not be available to children who study in the

17. G.O. No. 1991. L.M. 30-5-1938.
18. M.E.R. 92. 1942 Edition.
19. G.O. No. 1778. L.M. 11-3-1934.
20. G.O. No. 1506. Law. 1-8-1927.
21. G.O. No. 1779. L.M. 11-3-1934.
22. G.O. No. 4785. L.M. 1-12-1932.
23. G.O. No. 1047. L.M. 13-5-1929.
24. G.O. No. 198. Law. 5-2-1923.

same class for more than one year; secondly, the annual income of the parent should not exceed Rs. 600 per annum; lastly, a certificate of poverty signed by an officer not below the rank of a Deputy Tahsildar should be produced.²⁶

Checks and Limitations

Though the responsibility for the efficient administration of the municipal schools is vested in the council and the executive authority, it is, however, subject to several limitations of far-reaching nature.

Firstly, the permission of the Director of Public Instruction should be secured for opening new secondary schools and additional forms in the secondary schools²⁷ and that of the District Educational Officers for opening new elementary schools.²⁸ The application for permission should be accompanied by a statement containing particulars regarding accommodation and equipment that will be provided and they should reach the Director on or before the prescribed date.²⁹ The authority may or may not give permission. If permission is refused there is no right of appeal and the council must drop the proposal.

As soon as a school is opened the executive authority should apply for the recognition of the school. The application for recognition should be sent to the District Educational Officer if it is related to elementary schools and to the Director of Public Instruction if it is related to secondary schools. But before 1938, the District Educational Councils were vested with the power of granting recognition to elementary schools. The application for recognition should be accompanied by a report furnishing such particulars as accommodation, equipment and personnel and the registers maintained.³¹ Recognition may be refused on several grounds. Recognition of an elementary school may be refused, for instance, on the ground that the number of girls on the rolls is not one-half of the total strength; that the teachers are untrained; that unfit teachers have been employed; that the building is not suitable; that the equipment is not adequate; that the text books are not those approved by the Text Book Committee; that the pupils belonging to the backward communities have been refused admission; or that a number of children unprotected from small-pox have been admitted. If the defects are of a minor nature,

26. G.O. No. 47. Law. 6-1-1934.

27. G.O. No. 580. Law. 12-4-1927. District Educational Officer includes the Inspectress of Schools.

28. G.O. No. 862. Law. 7-3-1927.

30. G.O. No. 1884. L.M. 9-5-1930.

31. G.O. No. 1864. Edn. 14-9-1928.

temporary recognition for one or two years may be granted on condition that the defects should be rectified before the expiry of temporary recognition and permanent recognition applied for.

Recognition of secondary schools may be refused on the ground that the school has not been organised on approved lines; or that the financial stability of the school is not sound; that the school is an uneconomical one; that the educational needs of the locality have already been served; that the staff is wholly unsuitable; if no recognition is given the school or classes as the case may be should be closed.

Thirdly, recognition once given may be withdrawn for similar reasons,³² or on the ground that the school has been transferred to another locality without the permission of the educational authorities,³³ that the school building and the school masters are being utilised to encourage "agitation directed against the authority of Government or to inculcate opinions tending to excite feelings of political disloyalty or disaffection". Further, recognition may be withdrawn temporarily so as to force the management to rectify certain defects and it may be restored after the defects pointed out have been rectified and a certificate to that effect is submitted by the District Educational Officer to the Director.

Fourthly, the permission of the Director of Public Instruction should be secured before closing down a school or form or before transferring the management of a school to another local authority or private body.³⁴

Fifthly, the text books to be used in all the schools should be those that have been approved by the Text Book Committee.³⁵ Further, whenever text books have to be changed within a period of two years after their introduction, the District Educational Officer or the Inspectress of Schools as the case may be should be consulted;³⁶ and the number of books that should be used in standards 3 to 5 should be settled in consultation with the inspecting officer concerned.³⁷

Sixthly, the instruction to be given and the syllabuses to be followed should be those that have been laid down by the Director of Public Instruction³⁸ upto Form III and those laid down by the S.S.L.C. Board for Forms IV to VI.

32. G.O. No. 1446. Law. 16-7-1935.

33. G.O. No. 1202. Law. 22-8-1932.

34. G.O. No. 4757. L.M. 1-12-1928.

35. G.O. No. 220. Law. 4-2-1936.

36. G.O. No. 2708. Edn. 18-12-1928.

37. G.O. No. 1212. Edn. 6-6-1936.

38. G.O. No. 1943. L.M. 5-10-1921.

Seventhly, the sanction of the District Educational Officer should be secured to substitute local holidays for those named in the approved list of holidays.

Eighthly, the management should equip the institution with such furniture, apparatus and appliances declared to be necessary by the inspecting authority for the proper working of the school.

Ninthly, the fees to be levied should be at such rates as may be considered reasonable by the Director of Public Instruction.

Tenthly, the sanction of the District Educational Officer should be secured for admitting more than 40 pupils in a class in secondary schools; or for giving double promotions (which are permitted only below Form III); or to adopt a language other than the vernacular as the medium of instruction or to add, to reduce the teaching staff of a school.³⁹

Eleventhly, the municipal schools should not be used as a means of fostering any one religion at the expense of others. The councils should maintain strict neutrality in religious matters.

The appointment of Headmasters of secondary schools should be from the panel prepared by the Divisional Inspector of Schools.

No male teacher should be appointed to girls' schools without the permission of the Inspectress of Schools.⁴⁰

The Director of Public Instruction may on report by the District Educational Officer cancel the certificate of a teacher and the executive authority should remove the teacher from service forthwith.

The approval of the Director of Public Instruction should be secured as to the scheme under which scholarships under the ten per cent scheme should be awarded.

Finally, the municipal councils should allow the supervising agency of the Provincial Government to inspect their schools. Before 1922, the supervising agency consisted of the Director of Public Instruction and the Circle Inspectors of Schools in charge of two or more districts. The Circle Inspectors were assisted by the Assistant Inspectors, Sub-Assistant Inspectors and Supervisors. For the inspection of girls' schools there were Inspectresses of Schools in charge of two or more districts. They were assisted by Assistant Inspectresses and Sub-Assistant Inspectresses of Schools. But it was found that the inspection machinery for boys' schools was unequal to the task. The Circle Inspectors of Schools had no time to study the

administrative problems and consequently the inspection of schools was not efficient. The Director, therefore, proposed that an Inspector should be appointed for each district. The Government accepted the suggestion and in 1922 the inspecting staff was reorganised.⁴¹ The Circle Inspectors and the District Assistant Inspectors were replaced by the District Educational Officers for each district and the Sub-Assistant Inspectors and Supervisors were replaced by a single class of officers designated as Deputy Inspectors of Schools.⁴² In 1925 a new class of Deputy Inspectors were brought into existence known as the Junior Deputy Inspectors of Schools.

However, the supervising machinery was again found to be inadequate to cope with the work resulting as a consequence of the extension of elementary education. There was no officer between the District Educational Officer and the Director of Public Instruction. The District Educational Officers could not bestow much attention on elementary education for which purpose they were primarily brought into existence nor were they able to handle local difficulties satisfactorily. The Hartog Committee, therefore, recommended the appointment of an Inspector of Elementary Schools with headquarters at Madras and three Divisional Inspectors each in charge of 8 or 9 districts.⁴³ The recommendations of the Committee were accepted by Government and the Divisional Inspectors of Schools were appointed in 1937. The inspecting agency is organised at present as follows :—(see next page)

All the secondary schools should be inspected by the District Educational Officer assisted by Deputy Inspectors, and all the elementary schools by the respective Senior or Junior Deputy Inspectors of Schools, annually. In addition to the annual inspection the Deputy Inspector should pay 'improvement and surprise visits'. They are intended to note the extent of attention which is being paid to the suggestions made in the annual inspection notes and to check the regular and normal working of the schools. The officer concerned does not intimate in advance the date of his visit to the authorities.

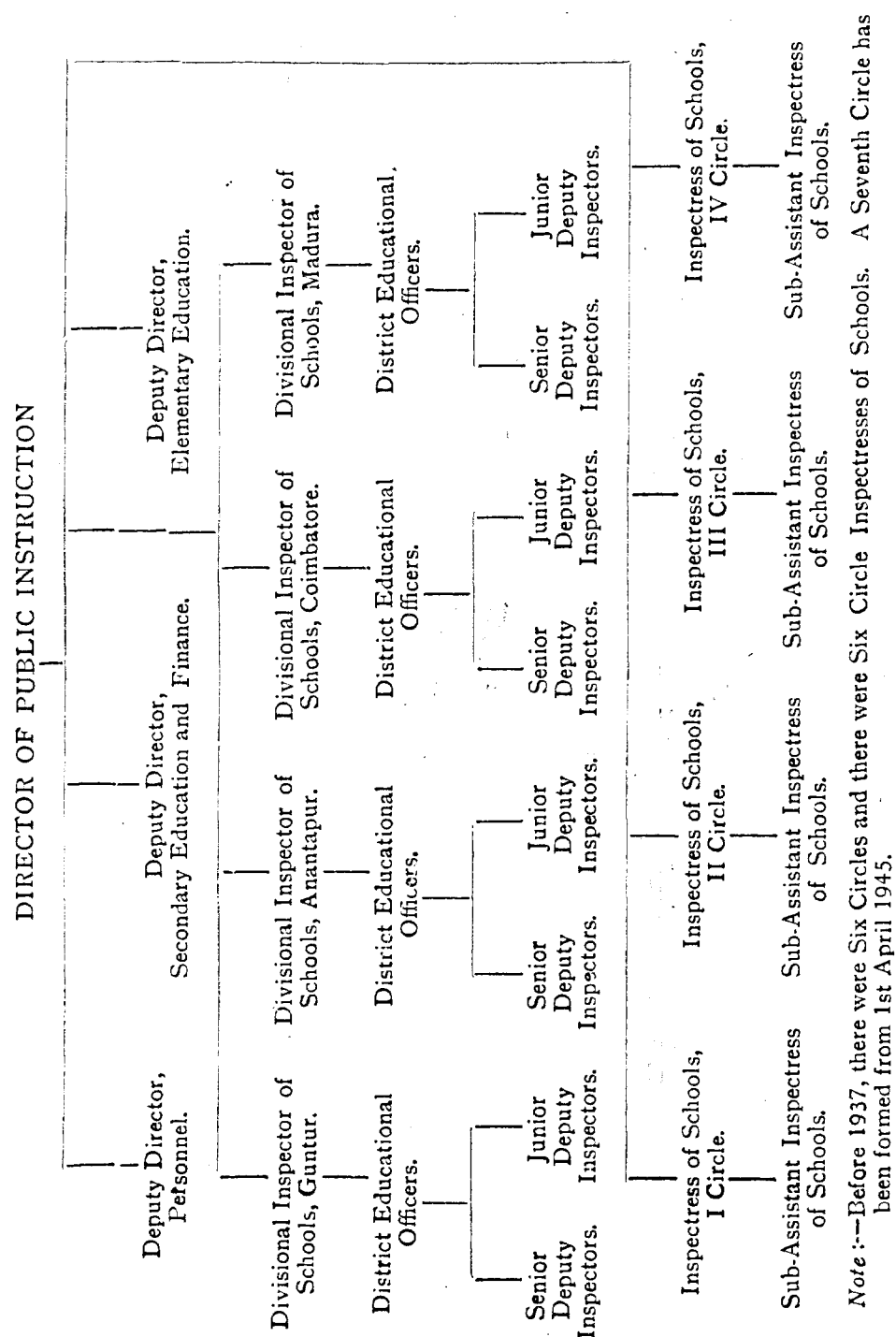
The annual inspection is intended to be a comprehensive one. The inspecting officer should see that grants given for educational purposes are not diverted for purposes other than those for which they are given. While inspecting schools he should see whether all the conditions essential for the proper working of the schools such as buildings, apparatus, staff, sanitation, library, and provision for physical education are adequately satisfied. Further, he should also watch the teachers and pupils when they are at work. After inspec-

39. G.O. No. 4785. L.M. 1-12-1932.

40. G.O. No. 251. Edn. 5-2-1937.

41. *Annual Report of the D.P.I., 1922-23*, p. 9.

42. *Hartog Committee Report*, p. 302.



tion is over, the inspecting officer should hold a conference with the staff and discuss with them the defects noticed during the inspection. But this—the conference with the staff—is more common in the case of secondary schools than in the case of elementary schools, where with a staff of three or more teachers the suggestions are made in the course of inspection itself. The results of inspection should be classified under three heads: chief defects noticed during inspection, definite suggestions for remedying these defects and general opinion on the work of the school. The District Educational Officer should send a copy of the inspection notes relating to secondary schools to the Divisional Inspector of Schools and the Deputy Inspector of Schools relating to elementary schools to the District Educational Officer. These Officers review the inspection notes and forward a copy of the notes together with their remarks to the executive officer of the municipal council concerned. While communicating their remarks the executive officer may be asked to rectify the defects within a definite period. If the executive officer fails to do so the matter may be taken to the notice of the Director of Public Instruction for necessary action.

From the facts mentioned above it is evident that the municipal councils play a minor role in the field of educational administration.

Progress of Education : A Critical Review

We have so far seen some of the salient features of educational administration. Let us now note critically the progress made during the period under review. There was no doubt of the enormous increase in expenditure. The total expenditure on education by the municipal councils was as follows:—

Year	Total Expenditure both Ordinary & Capital	Total Grant received	Percentage of Col. 3 to Col. 2
1921-22	15,78,286	3,54,099	22.43
1926-27	29,33,590	10,06,499	34.2
1931-32	40,31,690	13,21,744	32.53
1936-37	39,81,611	14,98,695	37.66

The expenditure on the various institutions, both ordinary and capital, was as follows: ⁴⁵

45. The figures given in the Annual Reports of the D.P.I. and those given in the Administration Reports—General Review, Madras District Municipalities, do not agree at times. The figures are taken from the D.P.I. Reports. See the Quinquennial Reports of the D.P.I.

- (1) 1916-17 to 1921-22.
- (2) 1921-22 to 1926-27.
- (3) 1926-27 to 1931-32.
- (4) 1931-32 to 1936-37.

Year	Colleges	High Schools	Middle Schools	Elementary Schools	Special Schools
1921-22	14,589	5,40,443	27,566	9,84,430	1,766
1926-27	16,884	8,40,129	64,514	19,68,806	21,272
1931-32	83,411	9,59,158	1,08,444	28,19,950	42,751
1936-37	21,651	9,73,178	79,406	27,33,169	14,747

The figures given above show that the expenditure increased from 15.78 lakhs in 1920-21 to 39.81 lakhs in 1936-37. That is, there is an increase of Rs. 24.03 lakhs. Of this amount 19.01 lakhs was consumed by elementary education alone. The expenditure on elementary education in 1921-22 was only 9.84 lakhs; but it shot up to 28.85 lakhs in 1936-37. Similarly, the expenditure on secondary education increased by cent per cent. Further, the contribution from the Provincial Government also increased from 22.43 per cent of the total expenditure in 1921-22 to 37.66 per cent in 1936-37. It is, therefore, evident that from the financial aspect there has been enormous increase in educational expenditure during the period of dyarchy.

The increase in the number of institutions was as follows:—

Year	Colleges	High Schools		Middle Schools		Elementary Schools	
		Boys	Girls	Boys	Girls	Boys	Girls
1921-22	1	28	Nil	7	1	848	214
1926-27	1	40	„	10	2	1,130	367
1931-32	1	39	„	11	2	1,160	449
1936-37	1	40	„	11	2	989	428

The number of scholars studying in these institutions was as follows:—

Year	Colleges	High Schools		Middle Schools		Elementary Schools	
		Boys	Girls	Boys	Girls	Boys	Girls
1921-22	53	12,036	...	...	146	61,807	13,753
1926-27	86	16,739	...	1,342	325	98,169	36,036
1931-32	105	19,486	...	2,013	463	1,22,148	51,100
1936-37	111	20,287	...	2,186	554	1,36,066	57,786

As regards compulsory education it was introduced in 27 municipal areas during the period and the percentage of children who were unprovided during the period was as follows ⁴⁶:—

Year	Percentage of children of school age unprovided to the estimated number of children of school age.	
	Boys	Girls
1921-22	49	57.4
1926-27	24.5	58.5
1931-32	19.2	49.0
1936-37	20.5	47.7

From the figures given above one thing which strikes us is the continuous and almost unchecked progress made when compared with the years previous to the dyarchical era. The main cause for this enormous expansion were the economic conditions of the people as well as those of the province improved during the years after the First Great War.⁴⁷ An almost childlike faith in the value of education was implanted in the minds of people; parents were quite ready to make any sacrifice for the education of their children; backward communities began to demand educational facilities for the obliteration of illiteracy; enlightened women began to storm the citadels of prejudice against female education. The Gandhian movement resulting in the growth of nationalism and development of patriotism ulti-

46. *Administration Reports—General Review—1920-1937.*

47. There was no doubt economic depression of unprecedented magnitude in 1929-31 but the educational expenditure was not greatly affected.

mately led people into thinking that political and economic subjection was due to illiteracy. Above all, the portfolio of Education was entrusted to the control of ministers responsible to the legislature. The ministers were questioned on the floor of the House on matters of education.⁴⁸ Further, some of the ministers held the portfolio of education for a fairly long time and therefore they were able to do something for the progress of education. The following persons held the portfolio for the following period:—

Rao Bahadur Sir A. P. Patro—1921-1926.

Dr. P. Subbaroyan—1926-1930.

Dewan Bahadur S. Kumaraswamy Reddiar—1930-1936.

Kumararaja M. A. Muthiah Chettiar—1936-1937.

However, a careful study of the facts show that the educational administration was not as efficient as it should have been. Firstly, the progress of education was lopsided. That is, the number of institutions provided for girls' education and the percentage of girls brought under instruction was nowhere near to that of boys. The table given below illustrates the point:⁴⁹

Name of the municipal council	Number of schools provided		Number of children of school-going age—12% of the population		Number of children per school	
	Boys	Girls	Boys	Girls	Boys	Girls
Rajahmundry	74	16	4,011	4,055	54	252
Guntur	56	20	3,914	3,648	70	182
Kumbakonam	39	9	4,440	4,650	114	517
Walajapet	7	2	750	754	107	377
Calicut	50	12	6,375	5,970	127	500
Coimbatore	56	17	4,960	4,860	88	297

From the figures given above it is evident that inadequate provision was made for the education of girls. In Kumbakonam, for instance, one school was provided for every 114 boys of the school-going age; but for girls, one school was provided for every 517 girls. In Guntur, again, there were 7,562 children of the school-going age;

48. Hartog Committee Report, p. 30.

49. *The Report of the Development of Women's Education in the Madras Presidency* by Merrill Statham.

and there were 76 schools. That is, one school for every 100 children of the school-going age. But one school was provided for every 70 boys and another school for every 182 girls. In Rajahmundry, there were 90 schools and the number of children of the school-going age was 8,066. That is, one school for every 90 children. But in fact one school was provided for every 54 boys and another school for every 252 girls. Thus the education of girls did not receive equal attention of the authorities. So far about the provision of elementary education for girls. As regards secondary education, the position was much worse. The number of High Schools provided for girls was nil and the number of middle schools was only two.

Many factors contributed to this lopsided development of education. Firstly, it was due to the absence of utilitarian motive which influences the parents in sending their boys to schools. Therefore, girls were not sent to schools and even when they were sent they were not allowed to stay on in the school if their education interfered with their marriage. Thus the conservative attitude of the parents more or less influenced the municipal councils not to extend facilities for the education of the girls and in some councils, where compulsion was introduced, girls were exempted from the operation of the compulsory measures. Secondly, early marriage interfered with the education of girls, especially with secondary school education. Thirdly, the observance of purdah system was like a Chinese wall against the effective expansion of women's education. Finally, the appointment of men teachers in girl schools was a deterrent to parents sending their daughters to such schools. It should be said that there was no necessity for the employment of men teachers when trained women teachers were available. Women teachers alone are capable of understanding the difficulties of their sex better. They alone can move with them on intimate terms and can inspire them in many ways not open to men. The authorities do not seem to have realised these facts and appointed male teachers in preference to women teachers.

However, most of the obstacles mentioned above are fast disappearing. At present no male teacher can be employed in a girls' school without the permission of the inspecting authority and most of the male teachers have been replaced by lady teachers. The Sarda Act has prohibited early marriage and the purdah system also is on its decline. The education of girls is assuming increasing importance because educated man wants to have an educated woman as life partner and an educated girl has a greater chance of securing a life partner on easy terms than an uneducated one. Further, the social and economic conditions which operate as obstacles against girls' education in rural areas are to a great extent absent in the municipal

areas.⁵⁰ The only obstacle which we still notice is the indifference of the municipal authorities and we still notice inadequate provision for the education of girls.

Secondly, compulsion was not introduced in all the municipal areas though it is a well-established truth that the goal of universal education cannot be reached without the introduction of compulsion.⁵¹ The reasons are obvious. The introduction of compulsion spells taxation. Additional taxation means criticism of the tax-payers which may ultimately lead the councillors responsible for the imposition of tax to their political graveyard. Therefore, the councils were not enthusiastic about the introduction of compulsion. It should, however, be remembered that conditions were more favourable for the introduction of compulsion in the municipal areas. "With a settled and cohesive population, with large financial resources and with comparatively efficient schools, municipalities are in a better position to apply compulsion than in rural areas, in which villages and population are scattered, the financial resources small and the schools mostly unsuitable".⁵² In spite of these favourable conditions compulsion was introduced in 27 municipal areas only.

But the peculiarity which we notice even in the areas where compulsion was introduced is this. Certain classes of persons were exempted from the effects of compulsion. For instance, Muslims, Adi-Dravidas and girls were exempted in most of the municipal areas like Erode, Nellore, Trichinopoly and Ellore. In some areas compulsion was extended to non-Muslim girls but not to Muslim girls. But the most noticeable feature was compulsion was not strictly enforced and there was laxity in the imposition of fines on the parents who defaulted in sending their children to school or withdrew them prematurely. Though compulsion was effective in bringing children to schools it was not effective in retaining them. "Compulsion in practice had done little to spread literacy of an effective and enduring kind".

Thirdly, the quantitative expansion of mass education did not result in the proportionate increase of literacy. That is, though large numbers of children were brought under instruction it did not produce adequate number of literates. There has been enormous wastage and stagnation. "By wastage we mean the premature withdrawal of children from schools before the completion of the primary stage". "By stagnation we mean the retention in a lower class of a child for a period of more than one year."⁵³ Stagnation not only leads to disproportionate size of the lower as compared with higher

50. Hartog Committee Report, p. 171.

51. Ibid., p. 84.

52. Ibid., p. 86.

classes but also retards the spread of literacy and reduces the annual contribution of literates,⁵³ and the expenditure of public funds on such children who are either prematurely withdrawn or stagnate in the same class for more than one year is a waste as there is no return whatever from them. The wastage and stagnation is a peculiar feature of elementary education. The extent of wastage and stagnation was as follows:—

Standard	1921-22	1922-23	1923-24	1924-25
1st Standard ...	38,429	48,234	55,307	58,719
2nd Standard ...	15,333	18,587	21,402	23,077
3rd Standard ...	10,755	13,271	14,616	16,125
4th Standard ...	7,436	8,951	9,921	11,147
5th Standard ...	2,582	3,649	4,162	4,399
Wastage and stagnation was as follows during the year in				
I Standard ...		19,842	26,832	32,230
II Standard ...		2,062	3,971	5,277
III Standard ...		1,804	3,350	3,469
IV Standard ...		3,787	4,787	5,522
Total ...		27,495	38,942	46,498

Standard	1925-26	1926-27	1927-28	1928-29	1929-30*
1st Standard ...	63,202	69,232	73,442	79,125	
2nd Standard ...	24,449	25,961	28,888	30,647	
3rd Standard ...	17,569	18,922	20,149	21,258	
4th Standard ...	11,676	12,889	13,932	14,199	
5th Standard ...	4,796	5,413	5,916	6,212	
Wastage and Stagnation					
I Standard ...	34,270	37,241	40,352	42,795	
II Standard ...	5,510	5,527	5,812	7,622	
III Standard ...	4,449	4,678	4,890	5,950	
IV Standard ...	6,351	5,863	6,923	7,720	
Total ...	50,580	53,309	57,977	64,087	

53. Ibid., p. 47.

54. Wastage and stagnation is worked out as follows:— The strength in the lower class in the previous year is taken and the strength in the next higher class in the succeeding year is taken and the difference between the two is considered to be due to either stagnation or wastage. For instance, if the number of students in the first standard in the year 1921-22 was 38,429 and if the strength in the second standard in the succeeding year 1922-23 was 18,587 the difference between the two should be considered as wastage or stagnation. These figures were taken from the Annual Reports of the Director of Public Instruction for the years 1920-37.

* Curiously enough, the Annual Report of the D.P.I., Vol. II B, for 1929-30 is not available in any library in the city, not even in D.P.I.'s office.

Standard	1930-31	1931-32	1932-33	1933-34	1934-35
I Standard ...	82,567	79,740	76,968	78,155	79,619
II Standard ...	34,303	37,303	38,536	39,718	41,510
III Standard ...	24,050	26,674	29,112	30,238	31,199
IV Standard ...	15,917	18,246	19,531	21,239	22,648
V Standard ...	7,403	8,234	8,983	10,055	11,241
Wastage and stagnation in the year in					
I Standard ...		44,835	41,204	37,250	36,645
II Standard ...		7,629	8,620	8,298	8,519
III Standard ...		5,804	7,143	7,873	7,590
IV Standard ...		7,683	9,263	9,476	9,998

Standard	1935-36	1936-37			
I Standard ...	79,024	74,042			
II Standard ...	43,065	43,163			
III Standard ...	32,845	33,384			
IV Standard ...	23,132	24,419			
V Standard ...	11,927	12,522			
Wastage and stagnation in					
I Standard ...	36,554	35,861			
II Standard ...	8,665	9,671			
III Standard ...	8,067	8,426			
IV Standard ...	10,721	10,610			
Total ...	64,007	64,568			

A glance at the figures shows that leakages exceeded by 50 per cent in the I and IV standards during the years 1920-32. But the wastage in the elementary schools for girls was much more than that of boys. The figures given below illustrate the point:

Year	1921-22	1922-23	1923-24	1924-25	1925-26	1926-27
I Standard ...	8,571	13,767	15,550	17,341	18,973	21,221
II Standard ...		4,221	4,799	5,358	5,706	5,706
Wastage in the first Standard ...		4,350	8,968	10,192	11,635	12,605
Percentage of wastage ...		50.6	65.1	64.1	67.1	66.1

Year	1927-28	1928-29	1929-30	1930-31	1931-32
I Standard ...	23,439	26,513		27,545	26,871
II Standard ...	6,368	7,309		9,481	10,835
Wastage in I Standard ...	13,912	15,231			16,710
Percentage of of wastage ...	65.5	65			61

Year	1932-33	1933-34	1934-35	1935-36	1936-37
I Standard ...	25,595	25,778	25,896	24,928	23,761
II Standard ...	10,125	11,569	12,494	12,720	12,519
Wastage in I Standard ...	15,746	14,026	13,284	13,176	12,409
Percentage of wastage ...	51				

The figures given above show that the wastage in girls' schools exceeded by 60 per cent till 1932 and came down to 50 per cent in 1936-37. The cost of this wastage and stagnation was enormous. The average cost per pupil per annum during the years 1921-37 was Rs. 9-5-0. The total wastage or stagnation amounted to one-third of the total strength. In other words, one-third of the total expenditure had gone to waste.

Causes for Wastage and Stagnation

The causes for this wastage and stagnation are due to a variety of circumstances. Firstly, there were a number of incomplete schools—schools without five standards—and they played no less part in wastage. The pupils who left the incomplete schools after securing a pass in the highest standard did not enter another school to complete the elementary school course. Thus the scholastic career of a number of pupils of the incomplete schools was brought to an end on leaving such schools.

Secondly, the attendance of pupils was irregular. Irregular attendance ultimately leads to stagnation. The attendance registers maintained in most of the elementary schools were not reliable. According to the rules the register should be closed immediately after the first period is over. In practice, however, it was never

done. The register was generally closed after the day's work was over, and invariably, all those that were on the rolls were marked present though some of them were habitual absentees. Further, the writer was told by some of the District Educational Officers and Senior Deputy Inspectors of Schools that the registers contained some fictitious names.

Thirdly, the single-teacher schools also were responsible for stagnation. In the single-teacher schools, the dull child has very little chance of receiving any special attention. He therefore remains in the same class year after year, learning practically nothing and receiving less and less attention of the teacher. Further, it is practically impossible for an honest teacher to handle all the five classes at one and the same time. No elementary school can work efficiently if it does not contain one teacher for each class. The Hartog Committee as a compromise recommended that there should be at least two teachers to handle all the five classes.⁵⁵ But we think that such schools will have only a restricted value. There should be one teacher exclusively for the first standard and the remaining four standards cannot be handled by another teacher. While the ideal to be aimed at should be one teacher for each class, as a compromise to suit local conditions, there should be one teacher to handle exclusively the first standard and another to handle the second and third and a third to handle the fourth and fifth.

Fourthly, the "quality of the teacher is the alpha and omega of educational efficiency".⁵⁶ The progress of education depends upon the qualifications, capacity, and, above all, the personality of the teacher. Unfortunately, however, unqualified and incompetent teachers were appointed. During the first half of the dyarchical era, most of the teachers of the elementary schools were lower elementary grade trained teachers. The children entrusted to the care of such teachers could not but stagnate in one and the same class for more than one year.

Fifthly, inadequate supervision was also responsible for stagnation. Supervision by the educational officers was not as frequent as it should be. A Deputy Inspector or a District Educational Officer inspected half a dozen schools in the course of a day. Such inspections could not but be perfunctory in nature and mechanical in conduct. They seemed to have bestowed more attention on the maintenance of records and not on the examination of pupils.⁵⁹ There was

therefore no constructive supervision. Constructive supervision includes the ascertainment of the quality of instruction. It involves not only the testing of knowledge of the pupils but also an investigation into the methods of study. This of course was not done and consequently the dull children were not discovered.

Finally, stagnation was due to the existence of relatively small number of literate mothers. Illiterate mothers are indirectly responsible for the slow progress of education.⁶⁰

If stagnation is to be avoided—which still continues to be the distinctive feature of elementary education—the management and the supervising agency should adopt a new attitude towards the teachers, and the teaching staff should be held responsible for stagnation and wastage because measures have already been taken to rectify most of the defects pointed above. In 1936, the Government ordered that all the incomplete schools should either be closed or made complete schools; and that there should be proper distribution of pupils in all the classes.⁶¹ Further, the single-teacher schools have been eliminated, and a higher qualification has been fixed for the elementary school teachers. At present the minimum qualification of an elementary school teacher is, he should be holder of a higher grade trained certificate. Therefore, the entire responsibility for stagnation and wastage if it occurs hereafter should be shouldered by the teacher and the inspecting agency. The inspecting agency should see whether every school is producing adequate number of literates every year. If the schools are not able to do that the teachers should be held responsible. It may be argued that the teachers should not be blamed for the inability of the child to pass an examination test. But it has been estimated that out of every 100 children, 17 are above the average ability and 66 are of average ability. In other words, 83 per cent of the children of school-going age have the required ability to pass a test provided they are properly taught and made to attend school regularly.* Therefore if the number of failures exceed 17 per cent, then it should be assumed that there is something wrong with the teacher and to throw the responsibility on him is not unfair. So far, teachers have not been held responsible for their failure to produce adequate number of literates every year. Teachers are being punished for various reasons, but they are not punished for allowing children to stagnate in one and the same class for more than one year.

55. *Hartog Committee Report*, p. 60.

56. Speech of H. E. the Viceroy at the Conference of the Directors of Public Instruction, 1917.

59. *Annual Report of the D.P.I.*, 1936-37.

60. *Hartog Committee Report*, p. 34.

61. G.O. No. 2611. Edn. 8-12-1936.

*. This estimate is given in the *Elementary Education Manual* prepared by the Director of Public Instruction, 1940 Edition. The District Educational Officer, Madras, informs the writer that the estimate has been arrived at after careful statistical analysis.

The remedies for wastage are hard to find. Children are withdrawn for various reasons. The only remedy by which wastage can be prevented is by introducing compulsion in all the municipal areas where of course conditions are more suitable.

Fourthly, there were a number of separate schools not only for boys and girls but also for certain communities like the Adi-Dravidas and Muslims. So far as the Muslims are concerned, there may be some justification for the provision of separate schools, as the medium of instruction for them is Urdu. But there is absolutely no justification for the existence of separate schools for the Adi-Dravidas, because the medium of instruction and the text books used in these schools are not in any way different from what obtains in caste Hindu schools. Further, it is the declared policy of Government that no one should be refused admission merely on the ground of caste or creed. Therefore, where is the necessity for the existence of separate schools for this community? Instead of doing good these separate schools are causing harm to the community concerned. They "have done but little to raise the general standard of education among the communities for whom they are started" and they are "accentuating the backwardness of the community".⁶² The committee appointed to investigate into the educational needs of the Mophas of Malabar recommended that separate institutions started for that community should be abolished. The greatest defect with these institutions is this: They are generally small and consequently ill-equipped. Further, the pupils of these schools lose much of the stimulus of healthy competition and much of the training in character which is derived from a well-organised corporate life.⁶³ Above all, the existence of these institutions is a bar to the effective, economic and equitable distribution of schools for all localities. Further, they are responsible for fostering separatist tendencies in the communities concerned and thus making it difficult for the growth of robust nationalism.

Separate schools were started not only for separate communities but also for separate sexes, though there is no necessity in the primary stage. Elementary education is common to both the sexes and there is no difference in the instruction imparted. Both boys and girls need a knowledge of reading and writing, arithmetic, simple sums, geography, history and civics. Above all, co-education is very common in the primary stage. We find in the boys' schools a number of girls. In the face of these facts we fail to understand the need for the existence of separate schools for boys and girls. Instead of having two half-filled schools, it is better to have one common school.

62. *Hartog Committee Report*, p. 299.

63. *Ibid.*, p. 299.

Common schools presuppose mixed staff and mixed staff is bound to increase the efficiency of teaching and may result in the production of greater number of literates. It is admitted on all hands that women teachers are more suitable in handling tender children than men. We therefore suggest that if the educational administration is to be efficient we must have common schools at least in the primary stage. It is true that there are a number of obstacles in the way of having common schools such as tradition, sentiment and our peculiar ideas of morality. But there is need for a change in our ideas of morality. The suspicion and distrust which are primarily responsible for the existence of separate schools must be done away with.

Fifthly, in the earlier years of dyarchy the number of certified teachers employed, especially in the secondary schools, was very few. Collegiate trained teachers for History and English were easily obtainable but collegiate trained teachers for mathematics and science were not easily available; and they had to be given higher starting salaries. The peculiarity was Telugu trained teachers were rare. But the situation has considerably changed with the opening of Training College at Rajahmundry. As regards elementary schools there were a considerable number of untrained teachers comparatively old and unfit to be teachers.

Coming to the efficiency of the teachers it is admitted on all hands that they were not efficient. The best products were not attracted to the profession because of the conditions of service and the low scales of pay. Further, service under municipal councils did not offer scope for the advancement of intellectual and material prospects and those that were in the service were subjected to "daily insults by the members of" the municipal councils. Till 1933, appointments were based on the principle of patronage and generally the incompetent got the most favoured treatment. The appointing authority was the chairman of the council. "The chairmen have in many instances gravely abused their powers for political and other purposes". They viewed the control of teachers as a personal matter rather than as an independent educational problem. Under such circumstances the teachers had necessarily to become part-time politicians. As a consequence the teaching profession not only suffered but indiscipline was prompted in the ranks of teaching staff. These and other factors led some eminent educationists like Prof. K. A. Nilakanta Sastry to suggest the transference of the management of municipal schools to the control of Government. A close examination of the facts shows that Prof. Sastry ignores certain facts. Firstly, the main defect in municipal administration was that it was entrusted

to the non-officials and the chairman of the council as the executive authority had complete control over the personnel administration. But this defect was rectified with the appointment of executive officers. On the date on which Prof. Sastry delivered the speech all the municipal councils had executive officers. Further, the conditions of service of the teaching profession have considerably changed with the fixation of the strength and the scales of pay of the teachers. Finally, the tenure of office is guaranteed during good behaviour and a right of appeal against all orders of punishment is allowed to the Director of Public Instruction. Prof. Sastry seems to overlook the fact that the teachers themselves were not free from blame. In order to gain the favour of the councillors, they indulged in local politics. Had they adopted an attitude of strict neutrality and devoted their attention to the purpose for which they were engaged they would not have been subjected to daily insults. On the other hand they would have won a place which the Acharya of the ancient times had occupied and enthroned themselves in the hearts of the people of the locality. Unfortunately, the teachers that entered the municipal service were men of low calibre. However, we notice a change in recent times. Men of character are seeking service and we hope to have an efficient teaching service ere long.

Sixthly, the cost of education was higher in municipal schools than in aided schools. The table given below illustrates the point:—

Year	Municipal Schools		Private Schools	
	Secondary Schools	Elementary Schools	Secondary Schools	Elementary Schools
1921-22	42-15-0	9- 7-0	36- 6-0	4-13-0
1926-27	46-14-0	9-13-0	41- 4-0	5-13-0
1931-32	49- 7-0	10-14-0	41-14-0	6- 8-0
1936-37	48-15-0	9-13-0	40- 2-0	6- 1-0

In spite of the heavy cost of education the results they produced were disappointingly low. We had already seen the enormous wastage of funds on elementary education. There is no need to make any further commentary. Let us see the results of the S.S.L.C. examination:

Year	Number of Students appeared	Number passed	Percentage of passes
1931-32	1,958	690	35
1932-33	2,083	610	29
1933-34	2,003	586	29
1934-35	1,898	789	41.6
1935-36	1,870	702	37.5
1936-37	1,881	764	40.6

Regarding accommodation and equipment, it should be said that equipment was not adequate at the beginning of the period. But in the later years equipment has been improved with the help of equipment grant given to secondary schools. As regards accommodation much remains still to be done. The table below gives us an idea of accommodation provided:—

Year	Buildings				Percentage of Col. 2 to 5
	Own	Rented	Choultries	Total	
1	2	3	4	5	6
1921-22	498	579	27	1,103	44.24
1926-27	602	920	30	1,552	38.7
1931-32	647	952	23	1,662	39.89
1936-37	637	831	6	1,474	43.22

In 1921-22, 44 per cent of the schools were located in their own buildings. In 1936-37, 43 per cent of the municipal schools were housed in their own buildings. It may, therefore, be said that there was a decrease by one per cent. But the facts are, during the period under review, 371 new schools were opened and 139 buildings were either constructed or acquired. At the end of the period, nearly 60 per cent of the schools were located either in the rented buildings or in choultries. According to the Director of Public Instruction, most of the rented buildings were ill-adapted for the holding of

classes. They were generally located—especially the elementary schools—in the midst of insanitary areas. As regards the secondary schools most of the councils had buildings of their own. Here, also, we notice that these buildings were constructed without any provision for the expansion of schools. When the school grew in strength a number of sheds were put up—some of them were thatched and some were Mangalore-tiled. These sheds were generally ill-ventilated, devoid of any flooring with low tiled roofing burning over the heads of boys in summer and giving them a shower bath in the rainy season. This panorama of barracks, ugly in design, madly executed and unhealthy to boys are still in existence. The authorities do not seem to have realised the fact that such buildings interfere with the efficiency of teaching.

It is true that there are a number of obstacles which stand in the way of having a building programme for the location of the municipal schools. Firstly, land is scarce in the municipal areas; secondly, the financial position of many councils does not permit them to undertake a building programme. The only way by which these difficulties can be got over is to have a scheme for the construction of buildings within a fixed period and the State should come to the rescue of the councils and give them reasonable subsidy for the purpose.

From the facts given above, it is evident that educational administration was not as efficient as it ought to have been. To sum up, girls' education has been neglected; there was enormous wastage in elementary schools; compulsion was not introduced in all the municipal areas; the cost of education in the municipal schools was high; the results produced were disappointingly low; a majority of the municipal schools were lodged in ill-adapted and ill-ventilated buildings; and the appointment of teachers was done till 1933 on the principle of patronage. Inefficient administration was, therefore, responsible for the slow progress of education.

CHAPTER II

PUBLIC HEALTH

Introduction

The Public Health Department watches the human pilgrim from the cradle to the grave. Nay, even beyond both. Under ideal conditions it starts its care from the ante-natal period till the burial of the pilgrim at a safe place so that the perishing body may not pollute the sources of water supply.

What constitutes public health administration? Public health activities of a council may be divided into two sections, medical relief and preventive medicine. Medical relief consists of provision of hospitals and dispensaries for the direct treatment of individuals. In this chapter we are concerned with the second aspect of public health administration, viz.: preventive medicine, for the simple reason that medical relief plays a minor role in municipal administration. All the hospitals at the Taluq headquarters, formerly maintained by the municipal councils were provincialised in 1928. In 1937-38 the municipal councils maintained 6 hospitals, 59 dispensaries of western medicine and 55 dispensaries of Indian medicine. Some of the councils like Calicut, Coimbatore, Coonoor and Ootacamund maintained hospitals exclusively for the treatment of infectious diseases. Some of them like Vaniyambadi, Cuddalore, Pollachi, Ongole, Madura, Nellore, Virudunagar, Karaikudi, Devakotai, Kumbakonam, Negapatam, Palamkottah and Tuticorin maintained medical institutions solely for the treatment of women and children. Out of the total expenditure of 74.75 lakhs of rupees on public health a paltry sum of Rs. 4.75 lakhs was spent on medical relief. From the above facts it is evident that medical relief plays a minor role in municipal administration. But preventive medicine plays a dominant part in public health administration. Preventive medicine is concerned with the registration of births and deaths; with the vaccination of the unprotected children; with the control of offensive and dangerous trades with the control of foods and drinks; with the provision of maternity and child welfare services; with the control of communicable diseases; with the supply of pure drinking water; with the construction of drains, latrines and urinals; and finally with the planning of the physical growth of the town and the improvement of housing conditions.

Historical Background

Public Health administration in this Presidency was in a primitive stage in the early years of the present century. Till the year

1913, none of the municipal councils had the services of a municipal Health Officer. In 1913, Government sanctioned the appointment of health officers for ten municipalities, like Madura, Trichinopoly, Ootacamund, Tuticorin, Calicut, Cocanada, Rajahmundry, Salem, Tanjore and Negapatam. However, the services of competent persons to act as health officers could not be secured. In 1920, the position was, only six of the councils mentioned above had the services of a health officer and that, too, for a part of the year. Madura had no health officer in 1920-21 when plague was very virulent in that town. Further, most of the municipal councils provided very few of the services. Some of the councils supplied some kind of drinking water while others did not; they controlled some of the offensive and dangerous trades; preventive measures followed after the outbreak of the communicable diseases; they provided latrines and urinals in a haphazard manner. From these facts it is evident that preventive medicine was in a primitive stage. But at present the conception of preventive medicine has radically changed and the councils are called upon to take up positive measures to build up the nation's health.

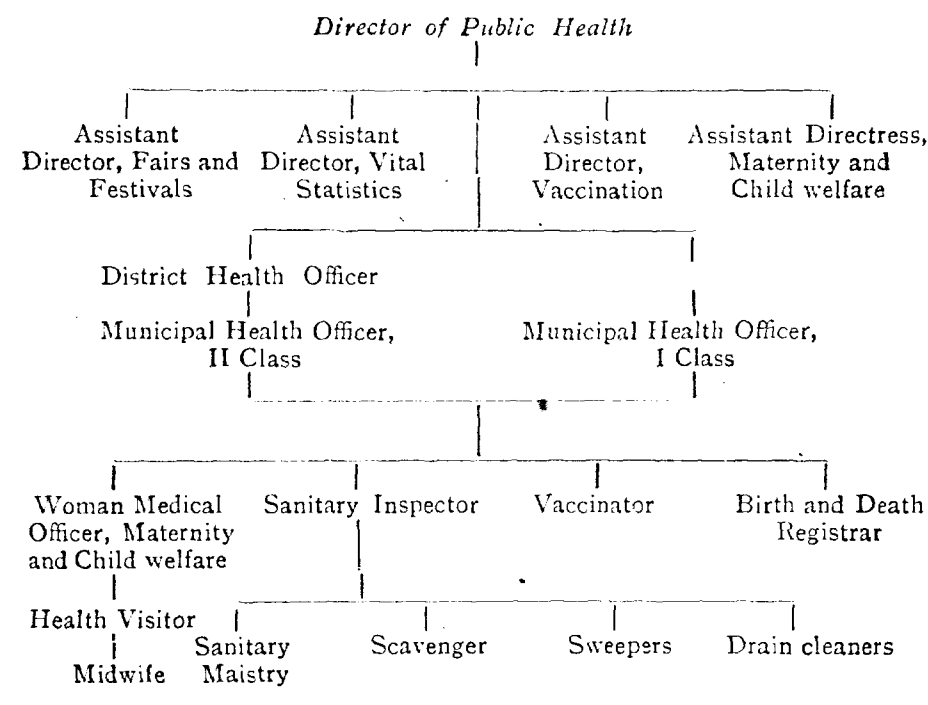
Administrative Organization

To carry out the varied functions of the public health department a sound administrative organisation is required. But the administrative organization that existed in 1920 either at the provincial headquarters or in the municipalities was neither well-organised nor were their functions properly defined. Before 1922, the head of the Public Health Department was the Sanitary Commissioner—now called the Director of Public Health. He was a subordinate of the Surgeon-General and was assisted by a number of Deputy Sanitary Commissioners. It was, however, found that the department was not well-organised and therefore the Director of Public Health suggested certain changes in the departmental organization which the Government accepted. The department is organised at present as follows : (see page 35)

Functions

The Director of Public Health is the Presidency Officer and is assisted by three assistants and in addition to them there is an Assistant Directress exclusively in charge of maternity and child welfare. The Director should visit the bigger municipalities at least once in three years. The Assistant Directors may visit the municipalities as frequently as possible.¹ In the municipal areas the Municipal Health Officer is the head of the Public Health Department and

1. D.P.H. Office. No. 729. Sany. 18-4-1932.



he is held responsible for the management of the public health matters. The duties of the Health Officer are the checking of the attendance registers of the sanitary staff and the general supervision of sanitation and conservancy. He should periodically inspect scavengers' lines, cattle sheds, dhobi ghats, conservancy depots, trenching grounds, sewage farms, rubbish depots, maternity and child welfare centres, private houses, insanitary localities, vacant sites, tanks and pits, low-lying areas and places of public resort and devise means to improve the sanitation of these places; he should scrutinise schemes for the extension of the town; he should examine the applications for the construction and reconstruction of houses and buildings and certify as to the suitability of the sites on which buildings are proposed to be constructed; he should scrutinise all the applications to run any one of the dangerous and offensive trades; he should periodically inspect these places to see whether the conditions of licence are being observed; he should prevent the sale of unwholesome and adulterated articles of food and drink; he should inspect the sources of water supply periodically; he should check the work of the sanitary inspectors and birth and death registrars. Above all, he should carefully watch the signs which threaten the outbreak of an infectious disease. He should attend the meetings of the Council

when questions of public health come up for discussion and explain the implications when the presiding officer asks him to do so.²

In the case of municipalities which do not have health officers, the executive authority is the health officer. He should consult the District Health Officer in matters relating to Public Health. The District Health Officer should inspect such municipalities once a year and bring to the notice of the executive authority any defects noticed during inspection and suggest remedies for their rectification.³ The executive authority should inform the District Health Officer promptly whenever any epidemic breaks out,⁴ and the District Health Officer should visit the municipality without delay and recommend such measures as may be necessary to control the spread of the disease to the adjoining localities.⁵ The District Health Officer should on his part inform the executive authority whenever he notices the prevalence of any one of the infectious diseases in areas surrounding the town.⁶ Further, the executive authority should consult the District Health Officer for making sanitary arrangements during festivals that may take place in the town.⁷ The executive authority should also obtain a certificate as to the sanitary conditions of the municipal schools.⁸

Below the Municipal Health Officer or the executive officer, as the case may be, there is the sanitary inspector. He performs a variety of functions. He must be something of a builder, a plumber, a butcher, a doctor, a veterinary surgeon, a lawyer and a clerk with tact and patience to deal with people of all kinds, from gentlemen to rogues.⁹ He should see that the street sweepings are properly collected and disposed of and the municipal plants are properly maintained; he should daily visit the public urinals and latrines within his jurisdiction and see that they are properly cleaned. He should visit the night soil depots and see that the night soil is properly trenched. He should investigate into complaints concerning conservancy. He must see that private scavenging is properly done by inspecting private latrines. He should watch that the building rules are not violated; that no encroachments are made; he should periodically visit the places licensed for running dangerous and offensive trades. He should seize all articles of food which are unfit for human consumption.

2. G.O. No. 1960. P.H. 21-9-1925.

3. G.O. No. 1393. P.H. 11-8-1926.

4. G.O. No. 1328. P.H. 8-8-1923.

5. G.O. No. 143. P.H. 18-1-1926.

6. G.O. No. 1258. P.H. 27-7-1923.

7. G.O. No. 2356. P.H. 7-11-1928.

8. G.O. No. 2595. P.H. 7-12-1928.

9. Bannington, *Public Health Administration*, p. 88.

The most important function which he may be called upon to perform is the management of communicable diseases. In the discharge of this duty he should detect and isolate cases, disinfect the houses, observe the persons who have contact with the infected persons, collect the dead and bury them.

Next to the sanitary inspector we have the Registrar of Births and Deaths and his functions are self-explanatory. Then we have the vaccinator. The functions of the vaccinator are, he must maintain a list of children who have not been vaccinated and make a house to house visit and detect the unprotected children.

Thus the organization created for the administration of public health is eminently suitable. There is a single officer in charge of the department and he is responsible for all public health activities. He is controlled by a Presidency Officer. The Health Officer is provided with adequate staff. But it may not be out of place if mention is made that the role of municipal councils in the field of public health is a minor one. The health officer of the council is appointed and controlled by the Provincial Government. The sanitary inspectors and other members of the public health staff are appointed by the executive authority in consultation with the Health Officer. The only function of the council is to provide sufficient funds for the administration of public health activities.

Vital Statistics

The foundation of all public health activity is vital statistics. The success or failure of all health programmes largely depend on the proper maintenance of vital statistics. Statistics are facts expressed in figures. A birth or death registered is a vital fact. Without an accurate record of births and deaths it is quite impossible to deal with such problems as maternity and child welfare or the control of communicable diseases. Even the development of education depends upon the actuarial estimates.¹⁰ It is, therefore, obligatory on the part of all the councils to maintain a register of births and deaths and appoint a Birth and Death Registrar.

According to the rules, the father or mother of the child or the midwife conducting the birth or the occupier of the building in which the child is given birth to should inform the Registrar of Births and Deaths about the event within one week after its occurrence. If the child is an illegitimate one, it is the duty of the mother to inform the Registrar of the fact. The Registrar should not write the name of any other person as father of an illegitimate child unless the

10. G.O. No. 541. P.H. 10-4-1921.

mother and the person acknowledging himself as father jointly agree and express their agreement to the Registrar. Births occurring in hospitals and maternity houses should be reported by the medical officer concerned.

As regards deaths, the nearest relative present at the time of death or the owner of the building in which death occurs or the person who takes the corpse to the burial ground or the person who performs the funeral ceremony, should report the fact within 36 hours after the occurrence of the event. Deaths occurring in hospitals and nursing homes should be reported by the medical officer concerned.¹¹

Even though it is obligatory on the part of the persons concerned to report births and deaths, the registrar should go round the town every day and enquire into the births and deaths that had occurred. As soon as he receives information about a death he should proceed to the spot and enquire into the causes of death. He is assisted by the sanitary staff in the collection of information. The health officer should forward to the Director of Public Health, weekly, monthly and yearly statistical returns giving the details of the number of births and deaths and the causes of deaths.¹²

Next to the registration of births and deaths we have vaccination. Vaccination is at present compulsory. It is the duty of the parents or guardians having the custody of an unprotected child to get it vaccinated within six months from the date of its birth and if the vaccination is unsuccessful it should be repeated once again. A parent or guardian who without reasonable excuse neglects to get the child vaccinated is liable to proceedings in a court of summary jurisdiction and on conviction to a fine of Rs. 20.

However, vaccination may be postponed by a certificate from a medical practitioner on the ground that the child is not in a fit state of health for vaccination. This certificate holds good for a period of three months and if the child continues to be weak and not in a fit state for vaccination it may be postponed for a further period of three months. When the child is in a fit condition the vaccinator should issue a memo to the parent or guardian to produce the child for vaccination. After vaccination is over instructions should be issued to the parent or guardian as the case may be to produce the child for the verification of vaccination results. If the vaccination is unsuccessful, the parent or the guardian should be directed to produce the child for a second vaccination and even if the second one proves to be unsuccessful a third vaccination may be done. If

the third vaccination also fails to produce the desired results a certificate to the effect that the child is insusceptible to vaccination should be delivered to the parent and there is no further obligation on the part of the parent to produce the child for re-vaccination.¹³

If a parent or guardian having the custody of an unprotected child declares within four months after its birth that he consciously believes that vaccination is prejudicial to child's health he may be exempted from producing the child for vaccination.

If an unvaccinated child is removed from the municipal limits it is the duty of the vaccinator to trace out the destination and inform the vaccination officer of the locality to which the child has been removed so that he may get the child vaccinated.

The vaccination results for the quinquennium ending with 31-3-1937 were as follows :

Year	Percentage of Successful Vaccinations		
	Primary Vaccinations	Re-vaccinations	Average cost per Vaccination
1932	99.5	34.4	Rs. a. p. 0 7 0
1933	99.	33.5	0 6 4
1934	98.9	29.5	0 9 11
1935	98.8	27.4	0 9 11
1936	98.5	25.0	0 8 6
1937	99.1	21.5	0 7 6

Conservancy and Sanitation

The next function of the council is to provide certain services. It is obligatory on the part of the councils to provide sufficient number of public urinals and latrines and to remove the rubbish and filth from them regularly and systematically. They are also under an obligation to remove rubbish and faecal matter from the private premises. Further, the executive authority is vested with authority to regulate the sanitary condition of the private premises. For instance, he has power to refuse permission for the erection of latrines at a particular place on the ground that such erection will cause public nuisance;¹⁴ or while granting permission he may

11. G.O. No. 2448. P.H. 1-12-1925.

12. D.P.H. Office D. No. 2 V.S., 11-2-1930.

13. G.O. No. 721. L.M. 21-6-1921.

14. *Mangalore Municipality v. Vasudeva Kamath*, 55 M.L.J., 479.

impose such conditions as he may think fit. The conditions that may be imposed are that a latrine should be constructed at a place accessible to the municipal scavenger ; that it should be located at a respectable distance from the kitchen and the living rooms ; that it is not located near the sources of water supply ; that the flooring should be spread with sand ; that no drain of the latrine is connected with a public drain.¹⁵ Further no septic tank should be constructed or reconstructed without the permission of the Director of Public Health and the Sanitary Engineer to Government.¹⁶

Even though the councils are authorised to regulate the sanitary conditions of the private premises they themselves should not violate any of the conditions mentioned above. In other words, the councils having statutory authority to erect public urinals and latrines are restrained from erecting them in a place where it will be a source of nuisance and danger to residents in the neighbourhood.¹⁷ In addition they should adopt the type design prepared by the Sanitary Engineer.¹⁸

Control of Dangerous and Offensive Trades

The next function of the council is the control of dangerous and offensive trades, such as the washing of clothes, the keeping of soiled clothes for washing ; the boiling of paddy ; camphor ; melting of sulphur ; storing of food manures ; hides, skins and dry fish ; making of oil ; manufacturing of soaps ; pressing of oil ; manufacture of beedies, gun-powder and fire-works ; keeping of public halting places, saloons, pigs, preparation of food articles, etc. The list of dangerous and offensive trades is given in the Schedule V of the Act.

The councils may notify any of the trades mentioned above as dangerous and offensive and prohibit any person from carrying out any one of them within the municipal limits without a licence from the executive authority. The notification should specifically state the trades which require a licence and a list of it must be published in the district *Gazette*. The notification will come into effect only after the expiry of 60 days from the date of its publication. If it is proposed to include an area outside the municipal limits the previous sanction of the Provincial Government should be secured.¹⁹

Any person desiring to carry out any one of the trades notified, should first apply to the executive authority at least 30 days before the commencement of the year so as to enable him to inspect the

suitability or otherwise of the place for which licence is required. This does not mean that all applications not received within the prescribed period should automatically be rejected. Municipalities are statutory bodies created for the benefit of the public and therefore the provisions of the Act should not be construed so as to cause hardship to the public.²⁰

However, the executive authority may refuse permission on the ground that there are quite a number of places doing the particular business and that to allow any more will cause nuisance to the public. It should, however, be remembered that the power vested in the executive authority is mainly intended for the regulation of and not for the prohibition of trades. Whenever a licence is refused to any person, the reasons for the same should be stated in writing.²¹ A licence once granted should not be cancelled for any reason other than the violation of any of the conditions of the licence. A licence may be cancelled when a licensee contravenes any of the conditions under which the licence was granted. If the executive authority cancels a licence for reasons other than the violation of licensing conditions the action of the executive authority is *ultra vires* and if such an order is violated, it is no offence and it cannot be the subject of criminal prosecution, for there is no violation of an order validly issued.²²

Licence need not be taken for the following trades. Companies which have taken out licence under the Indian Petroleum Act of 1899 need not take out a licence for the storage of combustible materials.²³ Secondly, dealers in rice need not take out licence because according to the Act only dealers in grain should take out licence. Paddy is grain but rice without husk is not grain.²⁴ Therefore, no licence need be taken by rice dealers. But a person who runs a rice mill for converting paddy into rice by means of a machinery should take out licence.²⁵ Thirdly, handlooms need not be licensed because they are not covered by the definition of the word machinery. Machinery means an apparatus that does not depend for its operation on the strength or the manipulative skill of workmen. In other words, an apparatus driven by human and animal power is not machinery. "I do not think", observed the learned Judge Jackson, "handlooms which are worked without steam or electrical power but only with hand can be called machinery.

15. G.O. No. 177. P.H. 30-1-1923.

16. G.O. No. 468. P.H. 1-3-1928.

17. *Madura Municipality v. Nataraja Pillai*, 1941, M.L.J., 768.

18. G.O. No. 473. P.H. 2-3-1928.

19. G.O. No. 2465. L.M. 9-12-1922.

20. *Municipal Council, Chidambaram v. Subrahmani Iyer*, 55 M.L.J., 495.

21. *The Madras Electric Tramways Ltd. v. Madras Corporation*, see G.O. No. 750. P.H. 14-4-1921 which contains the judgment.

22. *Chidambaram Municipality v. Tirunavoyana Ayyangar*, 55 M.L.J., 566.

23. G.O. No. 381. P.H. 17-2-1937.

24. *Tuticorin Municipality v. Shanmuga Moppanar*, 51 M.L.J., 62.

25. *Ramchandrarao, In re A.I.R. Mad.*, 1924, 375.

If handloom is machinery then it might be contended with some show of reason that Singer Sewing machines and charkas are machinery".²⁶ While granting a licence the executive authority may impose such conditions as he deems fit.

Licence is also necessary for the installation of machinery. A person intending to construct a factory, workshop or workplace in which it is proposed to employ steam power, water power, or electrical power, or to instal any machinery driven by steam, water or other power, should apply to the executive authority for permission together with a plan of the factory proposed to be constructed. The executive authority should forward the plans to the Factory Inspector of the circle concerned for scrutiny and approval.²⁷ The Factory Inspector should scrutinise the plans with reference to the adequacy of the provisions made for ventilation and light, etc. The plans should also be forwarded to the Health Officer for scrutiny from the public health point of view.²⁸ If both the officers approve of the plans permission may be given.

Licence is also necessary for using a building for purposes of public entertainment. Before granting a licence it should be seen whether the building has an open space of at least 20 feet width on three sides; whether the eaves of the building are at least at a height of 10 feet; and whether the doors are at least 10 feet in height and five feet in width and whether there are sufficient number of windows. The municipal Health Officer should certify as to the suitability of the building and the site for the purpose of public resort. If the building concerned fails to satisfy any one of the conditions mentioned above, licence may be refused.

Lethal Chambers

The fifth function of the council is the provision of lethal chambers for the destruction of stray dogs. If it appears to Government that sufficient number of lethal chambers have not been provided by the councils, it may direct them to construct sufficient number of lethal chambers and if the councils fail to do so, the Government may get the work done and recover the cost from the councils concerned.²⁹

Mere construction of lethal chambers is not enough. Vigorous action must be taken for the destruction of stray dogs. Here also if the councils fail in their duty, Government may take direct action. The District Collectors are, therefore, directed to watch the progress

26. *Municipal Council, Cannanore v. Kunniyi Anandam*, 54 M.L.J., 454.

27. G.O. No. 1603. P.H. 28-6-1934.

28. G.O. No. 1026. P.H. 8-5-1928.

29. G.O. No. 2253. P.H. 10-11-1927.

made by the councils in this respect and take prompt action whenever they notice any slackness on the part of the councils.³⁰

It should, however, be remembered that the methods to be employed for destroying dogs should be humane. Clubbing, shooting, and poisoning are repulsive and therefore should be prohibited. They should be destroyed by means of cynogas.³¹ But rabid dogs may be clubbed or shot dead.³²

Adulteration of Foods and Drinks

The next function of the councils is the prevention of adulteration of foods and drinks. The importance of this function lies in the fact that food is one of the three irreducible minimum human wants. Food consists of materials required for the growth of the body and supply of energy. Every food material contains certain definite quantity of body-building substances, known as vitamins. Removal of these vitamins or mixing them up with inferior substances is a very common affair; and every civilized government has introduced legislation to prevent the exploitation of the masses by the adulteration of foodstuffs.

So far as this presidency is concerned, legislation for the prevention of adulteration of foods was first undertaken for the city of Madras in 1904. In that year a chapter on that subject was included in the City Municipality Act. Later on in 1907, similar provisions were introduced in the Hill Municipalities Act. In 1912, at the instance of the Government of India, the Government of Madras consulted 13 municipalities whether time had come for undertaking legislation to prohibit the adulteration of foods. With the exception of Vizagapatam the other 12 councils favoured legislation against food adulteration. This almost unanimous opinion of the councils was responsible for the introduction of legislation in 1920.*

The provisions of the Act may be extended to any council by notification after consultation with the councils concerned. The aim of the Act is to prevent the adulteration of foods. It does not deal with drugs.³³ The administrative agency for the enforcement of the Act is the council and its executive authority. The Act empowers the council to appoint analysts with the previous sanction of Government. But as it is beyond the means of every council to equip itself with a laboratory and an analyst, the Government have appointed a public analyst and established a laboratory at the King Institute, Guindy. The municipal councils can get the samples analysed at

30. G.O. No. 1174. P.H. 27-1-1931.

31. G.O. No. 1724. P.H. 19-8-1925.

32. G.O. No. 2094. P.H. 14-10-1925.

* M.L.C.P., dated 12-3-1918.

33. Speech of Sir P. Rajagopalachari, M.L.C.P., dated 11-6-1918.

the Institute on payment of fees. For purposes of payment of fees, the councils have been divided into three classes, A. B. C.:—

Class	Annual contribution	Maximum No. of samples that may be sent for Examination	Rate for each additional sample
	Rs.		Rs.
A	720	12	5
B	480	8	5
C	240	4	5

The basis of the above classification is the size and importance of the areas concerned.

The executive officer is entrusted with the responsibility for the enforcement of the Act. He may enter any premises where articles of food are exposed for sale or manufactured at any time by day or by night for inspection. If any article of food appears to the executive officer to be adulterated, he may seize them and send samples of them to the public analyst for analysis. Before sending samples he should inform the seller or the manufacturer, as the case may be, of his intention to send the articles for analysis. Further, any person may purchase an article and send it to the public analyst for analysis on payment of fees.

The main duty of the public analyst is to analyse the samples of food articles sent to him for analysis and certify, "I have analysed it and declare the result of analysis to be . . ." The certificate of the analyst may be produced as an evidence in the proceedings under the Act unless the defendant insists that the analyst should be called for as a witness.³⁴

Propaganda

However extensive may be the powers vested in the executive officer and the health officer to enforce several of the provisions mentioned above, their effectiveness depend upon the response of the people. The education of the people in the principles and practice of hygiene is therefore an integral part of all advancement of public health administration. Reforms, however necessary they may be, will fail to accomplish their objective if the people for whom they are intended are not sufficiently enlightened to respond. Therefore, to create that enlightened conscience resort has to be made to that tedious process known as the education of the people. In one word—propaganda.

34. G.O. No. 1867, P.H. 1-9-1932.

The success or failure of this means depends upon the men and material that go to compose it. Firstly, the materials for presentation should be statistically correct and their presentation itself should be dignified and intelligible. But the most effective means by which the layman's attention can be arrested and his interest evoked is by films and pictures. The public health department has issued from time to time a number of bulletins for distribution and prepared a number of films. The department also encourages the organization of health weeks and baby shows.

We have so far seen the various administrative measures to be taken in performing some of the most important functions of the public health department. It remains to be seen how in practice they were performed. To take up first, the registration of vital statistics, it should be said that it was defective during the period of 1920-30³⁵ because capable men were not employed to be in charge of registration of vital statistics; for instance, the Tiruvarur municipality appointed four part-time registrars on a handsome honorarium of Rs. 3 per month.³⁶ Similarly, part-time registrars were appointed in Erode and in several municipalities.³⁷ The result was there were a number of omissions and commissions. For example, the average birth rate for Rajahmundry for the quinquennium ending with 1921 was recorded as 26.7 per mille of population and the average death rate for the same period as 34.8 per mille of population. If this were true a large part of the population of Rajahmundry must have vanished though in fact it did not happen. Similar defects we find in the records of Srirangam, Bezwada and Pollachi. Thus, many councils recorded a very low birth rate and a very high death rate.³⁸

Secondly, the classification of deaths according to diseases was not accurate. Almost all the deaths were put under fevers and respiratory diseases. At times the classification of deaths was so very lacking in veracity that a child who had been drowned was notified as having died of fever.³⁹ It was not realised that if deaths were not properly classified and registered it would be difficult for health officers to take preventive measures because they would not know the diseases which were mainly responsible for a higher rate of mortality. This state of affairs continued till 1930. Since then we notice a steady improvement in the completeness and accuracy of vital statistics.⁴⁰

35. *Annual Report of the D.P.H.*, 1923.

36. *Ibid.*, 1925.

37. *Ibid.*, 1928.

38. G.O. No. 1395, P.H. 12-10-1922.

39. Blunt, *Social Service in India*, p. 191.

40. *Annual Reports, D.P.H.*, 1936.

Turning now to the prevention of adulteration of foodstuffs, we find that here also the extension of the provisions of the Act to be slow. Though the Act was brought into existence in 1918, the Government did not extend the provisions of the Act till 1929. In that year they were extended to 12 municipal areas and a public analyst was appointed.⁴¹ In 1933, the provisions of the Act were extended to all the councils which had the services of a health officer.⁴² According to the latest report the Act is not in force in all the municipal areas. The delay in the extension of the Act was due to the inertia of the councils. Further, it was also found in the administration of the Act that the Magistracy did not co-operate with the municipal authorities by imposing deterrent fines.⁴³ According to the Director of Public Health, the Act did not work satisfactorily during the dyarchical period.⁴⁴

We now come to the familiar aspect of public health administration, viz.: conservancy and sanitation. The notes of inspection of the Inspector of Municipal Councils and the Director of Public Health give a graphic description of the insanitary conditions that prevailed in some of the municipal areas. For instance, night soil accumulated in the night soil depots was not removed for days together.⁴⁵ The condition of lanes was such that they could not have been cleaned for months together; the stink and smell which the dwellers of the houses had to put up with was great. Large amounts of silt were accumulated in the bigger drains.⁴⁶ Until nine in the morning most of the lanes and some of the streets in some municipalities "constituted an unrelieved series of public urinals". During the night time public drains and corners of streets were converted into public latrines. Sullage water stagnated in the drains and cess-pools. Very often the sullage water overflowed the cess-pools into the streets. Insanitation was therefore a common feature in most of the councils, particularly in Kumbakonam, Tanjore, Madura, Trichinopoly, Rajahmundry, Vizianagaram, Vizagapatam, Bezvada and Nandyal, to mention a few places. It may therefore be said that the sanitary administration was not as efficient as it ought to have been and inefficient administration produced disastrous results. The death rate was terribly high during the period. For instance, the mortality rates during the dyarchical period were as follows:—

41. Ibid., 1929.

42. Ibid., 1933.

43. D.P.H., Annual Report, 1930-37.

44. Ibid., 1937.

45. See the report of Rao Bahadur (now Sir) N. Gopalaswamy Ayyangar regarding the insanitary condition of Madura. See also his inspection notes for the years 1921 and 1922.

46. G.O. No. 1033. L.M. 6-6-1921.

The Death Rate per Mile of Population in each Age Group was as follows in the Urban and Rural Areas

Age at Death	1930				1932				1934				1937			
	Rural Areas		Urban Areas		Rural Areas		Urban Areas		Rural Areas		Urban Areas		Rural Areas		Urban Areas	
	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females	Males	Females
Under 1 week	74.79	63.38	69.64	55.03	74.47	60.75	64.83	50.63	78.19	65.16	65.66	51.31	65.68	54.13	58.61	46.3
Between 1 week and 1 month	34.58	30.07	33.80	28.79	32.29	27.24	35.15	28.31	29.23	25.06	32.46	26.84	33.47	29.19	30.11	25.5
Between 1 month and 6 months	47.43	44.08	63.43	57.17	42.97	40.51	66.45	59.71	46.61	44.01	63.51	58.52	39.76	36.24	57.17	50.4
Between 6 months and 1 year	38.05	37.65	44.38	42.91	42.35	42.49	43.89	41.85	48.44	47.06	50.00	47.33	39.76	37.89	45.06	42.2
Under 1 year	194.65	174.18	211.16	183.90	192.16	171.07	210.32	180.51	202.47	181.28	211.57	184.00	173.61	157.45	190.95	164.5
Between 1 year and 4 years	40.04	38.47	59.27	54.89	28.88	27.73	36.48	35.66	33.87	32.44	34.81	35.22	33.70	32.77	36.69	36.3
Between 4 years and 9 years	8.11	7.72	10.56	10.52	6.99	7.10	7.20	7.79	9.06	8.93	8.19	8.52	8.60	8.59	8.05	8.2
Between 9 years and 14 years	4.52	4.63	6.05	10.52	3.00	3.06	4.53	5.34	3.49	3.46	4.30	5.35	4.79	5.08	4.80	5.6
Between 14 years and 19 years	8.09	12.22	8.52	12.49	7.66	9.40	6.19	9.95	9.51	11.55	8.84	13.62	6.43	8.42	7.85	11.8
Between 19 years and 20 years	9.31	11.73	16.20	17.24	7.41	9.23	9.95	12.47	8.79	11.21	11.90	14.34	7.31	9.73	12.11	13.8
Between 20 years and 30 years	11.87	12.17	17.44	18.00	9.95	10.21	13.30	14.32	11.68	11.86	14.57	14.71	10.35	11.54	14.15	14.6
Between 30 years and 40 years	17.75	14.48	24.38	17.04	15.34	12.89	21.47	15.66	17.66	14.84	22.05	16.98	16.95	14.10	23.83	16.7
Between 40 years and 49 years	27.47	23.88	37.40	25.15	26.37	23.15	38.45	27.54	30.34	26.43	36.17	28.12	28.40	23.85	35.65	29.5
Between 49 years and 59 years	72.90	72.47	114.03	110.36	83.41	83.09	126.20	126.51	97.62	97.35	166.52	108.42	98.97	98.55	115.80	113.4
60 and Upwards	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...	...

NOTE:—The classification was given for the first time in 1930, and subsequent years. Urban areas mean Municipal areas.

Average birth and death rate—Municipal area:			
Year	Birth	Death	
1921	32.2	33.5	
1924	37.5	32.2	
1927	39.4	32.3	
1932		43.2	26.24
1937		41.25	29.51

A close study of the figures given above not only demonstrates a relatively high rate of mortality in all the age groups but also reveals certain interesting facts. Firstly, the death rate is at its maximum during the first four years of life, decreases in the next four quinquenniums and steadily increases in the later age periods, until a second maximum is reached in the age group of 50-60 and above. Secondly, relatively more males are being removed by death at all ages excepting between 15-29.⁴⁷ It therefore appears that to be born as a male is a more dangerous adventure; and that "the male in virtue of his maleness, is less viable than the female, so that under favourable circumstances . . . the male of his greater inherent fragility, suffers more easily and more severely than does the female and is removed from population by death in greater numbers". Furthermore this selective elimination of the males occurs before as well as after birth.⁴⁸

The causes for this selective mortality are not difficult to see. Prof. Crew believes that the selective elimination of males is due to the existence of lethal genes in males which predominantly influence deaths when circumstances are favourable. Prof. Crew further believes that males till the age of 25 are tossed about between life and death and if greater number of male children are to be saved from the jaws of death, the public health department should take effective measures to provide proper environmental influences. But the most important and effective measure which may go a long way in saving males is the prohibition of their marriage before they attain the age of 25. This of course can be done by legislation. Here is a problem where the frontiers of legislation and administration meet.

The explanation, the only possible one, for the high mortality rates among the females during the ages of 15 and 29 is that the provision of maternity relief is not effective and efficient and consequently, more females are dying due to causes relating to child birth. If adequate maternity relief is provided, we are sure that the number of females dying even in this group will be less than the males.

The third feature is the higher mortality among both the sexes at all ages in the urban areas than in the rural areas. Urban life is

47. The writer made a careful study of the figures relating to 24 countries for the years 1924-30 and found that more males are dying at all age groups excepting in the last group and the reasons are obvious. See *International Health Year Book*, for 1924-30. League of Nations Publication.

48. Presidential address of Prof. Crew, F.R.S. Zoological Section, British Association for the Advancement of Science, 1937 Session. Prof. Crew very humorously remarks that in spite of their numerical majority and equality of opportunity in a country like Britain the influence of women either in the field of politics, literature or science is negligible.

associated with more of indoor living, housing difficulties, occupational risks, social evils and as a consequence urban death rates are higher than rural death rates. However, mortality rate is higher in the rural areas during the neo-natal period, i.e. in the first month of life and it is due to the fact that women in urban areas get skilled medical assistance at the time of child birth which benefits the child as well as the mother. But after the first month the urban life proves deleterious to the child as well as to the mother.

After all is said and done, the fact cannot be denied that the relatively high death rate is attributable mainly to poverty and consequent low standard of living. People are often sick because they are poor. Babies cannot be brought in perfect health in over-crowded tenements. Tuberculosis cannot be controlled among people who are ill-fed and over-worked. Ill-fed women cannot have a well-developed pelvic bone, a condition precedent for successful pregnancy. Under-nourished bodies cannot successfully resist the attacks of communicable diseases. A brief comparison of the chances of life in this country as well as in Britain illustrates the point:

		<i>Per 1000 in India.</i>	<i>Per 1000 in Britain.</i>
1. Maternal Mortality	... ..	9	1
2. Infantile Mortality	... ..	250	72
3. Number living in the age group of 1 and 10		560	890
4. Number living in the age group of 11 and 15		540	863
5. Number living in the age group of 16 and 50		240	747
6. Number living in the age group of 50 and 70		40	296

These figures show that in this country a smaller number of people are in full vigour of life. According to Prof. Hardikar about 75 per cent of the deaths are due to epidemics like malaria, plague, cholera, dysentery, small-pox and chicken-pox which claim not more than 9 per cent in Britain. Prof. Hardikar rightly thinks that the basic cause of these diseases is the chronic poverty of the people of this country.⁴⁹ What is true of the country cannot but be true of this province. Therefore the eradication of poverty is a condition precedent for the maintenance of minimum national health. But the rationalization of the economic basis of the society is not the concern of municipal administration. And yet efficient public health administration can reduce the mortality rates appreciably by providing proper environmental conditions.

49. See the illuminating Presidential address of Prof. Hardikar, Medical and Veterinary Sciences Section, Indian Science Congress, 1945, Nagpur Session. The figures given by the Professor do not appear to be correct. However, his conclusions are correct.

CHAPTER III

MATERNITY AND CHILD WELFARE

Introduction

Of all the social services, maternity and child welfare service is one of the most important. Child bearing is a function which imposes a heavy and serious strain on the health of women. Although it is impossible to eliminate pain and discomfort resulting from child bearing, they can be mitigated by the provision of maternity services. For a woman about to become pregnant, the State must offer, entirely free of charge, ante-natal examination and advice, arrangements for confinement in a maternity hospital and medical care during the intra-natal period followed by post-natal examination and advice.¹

Historical Background

The initiative in the matter was first taken by Government. In 1875, Government issued orders to the municipal councils directing them to employ a trained mid-wife for the training of *dais*. Later on, that is during the period 1875-95, Government issued orders directing the councils to construct hut pavilions for lying-in cases and attach them to hospitals and dispensaries having women's wards. It does not appear that the orders of government produced any effect. *Dais* were not trained and the midwifery profession passed on into the hands of barber midwives.²

In 1916, the Surgeon-General, Major Bannerman, investigated into the matter and found that the number of salaried midwives employed by the municipal councils was thoroughly insufficient. He, therefore, recommended to Government the opening of centres for the training of midwives. The Government accepted the sugges-

1. Webb, *Soviet Communism*. A New Civilization, Vol. II, Ch. 2. See also Kingsbury and Newsholme, *Red Medicine*. "A remarkable fact is", write the authors of *Red Medicine*, "that nearly every pregnant woman comes under medical supervision at an early stage . . . and if the patient does not attend regularly the patient is visited by a nurse at home . . . On attending the pre-natal centre the expectant mother receives a card which entitles her to the right of precedence in tram cars and a sheltered place in them; service in shops without waiting in queue; supplementary food ration; lighter work in the office or shop in which she is employed; two months rest without loss of wages. It is the duty of the doctor to advise her when she should cease work". When the time for confinement arrives she goes to a maternity hospital which is well equipped. "Our observation of the Soviet arrangement for the medical and hygienic care of mothers filled us with admiration and with wonder that such good work should be undertaken and successfully accomplished in the period when the finances of the country are at a low ebb. The maternity and child welfare institutions and the arrangements seen by us gave the impression that they were nowhere stinted or restricted because of financial stress".—p. 177.

2. Report of the Special Committee on Maternity and Child Welfare Work in India, 1938.

tion of the Surgeon-General and enquired of the councils whether they were prepared to depute their candidates for training as midwives. Twenty-seven councils expressed their willingness to depute stipendiary pupils for midwifery training. For some reason or other nothing came of this effort.

In 1920, the position was thus unsatisfactory. This attracted the attention of the Financial Relations Committee. They found that out of the 73 councils, as many as 10 did not employ a single midwife; in 11, the number of labour cases conducted by the municipal midwives did not exceed 10 per cent of the registered births; and in 21 councils it did not exceed 20 per cent. The Committee, therefore, recommended that the councils should first ascertain "whether there are enough qualified midwives to attend to all who need their help and if the number is inadequate", the deficiency should be made good either by employing additional midwives, or by arranging with health associations and other agencies engaged in the work to provide such staff as may be necessary; that training centres should be established in each district for the training of midwives; that the pay of the midwives should be standardized and that the cost of training should be borne by Government.³

The Government accepted the recommendations of the committee and expressed their willingness to start training centres at Salem, Calicut, Madura, Tanjore and Guntur, provided sufficient number of candidates were forthcoming. They further suggested to the councils the constitution of a permanent Maternity and Child Welfare Committee for the formulation of a constructive programme and for the expansion of maternity relief. The councils were requested to report to Government the number of midwives they required. As usual most of the councils made no response to the suggestions made by Government and nothing came of this effort.

In 1923, Government once again took the initiative. Col. Russel, the then Director of Public Health, investigated into this matter and his investigations revealed the fact that infantile mortality was "lamentably high". In 1922, the rate was 329.8 in Bezwada, 352.8 in Coimbatore and 206.3 in Madura per 1,000 live births, while in Britain it was 80 and in Australia and New Zealand 60 and 80 respectively. Secondly, the maternity mortality rate also was considerably higher than in Britain. Col. Russel estimated that on the average 13.5 out of every 1,000 women that took to child bed died. In addition to this enormous death roll—enormous because the corresponding figures for Britain was 4.7 per 1,000 births—a larger number of women were either invalidated or damaged beyond repair. The invalidism or death of the mother in its turn caused the death

3. Memorandum N. L.S.G. dated 7-1-1921.

of the child. Thus higher maternal mortality resulted in higher infantile mortality.

Col. Russel came to the conclusion that the high mortality both among women and children was due to the absence of any kind of ante-natal treatment and skilled assistance at the time of delivery and care during the post-natal period. A great majority of the labour cases were conducted by barber midwives.⁴ "Their ignorance of hygiene, or even of cleanliness are stupendous. . . . Their methods and the instruments used by them and the medicaments given to both the mother and child are so very revolting that no language sufficiently strong can be used to condemn them".

Col. Russel, therefore, recommended that the barber midwife system should be brought to an end; that only trained midwives should be employed for conducting labour cases; that the midwives carrying on private practice should be registered and that the unregistered midwives should be prohibited from conducting labour cases; that the supervision of the midwives should be entrusted to a woman medical officer or to the local medical officer; that each council should form a committee to look after the maternity services and to prepare schemes for the provision of maternity services. He further suggested that the schemes should be given effect within a fixed period, and that ante-natal and post-natal and child welfare centres should be established; that maternity wards and children's hospitals should be constructed; and that health visitors should be appointed to visit the expectant mothers.

While communicating the results of the investigation of Col. Russel to the municipal councils, Government informed them that they as "the responsible custodians of public health of the areas within their respective jurisdictions, will lose no time in formulating and carrying into effect practical measures on the lines set forth" by the Director of Public Health. They were also requested to report as to the action taken by them on the suggestions made by Col. Russel.⁵

To this communication, 49 of the councils replied. Some promised to start maternity and child welfare centres; some promised to improve the existing conditions; and some constituted committees 'consisting of all males' for the preparation of maternity schemes. However, a great majority of the municipal councils pleaded inability to do anything in view of their financial position.⁶ Practically, therefore, nothing came out of this endeavour.

4. It was estimated that the barber midwives managed 10 lakhs of labour cases in this province.

5. G.O. No. 1437. P.H. 28-8-1923.

6. *Annual Report of the D.P.H.*, 1923.

In 1923, Government offered to train at their own expense, candidates deputed by the councils, as health visitors, provided the councils were prepared to appoint them on a monthly salary of Rs. 60.⁷ The municipal councils did not avail themselves of the offer and the Government dropped the proposal.⁸ Again in 1929, the Government prepared a scheme for the training of health visitors. The scheme contemplated the establishment of a school to be managed by a committee, consisting among others, the Surgeon-General as President, the Director of Public Health, the Superintendent of the Maternity Hospital, the Principal of the Queen Mary's College and the Assistant Directress of Public Health. The scheme was to be financed by Government. The scheme was circulated to all the municipal councils and they were asked to inform the Government whether they were willing to employ Health Visitors at all and if so the number of Health Visitors they required and the salary they were prepared to pay." As usual the response of the councils was not 'enthusiastic' and the scheme was dropped. But Government promised to pay to the Red Cross Society a non-recurring grant of Rs. 15,000 for 1930-31 and a recurring grant of Rs. 10,600 per annum in support of the school which they had already started for the training of health visitors. Further, the Society was also given certain amount of administrative control over the municipal maternity centres. The municipal councils had to apply to Government for grant for the construction of maternity centres through the Society and the grants were paid through the Society. This dyarchical arrangement was not conducive for the better administration of the service. For, there were two persons in charge of one and the same service, the Society and the Director of Public Health and the arrangement produced friction between the Society on the one hand and the Director of Public Health and the Councils on the other. The Director, therefore, suggested in the interest of the service that complete control should be vested in his hands. The Government accepted his suggestion and since 1932, grants are being paid through the Director of Public Health.¹⁰ At present, the Director should be consulted in drawing up of schemes relating to maternity and child welfare.¹¹

The Red Cross Society closed down the school for the training of health visitors in 1938 and Government took over the

7. Memo. No. 25715. P.H. 15-11-1923.

8. G.O. No. Mis. 18. P.H. 4-1-1924.

9. Memo. No. 39846. P.H. 25-1-1929.

10. G.O. No. 48. P.H. 9-1-1931.

11. G.O. No. 1375. P.H. 27-6-1932.

management of the institution.¹² Since 1938, the Training School for health visitors is managed by Government.

Organization, Personnel and Functions

The administrative organisation for maternity relief and child welfare consists of the Health Officer, Woman Medical Officer, Health Visitor and midwives. The Health Officer is in charge of general administration. The Woman Medical Officer is in charge of health visitors and midwives.¹⁴ Where there is no Health Officer, the commissioner of the municipality is in charge of general administration and where there is no woman medical officer, the Health Officer is in the immediate charge of health visitors and midwives.

As regards functions, the woman medical officer must supervise the work of the Health Visitors and midwives. She should refer abnormal and complicated cases to the maternity hospital for treatment. She should hold clinics regularly every week at the maternity centre for the ante-natal and nursing mothers; she should arrange for health instruction and training.

The duties of a health visitor are defined by the woman medical officer. Every health visitor is given the charge of a particular area. Her main functions are to visit pregnant women and infants living within her jurisdiction and instruct them on the sanitary conditions to be observed. She should collect as many as possible of the expectant mothers for instruction by the woman medical officer. She must see that the instructions given by the woman medical officer are being observed by the patients at home. She must assist the midwives in conducting difficult cases. She may pay a visit to the girls' schools and talk to older girls on health matters.

The midwife is the foundation of all maternity activities. For a great majority of the labour cases, the assistance of a doctor or a health visitor is not required; but not so as regards the midwife who is an indispensable element. Usually she is given the charge of a particular area and she must reside within that area at a place accessible to all. A board must be hung in front of her house informing the public that her professional services are available to the public free of cost. She must make a house to house visit and register all ante-natal cases, collect as many of these cases as possible for instruction by the woman medical officer on the day

12. G.O. No. 2514. P.H. 29-10-1934.

14. D.P.H. Office No. 233-IM 2-3-1934.

when she holds the clinics; she should attend to labour cases; and finally she must visit the mothers for at least ten days after delivery.¹⁵

From the facts set above, it is evident that every maternity centre is intended to perform three functions, ante-natal, intra-natal and post-natal. Ante-natal care has assumed increasing importance in recent times because efficient ante-natal care is resulting in the reduction of maternal mortality. Under ideal conditions every pregnant woman must be visited by a health visitor or a midwife during the 16th week of pregnancy and persuaded to visit the clinic.¹⁶ At this visit a full medical and obstetrical history of the patient should be taken and if she is prepared for a physical examination it should also be done. The physical examination includes the examination of urine, teeth, breasts, taking of the pelvic measurements and noting the blood pressure. The question of examination of the vaginal canal should be left to the discretion of the medical officer.¹⁷

After the examination is over, the health visitor should visit the patient to note the hygienic conditions in which she is living and if they are unsatisfactory she should advise the patient as to the improvements that should be made. She should also arrange the date of her next visit.

From this time onwards the patient should be examined every month till the 28th week of pregnancy. From the 28th week till the 36th week the examination should be fortnightly. Between the 32nd and 36th week a special examination of the patient should be conducted to ascertain the presentation of foetus, the relation of head to pelvis and the condition of the teeth, for bad teeth have a deleterious effect upon the health of the woman and of her forthcoming baby. During the 36th week the uterine height must be taken, the foetal heart must be listened to and the urine must be examined. Should the midwife or the health visitor attending on her notice any complication or abnormality it should be reported at once to the medical officer. Further, arrangements made for confinement should be enquired into and if no arrangements have been made she should be advised to do so without delay and the midwife should follow her and see that arrangements are made according to the instructions given by the medical officer.

Thus the function of an ante-natal clinic is fundamentally an educational one.¹⁸ By careful examination, observation and treat-

15. D.P.H. Office S. No. 1022. M., dated 3-9-1926.

16. In some of the Western countries every woman is compelled by law to notify her pregnancy to the proper authority so that he may take adequate measures to look after her health. Ordinarily ante-natal advice is sought in the latter half of pregnancy.

17. A. I. Mudaliar, *Clinical Obstetrics*, Chapter IX.

18. Newman, *The Building of National Health*, pp. 210-15.

ment during the ante-natal period, maternity is rendered safer, less burdensome and less disabling. Systematic ante-natal examination can almost completely eliminate eclampsia; by the regular testing of urine and the taking of blood pressure, toxæmia and anemia are easily recognised and treated; by physical examination at stated intervals the pelvic disorders and abnormal presentations are recognised and corrected¹⁹ and the size of the head to the brim of the pelvis is noted. Therefore, the main purpose of an ante-natal clinic is to protect the expectant mothers from the well-recognised perils and difficulties of pregnancy and to assure the unborn baby the best possible voyage from the intra-uterine life into this mortal world. Experience has shown that unless ante-natal supervision is adequate and efficient safe delivery cannot be assured.²⁰

As soon as the time arrives for confinement, arrangements should be made for delivery either at a maternity hospital or at home. If delivery is to take place at home it should be seen that "confinement is not undertaken in an entirely unsuitable environment; such anti-septic and aseptic precautions as are generally necessary should be taken". Under ideal conditions a doctor and a midwife should be available and should bring to the case a fair knowledge and skill; should any complication arise, such facilities as transport and well-equipped maternity hospitals should be available; and if the case is a complicated one, requiring the assistance of a second doctor to act as anaesthetist, there should be one.²¹

It should be remembered that intra-natal care is as important as ante-natal care. If proper care is not taken during this period all the good work done during the ante-natal period will be of no avail.

After delivery for at least ten days, the mother should be visited and carefully nursed to prevent post-natal infection. Further, the patient should be examined to correct any bad effects of pregnancy or delivery. Thus the provision of ante-natal, intra-natal and post-natal treatment as detailed above constitutes a comprehensive programme of maternity hygiene and if the maternity relief is to be effective, the municipal authorities should provide these services and make them available to every one about to become a mother.

To what extent these services were provided and how far were they efficient? It may be said without fear of contradiction that

19. *Interim Report* of the Departmental Committee of the Ministry of Public Health on Maternal Mortality and Morbidity, p. 62.

20. *Final Report* of the Departmental Committee of the Ministry of Public Health on Maternal Mortality and Morbidity, p. 144.

21. *Interim Report*, Op. cit.

a great majority of pregnant women did not at all receive any kind of ante-natal treatment. The table given below illustrates the contention:

Year	Number of centres		Medical women available		Health visitors	Midwives		Maternity beds	
	Total	Municipal	Total	per 1,000 births		Total	per 1,000 births	Total	per 1,000 births
1930	65	—	149	1.14	1	512	3.92	604	4.62
1931	72	40	137	1.20	35	671	4.9	759	5.6
1937	82	65	115	0.72	44	673	4.22	985	6.16
1941	115	97	226	1.33	53	892	5.2	1,533	9.3

From the figures given above it is evident that some progress was made during the period under review. In 1920, practically there were no maternity centres, no health visitors and no women medical officers in charge of maternity centres. In 1941, the position was different, when we had them all. But their number was hopelessly inadequate. There were only 1.33 medical women, 5.2 midwives and 9.3 maternity beds for every 1,000 births and the total expenditure incurred by all the municipal councils was only Rs. 4,23,846. The total number of births registered was 1,69,289 and the total number of still births was 7,807. On the average Rs. 2-6-3 was spent on every birth.²² It is, therefore, evident that throughout the period of dyarchy the provision of maternity services was hopelessly inadequate.

The inadequate provision of maternity services produced disastrous results. Statistics were collected for 22 municipal areas in 1925. In these 22 places 43,477 women took to child bed. Of them 747 died there. In other words, the average maternal mortality rate per 1,000 births in all these municipal areas was 17.5. Another investigation was carried out in Trichinopoly, Madura, Coimbatore and Madras. 7,324 confinements were analysed and the analysis revealed a death rate of 17.89 per thousand births.

The average maternal mortality rate per 1,000 births for all the municipal councils during the years 1932-41 was as follows:

YEAR	1932	1933	1934	1935	1937	1941
RATE	13.7	13.5	14.2	13.8	12.67	12.68

22. *Annual Reports of the Director of Public Health*, 1941.

Though the average rate did not exceed 15 per thousand in any year, a comparative study of the maternal mortality rates obtaining in some of the municipal areas goes to show that they were much higher than the average rates. For instance,

Municipality	1930	1931	1932	1933	1934	1935	1937	1941
1. Ongole ...	42.49	21.94	29.9	20.9	12.84	21.13	24.89	15.29
2. Tanjore ...	34.47	29.91	11.7	21.8	18.44	24.20	20.84	19.32
3. Guntur ...	38.63	29.24	29.6	25.2	11.83	26.27	22.40	22.35
4. Villupuram ...	32.26	49.29	26.0	35.8	34.16	30.55	28.04	14.43
5. Negapatam ...	31.29	26.05	28.3	18.3	17.15	24.07	18.71	20.43
6. Chingelput ...	35.56	35.52	30.6	20.3	19.37	20.65	33.30	18.72
7. Tirupati ...	27.07	24.48	17.7	11.3	18.52	14.25	18.53	16.87
8. Palacole ...	27.59	22.17	16.9	28.0	28.77	15.73	25.84	22.29
9. Nellore ...	22.08	26.44	26.9	28.4	20.40	24.53	22.95	18.52

These examples show the different rates prevailing at different times in different municipalities. We find even in 1941 that as many as 31.93 women out of every 1,000 dying in child bed in Bellary. In the same year in six of the municipal towns like Cuddapah, Chittoor, Narasaraopet, the rate of mortality was between 26 and 30; in 12 between 20 and 25; in 13 between 16 and 20 and in the remaining areas below 15. Compared with the maternal mortality rates obtaining in some of the foreign countries, the figures given above disclose a deplorable state of affairs. For instance,²⁴

Name of the country	1920	1924	1928
England & Wales ...	4.3	3.9	4.4
Switzerland ...	4.3	3.9	4.4
New Zealand ...	6.5	5.6	4.9
Japan ...	3.5	3.1	2.8
Italy ...	2.8	3.2	2.8
Australia ...	5.0	5.5	6.0

Why should there be any variation in the mortality rates? Various explanations have been offered such as race, environmental conditions, physiological differences and the prevailing marriage age. But Sir Arthur Newsholme is of opinion that variations are chiefly due to the differences in maternal care. In other words, adequate ante-natal, intra-natal and post-natal care largely determine the

mortality rate. In the Scandinavian countries the maternal mortality rate is low because all the expectant mothers receive all the care at every stage mentioned above. Further, all the maternal services in those countries are well co-ordinated. Above all, the physique of the women of those countries is excellent and consequently pelvic disorders are a rare event. But the position in this province, nay in this country, is the reverse.

The causes for maternal deaths are several. It may be due to septic abortion, or abortion, puerperal haemorrhage, puerperal sepsis, anaemia and toxemia, etc. But a great majority of the causes can be detected during the ante-natal, especially puerperal sepsis, anaemia and toxemia. The independent investigations carried out by three eminent obstetricians, Dr. (now Sir) A. L. Mudaliar in Madras, Dr. Jirad in Bombay and Dr. Neal Edwards in Calcutta,²⁵ go to show that more than one-third of the maternal deaths were due to preventible causes, viz.: puerperal sepsis. Of the 436 deaths studied by Dr. Mudaliar, 115 were due to puerperal sepsis, 57 were due to anaemia and 52 were due to toxemia. Dr. Mudaliar says that given proper care and treatment during ante-natal, intra-natal and post-natal periods, these 234 or 53.44 per cent of the deaths could have been avoided.²⁶

In the absence of the care and treatment mentioned above, certain factors gain dominance and influence the maternal mortality rate. They are firstly, age. The average age at which girls begin to co-habit with their husbands is at 14 and the average age at which they begin to give birth to their first baby is at 16. Each mother gives birth on an average to six children before the age of 30. Most of the women are worn out by that age by child bearing. If the marriage age of women is increased to 18 they will be better fitted in every way for the task of child bearing.²⁷

Secondly, mortality among women due to child bearing belonging to a particular age group seems to be common. Of the 436 deaths examined by Dr. Mudaliar, 82 belonged to the age group of 15-19, 108 to the age group of 20-24 and 115 to the age group of 25-29. From the figures given above it is evident that deaths are greater among women belonging to the age group of 25-29. Out

25. (a) A. L. Mudaliar, *Report on the Investigation into the causes of Maternal Mortality in the City of Madras.*

(b) Jirad, *Report on the Investigation into the causes of Maternal Mortality in the City of Bombay.*

(c) Neal Edwards, *Report on the Investigation into the causes of Maternal Mortality in the City of Calcutta.*

26. See also the *Interim Report* of the Ministry of Public Health, England, Op. Cit.

27. Blunt, *Social Service in India.*

24. *International Health Year Book of the League of Nations, 1921-30.*

of the 340 deaths analysed by Dr. Jirad, 115 belonged to the age group of 20-25 and 99 to that of 26-30.

Thirdly, a majority of deaths occur among the primipara, i.e. first confinement, than among the multipara (subsequent confinements). Dr. Mudaliar says, that the first confinement is in reality a 'trial labour' and therefore the expectant mother should be given sufficient care during the ante-natal and intra-natal periods the absence of which means the risk of sepsis or haemorrhage. It should, however, be mentioned that deaths are also greater among 'the old multipara'. The table given by Dr. Mudaliar illustrates the point :²⁸

Order of pregnancy	Total No. of cases examined	Total No of deaths	Average percentage.
I	4,003	175	4.30
II	2,870	60	2.10
III	2,326	65	2.80
IV	1,636	44	3.10

Fourthly, frequency in child bearing seriously impairs the vitality of the mother, ultimately leading her to the grave, especially if the interval between successive child births is not more than a year. Dr. Mudaliar gives two instances in support of this contention. One woman aged 30 had given birth to six children within a period of eight years of married life. She was brought to the Maternity Hospital when her condition became critical and died two hours after the birth of the sixth child. Another woman of 25 years of age had given birth to seven children within a period of seven years of married life. She suddenly collapsed and died just after the birth of the last child. Dr. Mudaliar says that these two deaths were due to lack of vitality as a consequence of frequent child bearing. If only women of the kind had sought advice at one of the maternity centres they would have been advised to build up their physical capacity to bear the strain of child bearing and to space out future pregnancies by practising contraception or to terminate pregnancies if they were a source of danger to the health of the mother.

Fifthly, seasonal conditions are to some extent responsible in aggravating maternal mortality. Dr. Jirad informs us that the per-

centage of mortality due to eclampsia is highest in the cold seasons, that is during the months of November, December and January.²⁹

Sixthly, economic and social conditions greatly influence the maternal mortality rate. Persons with low income, living in dirt, squalor and disease are easily susceptible to every infection. "Unhygienic and overcrowded dwellings and under-nourished bodies are hardly suitable" for child bearing.³⁰ Hygienic and nutritional factors are, therefore, intimately associated with maternal mortality. It is very aptly said that what is very urgently required is not a herd of obstetricians but a herd of cows. By proper nutrition the shape of the pelvic bone can be developed properly in a girl during girlhood and thus better fitted to undertake the function of child bearing. Malnutrition makes the pelvic bones narrower and stiffer, conditions which are not at all suitable for child bearing. Therefore, proper nutrition is the only way by which an expectant mother can sustain her health and strength and that of the forthcoming baby.³¹ The mortality rate among the Danish and Swedish women is much less because they consume more milk and live under sanitary conditions. As a consequence there is more natural pelvic development in them "a condition which largely influences the safety of motherhood". We cannot have low maternal mortality rate unless women subjected to the strain and stress of the physiological function of child bearing are themselves healthy and physically fit to undergo it.³²

Finally, neglect plays a great part in the causation of maternal deaths. Dr. Mudaliar says that out of 436 deaths analysed by him no fewer than 313 did not receive any kind of ante-natal care. Of the 313 deaths a very large proportion of them could have been saved had proper ante-natal measures been taken. This neglect is greater on the part of women who have already experienced child bearing even though they are particularly in need of more than ordinary ante-natal care. The previous successful deliveries make them believe that they are experts in child bearing. They therefore neglect all ante-natal examination.

To sum up, a great majority of the maternal deaths are due to avoidable factors, such as complete absence of any ante-natal care, failure to enquire into the previous obstetric history and failure to diagnose the complications correctly and failure to follow up the complicated cases.

28. Mudaliar, *Report*, Op. Cit.

29. Jirad, *Report*, Op. Cit.

30. *Ibid.*, p. 52.

31. Titmus, *Poverty and Population*, pp. 150-5.

32. *Final Report*, Op. Cit., p. 98.

(ii) *Child Welfare*

In all ages the problem of children and the care accorded to them has depended principally on the social value attached to them. The child is at present looked upon as an important social unit and is, therefore, entitled to all the care which makes him a healthy being so that he may develop his abilities to the fullest extent. Under the present circumstances, however, the State assumes no such responsibility and the care and attention due to the child are available to the fortunate few.

An ideal programme for the promotion of child welfare includes continuous and efficient medical supervision of the baby till it reaches the age of five. The baby should be seen regularly every month till it reaches the age of 3 months; then bi-monthly until it completes one year and once in 6 months till it reaches the age of five. The child welfare centres should not only render advice but also correct physical defects.³³

Measured by this criteria, the child welfare centres that existed in the municipal areas are far below the ideal conditions. There are no doubt some child welfare centres. Some of them give milk to the poor children and sometimes a bath. Excepting these two functions they do not seem to perform any other function. Therefore the provision made for the welfare of children is thoroughly inadequate and a great majority of them are not getting that minimum care to which they are entitled. As a result of this neglect infantile mortality rate is high. For instance, the average infantile mortality rate per 1,000 live births during the period of 1920 to 1941 was as follows:—

YEAR	1920	1925	1930	1934	1936	1937	1941
RATE	228.2	207.9	197.1	200.07	178.83	182.26	176.59

33. In Russia when a child is born the birth is reported to the Children's Consultation Bureau. These bureaus usually have three departments. One for the infants, one for the children and the third, an education department. When the mother leaves the hospital after delivery she takes the child to the bureau concerned and repeats the visit every three weeks. A milk card is delivered to her. If the mother is not able to nurse the child or if she is weak she may obtain breast milk from the Breast Milk Station. Mothers having surplus breast milk supply the station. In the Children's Consultation Bureau the development of the child is carefully watched. When the mother goes to work she leaves the infant in a nursery. Soviet nurseries have three purposes in view. They liberate the working-class women from the care of rearing children. They educate the mother as well as the child. The nurseries contain three divisions. One for the infants under one year; one for children of two years of age and the third for children 3 to 5 years of age. The mother comes at regular intervals to nurse the child. She removes the working clothes, puts on a sterilised gown with slits at the breast. As soon as the child reaches the second year it is put in the second group and is taught to learn certain habits such as bathing and eating. There they sing, dance and play. At the age of three the child leaves the nursery as an independent little citizen. An interesting account of the working of the Soviet nurseries is given in Sigerist, *Socialised Medicine*, 275.

Though the average infantile mortality was only 176.59 per 1,000 births in 1941 it was much higher in some of the municipal areas during the period 1920-41. For instance, the mortality rate per 1,000 births in the following municipal areas was as follows:—

Name of the Council	1920	1925	1930	1932	1937	1941
1. Ootacamund ...	348.5	219.6	197.8	192.9	180.5	147.10
2. Bezwada ...	332.9	264.8	263.4	221.4	250.5	212.13
3. Guntur ...	282.8	267.0	250.2	218.6	189.7	218.42
4. Vizagapatam ...	276.7	251.6	241.8	295.2	237.2	232.30
5. Tinnevely ...	260.1	205.1	218.0	257.9	204.0	228.04
6. Virudupatti ...	252.3	170.8	170.0	186.0	220.6	164.21
7. Tuticorin ...	237.7	225.3	215.4	232.4	203.4	211.72
8. Vizianagaram ...	224	155.1	187.5	198.3	208.1	193.30
9. Rajahmundry ...	155.1	262.1	213.7	257.1	271.9	251.84

A careful study of these figures reveals the fact that infant mortality was appallingly high in 1920. It was 348.5 in Ootacamund, 332.9 in Bezwada and 282.8 in Guntur. But in 1941, the rate came down to 147.10 in Ootacamund, to 212.13 in Bezwada and 218.42 in Guntur per 1,000 live births. Similarly the average rate in all the municipal areas was 228 in 1920. In 1941 it came down to 176.59. It may therefore be said that there is some improvement in the situation. But when compared with the figures obtaining in the Anglo-Saxon countries we are still centuries behind. For instance:

Name of the Country	1920	1925	1930	1932	1937	1941
The United States	76	72	65	58	54	45.3
Canada ...	102	92	89	73	76	—
England & Wales...	83	75	60	65	58	58.4
Ireland (North) ...	87	86	68	83	77	—
Erie ...	73	68	68	72	73	—
Australia ...	66	53	47	41	38	—
New Zealand ...	48	40	34	31	31	—
Union of South Africa ...	77	68	67	69	57	—

Compared with the figures given above our mortality rate is three times higher than that of England, five times that of New Zealand. In all the 82 municipal towns, the number of children that

died in 1941 was 29,845 and if our mortality rate had been that of Canada, viz.: 76, we could have saved as many as 17,000 children in that year. The rate obtaining in New Zealand was only 31 in 1937 and in the same year the rate in the Madras District Municipalities was as high as 176.59. We are where England was in 1875. Even in that year the rate in that country was only 153.³⁴

Why should the rate of infant mortality be as high as 176.59 in the municipal areas and as low as 31 in New Zealand? In New Zealand the State made adequate and effective provision for the protection of children, but in this province, nay in this country, the provision made is thoroughly inadequate. In the absence of proper care, certain factors gain dominance and influence the death rate. These factors are, firstly, there is an intimate relationship between the health of the mother and the infant mortality rate. Infants whose mothers are tubercular or suffer from venereal diseases may inherit them and these diseases may cause their death.

Secondly, the death of the mother within the first year of child-birth may result in the death of infants. Because such children must be artificially fed. Lack of breast milk and lack of proper attention and care are the contributory causes for the higher mortality rate among such children.

Thirdly, mortality among twins and triplets is higher than among the single born children. The writer's attention was drawn to this fact when he visited the Maternity and Child Welfare Centre at Jagannadhapuram. One woman gave birth to twins successively three times. All the six children excepting one died. Further, twins are very often prematurely born. Death rate among such prematurely-born children is high especially if they are delivered by means of instruments.

Fourthly, mortality among the artificially-fed infants is higher than among the breast-fed infants especially if the artificial feeding is resorted to during the first six months after the birth of the child.

Fifthly, infants born to mothers belonging to the age group of 15-20 do not enjoy the same chances of life as infants born to mothers belonging to the age group of 25-30.

Sixthly, the order of birth is another factor which influences death. Mortality among the first born children is greater than among the second born. Similarly, it is higher among the ninth, tenth and later births than among the sixth, seventh and eighth.

34. Newman, *The Building of a Nation's Health*, p. 312.

Seventhly, mortality among children born within an interval of one year is higher than among children born after an interval of two or three years.

Eighthly, economic and social conditions of the parents influence the mortality rate. Infantile mortality is intimately related to density of population. Mortality among children living in urban areas is higher than among those living in rural areas. Even in the urban areas the rate is higher in the highly congested areas, that is, in slums than in the thinly populated areas. For instance, the rate was higher in Jagannadhapuram, a typical slum area, than in Mambalam. We found in Jagannadhapuram, scavenging ineffective, soil polluted, water unwholesome, food contaminated and housing bad. Bad housing and overcrowding means, lack of open space, lack of sunshine, lack of air, lack of contact with nature and they cause the death of thousands of children who under better conditions would have lived to be healthy men and women and useful citizens.

This brief survey of this aspect of public health administration reveals the fact that much remains yet to be done. A comprehensive maternity service is yet to be created. There is still a serious lack of trained midwives and the barber midwives are still conducting 60 per cent of the labour cases. It is a well-established principle that all the constructive social services should be provided adequately and free of cost. For instance, we have made vaccination and to a certain extent, elementary education compulsory; but maternity service is not yet made compulsory nor is it provided adequately. The result is that several hundreds of women (2,243 in 1941) are dying in child bed in the municipal areas alone and several thousands are either invalidated temporarily or disabled beyond repair. It is forgotten that "most of them are young, at their reproductive zenith, making their physical contribution to their day and generation, each of them the mother of a home, the upbringer and trainer of a family". The death of such a mother "is a calamity to home life and to its integrity, perhaps the most grievous of all misfortunes and dislocations which can afflict her husband and children. Moreover, the knowledge of these disasters is apt to produce in many women and their husbands a fear of maternity".³⁷ It is therefore incumbent on those entrusted with the administration of these services to alleviate this suffering and sorrow.

How can this be done? Firstly, the present position should be surveyed and a comprehensive scheme should be prepared for the whole of the province. The scheme should be put into operation

37. *Final Report*, Departmental Committee, Op. Cit.

within a fixed period. Secondly, there should be a network of maternity and child welfare centres adequate in number and efficiently equipped. They should be kept in charge of women medical officers who have been specially trained in maternity services. In bigger municipalities like Madura, Trichinopoly and Bezwada, separate maternity hospitals should be established with separate wards for clean cases and puerperal sepsis. Dr. Mudaliar recommends that an ideal maternity hospital should have separate wards for clean cases, separate puerperal wards for suspect cases and septic cases and separate wards for abortion cases. But we think that it is the goal which we should one day reach in every municipal area. At present it is beyond the means of every council to provide a maternity hospital on the lines suggested by Dr. Mudaliar. To start with, it is enough if sufficient number of maternity and child welfare centres with provision for confinements are established. It should be remembered that every centre should have separate wards for clean cases and puerperal sepsis. During our investigations we found that in some centres no provision was made for the institutional treatment of the labour cases and where provision was made there were no separate wards for clean cases and puerperal sepsis. It was not realised that the omission of this important provision tends not only to lower the efficiency of the midwifery work but also to discredit all the good work done during the ante-natal period. Further, institutional treatment, that is, confinement in maternity hospitals or centres should be encouraged as it reduces the maternal mortality rate.

Thirdly, domiciliary midwifery requires reconditioning. However efficient the institutional treatment may be, certain percentage of women would like to be confined in their homes especially if they have children to look after. If the domiciliary service is to be efficient the barber midwife system should be eliminated. In an ideal state of affairs there is no place for the barber midwife, especially if we remember the responsibility of a midwife in this province. It is more onerous than anywhere else because of the scarcity of medical women and obstetricians. In England, legislation prohibited the *dais* from conducting labour cases. Similar provision should be made in this province also.

Fourthly, new training centres should be opened to train a greater number of midwives. The training given at present, we are told, is inadequate. Therefore, the course of study should be revised. The selection of candidates for the midwifery training should be placed in the hands of a Board appointed by the Government. Candidates who are trained in these centres alone should be appointed by the councils.

Finally, all the private maternity hospitals and clinics should be brought under the control of the Health Department. At present they are so very independent that one does not know what happens within their four walls. Some of these institutions are ill-equipped and are in charge of inefficient midwives and it is dangerous to allow such institutions to go on without being controlled. If these reforms are carried out we are sure that motherhood will reach a high level of safety and as a consequence maternal and infantile mortality rates will fall.

CHAPTER IV

CONTROL OF COMMUNICABLE DISEASES

Historical Background

Man is harassed by a number of hostile organisms from within and without the body. The influence of these organisms is predominant especially in urban areas and unless a well-planned health programme is organised to combat them he may fall a victim to any of them.

The history of the communicable diseases¹ records two theories as to the cause of epidemics. The first is the theory believed even today that the outbreak of an epidemic is due to the influence of demons and deities, stars and fairies, the witches and the like. The people who believe in this theory fight the epidemics with prayers and sacrifices.² The other theory is the germ theory and it was enunciated by Louis Pasteur. Pasteur's prolonged researches resulted in the discovery of the fact that all fermentation is produced by the growth of germs; that each fermentation has a peculiar germ and no germ is spontaneously generated.³ By his further researches into the origin of diseases among the silkworms in the Southern Departments of France, he came to the conclusion that the disease among the silkworms was due to contact with the diseased silkworms or due

1. Ordinarily epidemic diseases are cholera, small-pox, plague, relapsing fever, measles, chicken-pox, diphtheria and malaria.

2. In London in July 1665 about 2,000 persons died every week due to black death. Most of the houses were closed and streets were empty. With the exception of men who came with their coffins and carts to fetch the dead no living being was seen. The Londoners believed that Black Death was due to the evil influence of some demons. They therefore painted on the house doors red crosses with inscription 'Lord have mercy on us'. Nothing was to be seen except the wailing of the dying, the lamenting of the relations and the tolling of the bells for those about to be buried and the mourn call. See 'Communicable Diseases' in *Encyclopaedia of the Social Sciences*.

3. Newman, *The Rise of Preventive Medicine*, Chapter V.

to contamination of their eggs by infection. He said that the solution lies in securing healthy eggs and preserving them from being contaminated. After these investigations he turned his attention to an enquiry into the causes of diseases among human beings and discovered the germ theory which shattered the theory that epidemics were due to the influence of devils and demons.

To combat any disease successfully, its periodicity and history must be known. Without such a knowledge, it is not possible either to forestall or to take effective measures to prevent its spread to the neighbouring localities. The Public Health Department did not maintain such a history,⁴ and it was customary for the health staff to await the outbreak of an epidemic and then resort to preventive measures. The result was that preventive measures followed instead of forestalling, the outbreak of the disease.⁵ Further, there was no co-operation between the local authorities themselves in dealing with epidemic diseases. They imagined themselves to be independent self-governing units and took no notice of the outbreak of an epidemic in the neighbouring locality. For instance, the outbreak of plague in Madura was viewed with indifference by the neighbouring councils like Palni and Kodaikanal. The position therefore was so chaotic in 1920 that the Government directed the Sanitary Commissioner (now called the Director of Public Health) "to pay closer attention to the history of each epidemic with a view to determine the areas most susceptible to infection and the periodicity of the disease within each such area".⁶

Col. Russel* investigated into the history and periodicity of the communicable diseases and his investigations revealed the fact that plague tends to attain its maximum incidence during certain seasons of the year and that it is apt to appear again and again in the same locality and also in the same houses. Further, plague among rats is most virulent when rat fleas are most numerous when atmospheric conditions such as damp weather are most suitable for their propagation. In some places like Mangalore, plague may be epidemic; some places like Periyakulam are peculiarly attractive to rats; and in some places like Salem and Coimbatore plague is imported from the neighbouring State of Mysore through Hosur.

Cholera according to Col. Russel, is a common disease in this Presidency and it is responsible for thousands of deaths every year.

4. G.O. No. 1354. P.H. 19-10-1921.

5. *Annual Report* of the Director of Public Health, 1923.

6. G.O. No. 80. P.H. 26-1-1921.

*Director of Public Health. Of all the Directors since 1921 it may be said with confidence that Col. Russel was the one who took keen interest in the promotion of public health in the province. Sir N. Gopalaswamy Ayyangar told the writer that Col. Russel was an efficient officer.

The chief means by which it spreads are water and food articles. For instance, the main cause for the outbreak of cholera in Trichinopoly in 1921 in a virulent manner was, the Mohammedan population near Uyyakondam canal used the canal water for drinking purposes which was contaminated in the Karur area.⁷ The investigation into the history and periodicity of this disease revealed the fact that it assumed violence every seventh year. It was at its worst in 1918 and again it broke out in a violent manner in 1925. Secondly, a number of endemic foci exist in the deltas of the river basins in this Presidency and spreads from there along the rivers and canals. Thirdly, cholera epidemic in deltaic areas is chronic in character and in the non-deltaic areas it is short-lived and explosive. Fourthly, cholera visits certain parts of the Presidency during certain seasons. The Circars—Guntur, Kistna, West Godavari, East Godavari and Vizagapatam—are visited after the south-west monsoon—July, August and September—and the southern districts after the north-east monsoon—November, December and January.⁸ Finally, certain districts like Bellary and Kistna are in constant danger of invasion of the disease from the neighbouring areas.

As regards small-pox it is generally believed that where there is high vaccination rate, death rate due to small-pox should be less. But according to the records available in the office of the Director of Public Health the death rate due to small-pox was high in the areas where the vaccination rate also was high. The only explanation for this paradox is the fact that vaccination was in a nebulous state and actually no vaccination was done. Further, vaccination was not compulsory then as it is now.

Personnel and Functions

We shall now consider the organization and the personnel that is entrusted with the responsibility for the enforcement of the administrative measures to control communicable diseases. The executive authority is responsible for the execution of all measures to prevent the outbreak and spread of epidemic diseases. He is assisted by a number of officers in the discharge of his duties. Whenever an infectious disease threatens to break out, the Health Officer of the council prepares a scheme, specifying the measures to be taken for the investigation, treatment and control of the disease and the staff required to carry out the measures. It is the duty of the executive authority to enforce the scheme.

7. G.O. No. 1203. P.H. 28-9-1922.

8. G.O. No. 1798. P.H. 15-10-1928.

Next to the executive officer, there is the Health Officer. He is designated as cholera officer whenever cholera breaks out and plague officer whenever plague breaks out. The Health Officer is the field officer who is actually in charge of the operations against the epidemics. He is given the assistance of a special staff wherever necessary. He should report to the executive officer periodically as to the action taken by him. The subordinate staff employed for the purpose work under his control. Whenever any difference of opinion arises between the Health Officer and the executive officer the matter should be referred to the Director of Public Health and his decision is final. In addition to the Health Officer a medical officer is appointed for the treatment of the patients. The Medical Officer should maintain a register and record the number of cases admitted, the number proved fatal, and the number discharged and furnish these particulars to the Health Officer so that he may take necessary preventive measures.

Thus the administrative organization created for the purpose of combating epidemic diseases is eminently suitable. At the top there is the executive authority to take a general survey of the measures taken and at the bottom there is the Health Officer in charge of the operations.

Administrative Measures

The kind of administrative measures to be taken to combat epidemics depend to a great extent upon the epidemiological characteristics of the disease concerned. The measures to be taken are of two kinds, permanent measures and seasonal measures. Seasonal measures are of two kinds, measures to be taken in anticipation of the disease and measures to be taken after the outbreak of an epidemic.

Permanent Measures

One of the permanent measures to be taken for the prevention of plague is rat proofing. Rats require food and shelter. If they are denied these two essential needs they shall either migrate or die. In other words, the construction of houses should be such that it will not give shelter to rats. Secondly, by eliminating slums and keeping the premises of the buildings in a sanitary condition the rat population can be destroyed. Congested localities are very congenial for rats to live in. Thus by reconstructing slums and by keeping the streets and lanes in a sanitary condition the occurrence of plague can be prevented. The Nizam's Government tackled the problem of plague by reconstructing the slum areas in the Hyderabad city. A major portion of the old Regimental Bazaar in Secunderabad (Deccan) which was the home of plague was demolished and reconstructed with

a view to prevent the occurrence of plague. Thirdly, by controlling the dangerous and offensive trades and by the segregation of shops and stables from the residential areas, the occurrence of plague can be prevented. The municipal authorities should not therefore permit the location of godowns for the storage of grains, cotton and cotton seeds in the residential areas; nor should they permit, particularly in densely populated areas, the carriage of such dangerous and offensive trades as the washing of soiled clothes, keeping of the soiled clothes for the purpose of washing, the boiling of paddy, manufacture of camphor, the melting of sulphur, the storing of manures, offal blood, bones, hides, fish and making of soap. Further, the municipal authorities should insist that the godowns be so constructed as to be rat-proof. For instance, rats can jump at least 25 inches vertically and can span at least one foot. The construction of godowns should, therefore, be such that rats will not be able to get into them. Further, the flooring of godowns should be impervious. Otherwise it is practically impossible to keep the rats out if flooring is made of mud.

As regards cholera the only permanent measure that should be taken for its prevention is the installation of protected water supply.

The permanent measure to be taken against small-pox is universal and compulsory vaccination. Complete freedom from small-pox is guaranteed to any community by compulsory vaccination. Several countries have been able to banish this disease from their territories by this method alone. If every individual is successfully vaccinated in the first year of his life, re-vaccinated before the completion of the school age and again once in ten years, he is permanently protected against small-pox. A community which contains a greater number of unvaccinated persons or vaccinated only in infancy greatly facilitates the invasion of the disease. It is true that there are critics who do not agree with this view but their number is steadily diminishing.

Seasonal Measures

The measures to be taken in anticipation of plague are firstly rat destruction. Rat destruction must be undertaken throughout the non-epidemic season, and especially a month or two before the probable date of occurrence. It must be remembered that rats are extremely prolific and if the operations are not well-organised the rat destruction will not be effective. The most successful method by which rats can be destroyed is by fumigation. Secondly, streets and lanes should not be allowed to become depositories of filth and dirt. To the rats refuse and garbage offer abundant food and the health department should therefore see that they are not available to rats. Thirdly,

people should be advised to empty their houses at least once a week and expose all the contents to sun's heat so that rats may be disturbed and rat fleas may be killed. Fourthly, the storage of grains and the movement of grains should be controlled. Finally, the persons and the luggage coming from the infected areas should be examined and the luggage should be sun-disinfected.

The measures to be taken in anticipation of the outbreak of cholera are firstly, the entire municipal area should be divided into a number of circles and the population of each circle should not exceed 10,000. Each circle should have a headquarters at a convenient place. Each circle should be provided with such medicines and equipment as may be required by the cholera officer. The executive officer should prepare a map of the town showing the circles and the headquarters of each circle and send it to the Director of Public Health.

The executive officer should give wide publicity by bill posters and by beat of drum to the possibility of outbreak of cholera and the obligation imposed on the people to take all preventive measures.

The cholera officer should appoint observation staff consisting of a sanitary inspector or sub-assistant surgeon for every two circles and a cycle orderly and a scavenger for each circle. The observation staff should patrol within their jurisdiction constantly and systematically. They must enquire from the medical practitioners of any attacks of cholera and investigate into every suspected case of cholera or severe diarrhoea and take prompt measures to prevent the spread of the disease. Further, they should, with the assistance of the sanitary staff, rectify the defects in sanitary arrangements. They should chlorinate all the water sources. They should advise all the inhabitants of the locality about the precautionary measures to be taken and distribute as widely as possible, free of cost, pamphlets containing instructions to be observed in the event of cholera breaking out. They must arrange lectures and magic lantern demonstrations. Finally, they must carry out anti-cholera inoculations in the area threatened with the outbreak of the disease.

Preventive Measures

The first preventive measure to be taken immediately after a locality has been infected by any one of the communicable diseases is notification. That is, the officer concerned should inform the Director of Public Health, the Collector of the district, the executive authority, the District Medical Officer, the District Health Officer, the Municipal Health Officers in the district and the people of the locality about the outbreak of the disease. Secondly, the personnel

required for the purpose should be appointed without delay. Usually, the Health Officer of the municipality is appointed to be in charge of the operations. The Health Officer may appoint additional staff if necessity arises. As soon as the Health Officer hears the occurrence of a case he should proceed to the spot with necessary outfit and enquire into the history of the case. If it is a case of cholera, samples of motions and vomittings should be taken and sent to the King Institute, Guindy, for bacterical examination.

Isolation

The patient should then be isolated. By isolation is meant the separation of the person suffering from a communicable disease from others so that the infection may not spread to them. Isolation must continue until all the active symptoms have ceased to exist. The officer in charge of the operations should persuade the relatives of the patient to have the person removed to an infectious diseases hospital. Hospitalization is the effective means by which not only the patient gets better treatment but is also the means by which the spread of it to young children is checked. If for any reason it is not possible to remove the patient to the isolation hospital, he should be segregated and removed to a part of the house.

Disinfection

Immediately after isolation—if the case is a cholera one—all the infected places, particularly the place occupied by the patient, all the articles including the furniture and all the drains, latrines and wells in that locality should be thoroughly disinfected. A small quantity of disinfectant should be left at the patient's house with necessary instructions for its use. Rags, mats, bedding linen and such other articles of small value should be burnt. All other clothes should be soaked in strong cresol lotion. The utensils and the bedding used by the patient should not be washed in or near the water sources nor should they be sent to dhobi without being disinfected. The disinfection should go on for at least fifteen days.

So far as plague is concerned, sun disinfection must be resorted to for the destruction of rat fleas in grains and commodities. The grain bags should be emptied and spread on a platform which is likely to get heated up quickly. But this may not be possible especially when the quantity of grain is large. But by mere disturbance of the merchandise a great number of fleas will die. Further, if the plague officer is of opinion that the destruction of any hut or shed is necessary to prevent the spread of the disease he may take summary measures for the destruction of the same.

Observation

More important than disinfection is the observation of 'contacts'—the persons who are exposed to infection. Effective observation of contacts prevents the third crop of cases. The period of observation of contacts varies according to the disease. It is ten days in the case of cholera contacts. Isolation and observation materially help the reduction of the mortality rate from the communicable diseases. These are the two primary lines of defence against all communicable diseases.

Inoculation and Vaccination

The second line of defence against a communicable disease is inoculation or vaccination as the case may be. All the persons who had or who continue to have contact with the patient and persons who live in the locality infected either by cholera or plague should be inoculated at once. Inoculation is the means by which the third crop of cases can be prevented. The municipal health staff conducting inoculation should do it strictly according to rules. They should sterilize all the needles. The skin over the spot where inoculation is to be done should be painted with tincture of iodine before and after inoculation. Any failure to observe the above conditions may result in sepsis, and it may give a setback to the whole scheme of inoculation. Further, inoculation should be entrusted to a staff trained for the purpose like the sanitary inspectors and first class vaccinators. For small-pox cases vaccination must be resorted to.

The other administrative measures to be taken depend on the nature of the epidemic. If necessity arises, markets, schools and theatres may be closed to control the spread of the disease.

Evacuation

The most common feature adopted to combat plague is evacuation. The plague officer with the sanction of the collector of the district may order the evacuation of the infected localities. Before ordering compulsory evacuation, the Collector should satisfy himself as to the necessity for the same. But when once he decides to order evacuation he may fix the place where the evacuees should reside and the period during which they should reside. The Collector should also remember that many people may not be able to provide themselves with all the building materials necessary at a short notice. He should, therefore, make arrangements for the supply of the building materials free of cost. He should also see that the plague camp is located at a reasonable distance which in no case be less than two hundred yards from the infected place. He should make

adequate arrangements for the supply of water, sanitary conveniences and watch and ward of the evacuated places and the plague camp.

Hospitalization

The infected persons though a danger to society are entitled to careful attention. Municipal authorities should, therefore, make arrangements to give them proper treatment during the period of their sickness. As communicable diseases occur intermittently, elaborate arrangements for hospital treatment may not be necessary. It is enough if one or two wards are set apart for the purpose in every hospital. Where no separate wards are set apart for the purpose, separate sheds may be constructed at a distant place. It is the duty of the council to appoint a sufficient number of medical officers for the treatment of the infected persons. It should, however, be remembered that separate wards should be provided for each of the communicable diseases.

Investigation and Report

Immediately after the outbreak of an epidemic, the Health Officer must closely investigate into the causes of outbreak, and submit a special report to the Director of Public Health and the executive authority. The executive authority should forward the report together with his remarks and the action taken on the report to the Director of Public Health, to the Collector of the district, to the District Health Officer, District Medical Officer and the senior Medical Officer of the locality.

After the submission of the report, the Health Officer should make further enquiries as to the source of infection and submit a report daily from the date of outbreak of the epidemic for a period of 15 days after the occurrence of the last case to the executive authority, to the Collector of the district, to the district medical officer, to the district health officer and the Director of Public Health. The daily reports should give the number of attacks and the number of deaths during the previous day and the total number of attacks and deaths since the outbreak of the disease. In addition to these daily reports, the Health Officer should submit to the Director of Public Health a weekly report indicating the course which the epidemic has taken. The weekly report should also mention the number of attacks and the number of deaths during the week, the preventive measures taken, the number of inoculations done and if there is an increase in the number of attacks the reasons for the same. It should also mention the epidemiological features of the disease. Finally, a final report should be sent to the executive

authority after the occurrence of the last case giving the causes for the outbreak of the disease the source of infection, the course it has taken, the severity of the attack, the circumstances which favoured the outbreak and the measures taken to combat it. The final report should also indicate the difficulties experienced in enforcing the rules and the measures taken to prevent the outbreak of the disease at a future date. The executive authority should forward the report together with his remarks to Government in the Education and Public Health Department through the Collector of the district and the Director of Public Health.

From this brief survey, it is evident that the position was chaotic in 1920. Most of the communicable diseases visited most of the councils as frequently as distemper in the case of a dog. Most of the councils had not the services of a competent person as health officer. The history and periodicity of the diseases was not available. The regulations for the control of the communicable diseases were not comprehensive and the municipal authorities who were entrusted with the responsibility for the enforcement of these regulations were not enthusiastic in discharging their responsibility. For instance, plague was prevalent in the neighbouring villages of Palni for a period of three months and Palni was threatened throughout the period with the outbreak of the disease in its area and yet no effective measures were taken to prevent the outbreak in spite of warnings from the Collector of the district. Similarly, the neighbouring councils like Kodaikanal and Madura behaved in a similar manner. The result was that plague broke out in all the three places producing disastrous results. In Madura alone, the number of deaths due to plague was 660. Similarly, the Salem municipal authorities neglected their duty and plague broke out causing 2,223 deaths in 1920. In the same year, plague broke out in all the six municipal areas in the Coimbatore district, viz.: Coimbatore, Erode, Pollachi, Udumalpet, Dharapuram and Tiruppur. Therefore, the municipal authorities took no effective measures to combat plague before 1923. This was due to the fact that the administrative arrangement for the enforcement of the plague regulations was dyarchical. The Collectors were to issue instructions to the municipal authorities as to the measures to be taken against plague and the municipal authorities were to carry out the instructions. When the municipal authorities defaulted, the Collectors had no power to enforce the instructions. Dyarchy in district plague administration did not work satisfactorily. Therefore, the then Collector of Madura, Mr. (now Sir) John Hall, suggested that the entire plague administration commencing from the seasonal destruction of rats to the evacuation of the infected localities

should be placed under the control of the Collector of the district. Mr. Hall's suggestion was accepted and comprehensive rules were framed for the control of plague. The Collector of the district is vested with power to take effective measures to combat the disease and the health officer of the council concerned takes instructions from the Collector. Similarly, comprehensive rules were framed for the control of cholera. But the great change which we notice is the appointment of health officers to all the big councils. In 1920, only six councils had the services of a health officer. In 1937, the number of councils that had the services of a health officer was 52. We have therefore made good progress in some directions.

Let us now see how far these measures were responsible for the reduction of the mortality rate from these diseases and how far we are free from their incidence. The number of deaths due to some of the communicable diseases was as follows :

Year		Cholera	Small-pox	Plague	Influenza
1920-21	...	1,826	539	4,914	481
1921-22	...	1,861	1,687	2,151	372
1922-23	...	585	4,411	3,161	156
1923-24	...	1,516	2,353	1,331	89
1924-25	...	5,939	1,623	1,955	75
1925-26	...	2,954	921	98	26
1926-27	...	1,697	1,064	210	58
1927-28	...	2,664	508	287	68
1928-29	...	3,442	1,171	186	122
1929-30	...	1,420	1,651	196	222
1930-31	...	2,426	899	24	—
1931-32	...	770	579	209	219
1932-33	...	72	1,258	20	124
1934-35	...	1,660	1,964	216	146
1935-36	...	2,077	1,147	219	197
1936-37	...	1,708	310	20	168

The figures given above speak eloquently of the improvement in the plague situation. In 1920, as many as 4,914 persons died in the municipal areas due to plague. In 1937, only 20 persons died due to that disease. But we do not find the same improvement with regard to other diseases. Cholera caused several hundreds of deaths throughout the period and it still continues to be a problem to reckon with though it has been completely eliminated in some of the Western countries. Some of the municipal areas like Kumbakonam, Negapatnam, Madura, were visited by cholera year after year without break. Similarly, small-pox visited some of the councils like Vizagapatnam,

Calicut, Dharapuram, Salem, Ellore, Coimbatore, Mayavaram, throughout the period under review. As regards influenza, the number of deaths due to this disease did not exceed 100 in all the municipal areas till 1928. But since 1928, the number of deaths due to that disease is increasing. Again, the peculiarity we notice is that cholera broke out in places with protected water supply and small-pox among persons who were supposed to have been successfully vaccinated. The explanation for this paradox is that water supposed to have been protected was not at all protected and the persons supposed to have been vaccinated were not at all vaccinated except on paper.

The figures also inform us that our conception of preventive medicine is still in the primitive stage. Our conception is to relieve the distress of the human body when it is attacked by a communicable disease and to prevent its contagious extension. The new role of preventive medicine is not only to diagnose more accurately the causes of sickness and to heal it but also to build up the resistance power of the body. If preventive medicine is to play its new role there is need for a change in the attitude of State towards the individual. In other words, the economic basis of the society should be rationalized which of course is not the province of municipal administration.

CHAPTER V

WATER SUPPLY AND DRAINAGE

Real public health work starts with the provision of pure water. A protected water supply, in the strict sense, implies the adoption of all measures necessary for the prevention of pollution from the very source to the point of actual delivery of water to the public, freedom from pathogenic germs being the ultimate aim. Though water is a free gift of nature, in urban areas it is a manufactured product. Its supply is limited and at times expensive. But its importance lies in the fact that it is a prime necessity of life. The development of arts and sciences, industry and commerce, depend largely upon its good quality and plentiful supply. Further, it is the chief weapon of fire-fighting. But it should also be remembered that it is also a carrier of communicable diseases like cholera.

Equally important is drainage. The function of a satisfactory system of drainage is to carry all human waste and other liquids from the buildings and their premises into sewers as quickly as possible without endangering public health.

Policy and History

Till 1915, the Government pursued no policy with regard to water and drainage works. Till that year, they introduced these schemes wherever they liked without reference to any plan. But in that year the Madras Government planned to introduce water supply schemes in two municipalities every year. This plan could not be carried out as a result of the outbreak of the First Great War. In 1921, water supply schemes were in existence in 29 municipal areas. During the period 1921-24, no new water works were brought into existence. In 1924, Anantapur was provided with protected water supply; in 1926, Chingleput; in 1927, Bellary; in 1929, Tuticorin and Coimbatore; in 1931, Palacole; in 1932, Palni and Cuddalore; in 1933, Proddatur and Tadipatri; in 1934, Rajahmundry and Tiruvannamalai and in 1937, Saidapet. Thus the number of new schemes for water supply that were brought into existence during the dyarchical period was 13 and the total number of municipal towns that were having protected water supply in 1937 was 42.

As regards drainage, only one municipality has a systematic drainage scheme, viz.: Ootacamund. During the period only three municipal towns were provided with drainage, open drainage in Vellore in 1929; underground drainage in Madura (1929); and open drainage in Bezwada (1937). It should, however, be said that even these towns do not have a comprehensive system of drainage. Only parts of the town are provided with drainage system.

Investigations of Schemes: Procedure

As soon as the council decides to have protected water supply or drainage, the executive authority should communicate a copy of the resolution of the council to Government in the Education and Public Health Department. If the Government are satisfied that the town is in need of protected water or drainage, as the case may be, directions are issued to the Sanitary Engineer to the Government to undertake a preliminary investigation of the schemes. The Sanitary Engineer then requests the council concerned to deposit certain amount in the treasury to meet the expenses connected with investigation. A special field staff is deputed for the purpose.

The second factor to be taken into consideration is the quality of water. Some waters are hard and some are soft; some have a pleasant taste. Some are perfectly harmless while some are likely to produce disease if they are habitually drunk. Some are useless for any purpose. Therefore, the investigation officer should take samples of water from the promising sources and send them to the

water analyst, King Institute, Guindy, for a complete chemical and bacteriological examination.

The third factor which the Sanitary Engineer should take into consideration is the quantity of water to be supplied. That is, the rate at which water should be supplied per head of population for domestic purposes and the quantity of water required for such purposes as trade, public fountains, public baths, swimming pools, etc. The Sanitary Engineer should remember that more water is used in summer than in winter. He should also remember that a certain amount of water goes waste. Above all, he should make provision for the increase of population in the years to come. The increase of population can be determined by reference to the vital statistics of the town. But certain unforeseen things may happen rendering the scheme out of date in no time. For instance, the establishment of a harbour and the Andhra University at Vizagapatam have doubled the population of the town in no time. The construction of a bridge over the Pennar at Hindupur has enormously increased the commercial importance of that town. New industries may spring up and new institutions may be established which of course the Engineer—unless he happens to be a reliable astrologer—cannot foresee. Generally, provision is made for the increase of population in the next 30 years to come.

A report containing the results of the preliminary investigation should be sent to Government through the Chief Engineer. Government sends the report to the council concerned for its consideration. If the council accepts the scheme, the Government directs the Sanitary Engineer to prepare detailed plans and estimates of the scheme. After their preparation and acceptance by the Government the Chief Engineer is entrusted with the execution of the scheme.

Sources of Water Supply

Let us now consider the sources from which water is supplied in some of the municipal areas. All water is derived from rainfall, which either flows into streams, lakes and ponds or percolates into the ground. We have, therefore, two sources of water supply, ground water and surface water. Surface water is that which remains on the surface of the ground. It is usually contaminated partly by materials it accumulates on its way to the streams and lakes and is seldom fit for consumption without treatment. Ground water is taken from wells and springs. This water was originally on the surface but found its way underground and became purified on the way. The ground water is relatively free from bacteria.

Surface water is secured by several means. Firstly, by impounding the running streams or rivers. For instance, Coonoor gets its water from the Rallia Dam from a distance of 8 miles from the municipal limits. A dam is constructed in the hills and water is impounded there. Similarly, Coimbatore gets its water from the Bhavani river. A dam is put up at Siruvani—a distance of 26 miles from the municipal limits—and water is brought by a conduit to Coimbatore. In Ootacamund and Kodaikanal water is impounded at several places. Vizagapatam gets its water from an impounded reservoir at Mudasarlalova. Thus four towns are getting impounded water.

Some of the municipal towns are supplied water taken from the running streams or rivers. Here we have to note an important difference. In some of the municipal towns surface water is first sent to storage tanks before sending it to the filtration tanks. For instance, in Kurnool, surface water is taken from the Cuddapah-Kurnool canal and sent to the storage tanks before being filtered. Similarly, in Palacole, the same procedure is adopted. This system is in existence in Cocanada, Masulipatam, Ellore and Periyakulam. But in Rajahmundry there are no storage tanks at all. Water is taken from Godavari and pumped directly into the filters.

We now come to the second source, the ground water. A large number of municipal towns depend upon this source. Ground water is secured either by constructing wells or by putting up infiltration gallery system in the bed of rivers or Padugai lands. The well system is in existence at Bezwada. Wells are dug in Padugai lands near Kistna. Similarly wells have been constructed in the river bed near Nellimarla for the supply of water to Vizianagaram. Nellore, Proddatur and Cuddapah get their water from the wells constructed in the bed of Pennar. Trichinopoly gets its water from the wells constructed in the bed of Cauvery; Madura from the wells constructed in the bed of Vaigai; Tuticorin from the wells constructed in the bed of Tamraparni—a distance of 22 miles from the municipal limits; Bellary from the wells constructed in the bed of Hagiri; Vellore from the wells constructed in the bed of Palar. But in Anantapur, Tirupati, Negapatam, Tanjore, Conjeevaram, Chingelput, Cuddalore and Tiruvannamalai, water supply is secured through the infiltration gallery system.

Multiple Sources of Water Supply

We have already seen that one source alone may not be able to supply all the water required. Under such circumstances water may be supplied from two or more sources. For instance, Vizagapatam gets its water from three sources: firstly, from the impounded

reservoir at Mudasaralalova; secondly, from the infiltration gallery system put up at the same place; and finally, from a well constructed in the bed of the river at Mehadrigadda. Adoni is having two sources of water supply: firstly, from the Nallacheruvu and secondly, from the wells constructed in the bed of the Hagiri river at Raravi. Usually water is taken from the Nallacheruvu. But whenever Nallacheruvu is not able to supply the required quantity, water is supplied from the Hagiri river wells. Cuddapah is having three sources: firstly, from Bugga, that is a spring; secondly, from the wells constructed in the bed of Pennar; and finally, from Chilakalabhavi—a well. Madura is having two head works. Ootacamund is having multiple sources of water supply. There a number of mountain streams are impounded at convenient places and small tanks are constructed for the collection of water.

The Means of Supply

The means by which water may be brought to the municipal areas is either by gravitation or by pumping. In this connection one general principle which we may remember is that wherever ground water is supplied, it invariably involves the employment of pumping system. So far as the surface water is concerned the supply may be either by gravitation or by pumping or by both. For instance, in Kurnool, Palacole, Ellore, Cocanada, Erode and Rajahmundry, water is pumped to the filters. But in Coimbatore, Ootacamund, Kodaikanal, Adoni, Salem and Coonoor, the supply is by gravitation. In Adoni, it is partly by gravitation and partly by pumping. Nallacheruvu water is supplied by gravitation and the Hagiri river water by pumping. Similarly, both the methods are employed at Vizagapatam. In some places water is brought to the filtration tanks by gravitation and after filtration water is pumped into the mains.

Purification of Water

The next step in water administration is the purification of water. Water as found in nature is never absolutely free from bacteria. We ordinarily find four elements of impurities in water, viz.: turbidity, colour, mineral salts and bacteria. Turbidity and colour may not cause any harm to health. But the presence of bacteria is not desirable and therefore in all cases water is supplied after purification. Water, as finally supplied to the public for consumption, should have the following characteristic features: It should be free from pathological bacteria; free from objectionable chemicals, gases, odours, corrosive chemicals; it should be sparklingly clear and colourless and it should have reasonable softness.

The commonest method by which water is purified is by settlement and sand filtration. Settlement consists in simply allowing the suspended articles to settle by their own weight. Where water is impounded, the impounding reservoir acts as a settling reservoir. Where there are no impounding reservoirs, settling reservoirs are constructed for the purpose and there most of the bacteria are destroyed by air and light. The settling reservoirs are constructed only in places where water is taken from the running streams, as in Kurnool, Ellore, Palacole and Masulipatam.

In some places like Kodaikanal, Ootacamund, Coonoor and Coimbatore, water is supplied without any kind of treatment. It is because the source of supply is from the mountain streams which are generally free from bacteria, flowing over a clear area and stone bottom, without cultivation or habitation on either side of the stream to contaminate the waters. The examples mentioned above are exceptional ones. Generally, water is treated before it is supplied.

Filtration is of two kinds, slow sand filtration and mechanical filtration. Slow sand filters are water-tight reservoirs arranged side by side in rows. The floor is cement concreted. The arrangement of the filter beds is as follows: First, bricks are laid in rows with a space of nine inches between each row for the collection of the filtered water. These rows of bricks are covered with a layer of bricks. Over the brick layer $\frac{3}{4}$ inch thick hard granite metal is put and over that a layer of fine gravel is placed and over the gravel a layer of fine sand is placed. The thickness of the respective layers depends on the depth of the filter.

After the filter bed has been arranged in the manner described above, water must be let into it in such a way that the arrangement may not be disturbed. The suspended impurities are strained off as the water passes through these layers. But it must be remembered that slow sand filters will not be effective in straining off the suspended particles until a considerable volume of water has passed through the bed. Therefore some time is required, say two or three days, to bring these filters to a state of maturity. After this period a thin skin is formed on the surface of the sand which, to some extent, acts as a mechanical filter in retaining larger particles of impurities. But the actual or rather effective purification takes place below the skin. Bacterial matter is arrested by the sand grains throughout the bed. When the skin layer over the sand becomes thick, filtration becomes slow. The filter bed should then be cleaned. The cleaning consists at ordinary times in removing the thin layers and washing it by the sand washer. But after long intervals varying from six months to two years—the period depends upon the nature of water—

the entire arrangement of the filter bed should be removed and cleaned thoroughly. The rate of filtration should not exceed 700 gallons per sq. yard of the filter bed per 24 hours. The slow sand filtration is in existence in Vizagapatam, Cocanada, Kurnool, Ellore, Salem, Vellore and Periyakulam.

The second method of filtration is by mechanical filters. The outstanding difference between the two lies in the rate of filtration, in the method of cleaning and in the initial treatment of water. Before water is allowed into a mechanical filter it is invariably treated with a chemical coagulant by means of an automatic apparatus. The chemical coagulant precipitates all the suspended matter in the water. The suspended matter settles down in the first filtration tank. From the first filtration tank water is allowed to pass on with great rapidity to the second and then to the third. The arrangement of the third filter is just like a slow sand filter. After a certain period the sand in the filter bed gets clogged with bacterial matter and thus reduces the speed of filtration. The filter is then washed by mechanical means. This system of filtration is in existence in Masulipatam, Palacole, Rajahmundry, Chidambaram and Erode.

Which of the two types is preferable? And which is efficient in the filtration of water? There is a difference of opinion among engineers on this matter. Some of them are of opinion that mechanical filters are unquestionably capable of producing very attractive, clear and colourless water. They further contend that the construction and maintenance of mechanical filters is cheaper than slow sand filters; that slow sand filtration requires the construction of a large number of filters at a heavy cost; that they require a larger area than the mechanical filters; that they require a large volume of sand but the mechanical filters require a tithe of that quantity; that they require a special machinery for sand washing which is not necessary in the case of mechanical filters. Others think that mechanical filters are not capable of producing such good results as the slow sand filters; that the slow sand filters are highly efficient in removing 98 or 99 per cent of bacteria from water and that it does not require the initial treatment with a chemical coagulant at a high price. We are unable to say which of the two is the best, though we discussed the question with two engineers in charge of water works. All that we can say is that the decision regarding the type of filter to be adopted depends upon local factors. Slow sand filters may be used in places where the demand for water is not great. Rapid or mechanical filters are more suitable in places where the demand for water is greater.

Whatever may be the type of filtration that may be adopted, water is treated with chlorine after filtration and before pumping into the mains or water reservoirs as a further safeguard against bacterial contamination.

Distribution of Water

The distribution system is of two kinds, centralised and decentralised. In a centralised system one reservoir is constructed in an elevated place in the centre of the town or at a convenient place. Water is pumped into it from the filters and then distributed by gravitation to all parts of the town. Under a decentralised system, the town is divided into several areas and each area is provided with a reservoir for the distribution of water to that locality. Smaller municipalities have the centralised system and the bigger municipalities have the decentralised system. To carry water from the reservoir to the individual citizens, pipes are laid under the surface.

In some of the municipal areas like Nellore, Vizagapatam, water is supplied in the houses. In some places like Saidapet, house connections are not given. That is, water is not supplied in the houses. Where house connections are given a water rate is levied. The water rate may be levied in two ways, meter rate and tap rate. Where the meter system is in existence, excess water consumed over and above the free supply is charged at a particular rate per unit. The unit may be 100 gallons or 1,000 gallons. But the tap rate is a flat rate. Certain amount is levied for every tap fixed in the house. But the privilege of having house connections is limited to houses whose annual rental value is not less than Rs. 120 and the executive authority is empowered to sanction the house connections. In exceptional circumstances, water may be supplied for domestic consumption even to houses whose annual rental value is less than Rs. 120 with the sanction of the council. However, the number of house connections to be given and the number of public fountains to be erected are determined by the Sanitary Engineer to Government. The sanction of the Sanitary Engineer should be obtained to increase their number. The executive authority may cut off house connections if the dues are not paid in time or if the house remains unoccupied for a long time.

Quantity of Water Supplied

Water supply should be adequate and where it is inadequate people must necessarily resort to tanks and ponds which are generally contaminated and the main purpose of water supply is thereby defeated. But the question is how much water is required per head of population per day. A person may consume as beverage a small quantity of water. But a large quantity of it is used in the lavatory

and kitchen. It is therefore estimated that at least 20 gallons per head of population should be supplied. In some of the American cities a supply of 25 gallons is found to be insufficient. Generally 20 gallons ought to be sufficient in nearly all cases. Thirty gallons per head per day is ample.

The supply of water per head per day in the municipalities where protected water was supplied was as follows in 1936-37:—

Number of Councils	Number of gallons supplied per head per day between
6	2 to 5
13	6 to 10
8	11 to 15
5	16 to 20
2	21 to 23

Information regarding the remaining six councils was not given in the report. In some of the councils the supply of water was as follows per day:—

Bezwada	23	gallons	Tirupati	10.77	gallons
Trichinopoly	22.80	„	Palacole	9.45	„
Coimbatore	20.00	„	Cuddapah	5.00	„
Erode	15.00	„	Adoni	2.50	„
Negapatam	18.00	„	Kumbakonam	2.10	„
Madura	16.00	„	Guntur	3.61	„

From the figures given above it is evident that the supply of water was not adequate in 27 of the 34 municipal areas for which figures were available. In these 27 municipal areas the supply was less than 15 gallons and in some places like Kumbakonam, Adoni and Cuddapah the supply was only less than five gallons. In 40 municipal areas there was no protected water supply at all.

Drainage

Drainage systems are of three kinds, separate system, combined system and partially separate system.

Under the separate system, two sewers are constructed—one for the disposal of sewage and another to carry the storm water. The advantages of the separate system are, it involves the construction of small sewers and drains for the conveyance of sewage and discharge of storm water at convenient points. Further, as the sewers and drains will be of small size they are relatively nearer the surface of the ground, a circumstance favourable for effective supervision. Finally, the cost of running charges especially if the sewage is to be treated and pumped to a disposal place will be generally less than the combined system.

The combined system is the simplest of all the systems. It is the simplest in the sense that it does not involve the laying of two sewers. One sewer serves the purpose of draining both the sewage and the storm water. But it suffers from a number of disadvantages. Firstly, the sewers must be extremely large. They must be laid at a great depth and the cost of constructing such sewers is prohibitive. Secondly, during the dry seasons, the flow will be very small, so small that the velocity of flow will not be sufficient to prevent silting. Thirdly, where sewage has to be treated and pumped to a sewage farm or to a disposal place, it means unnecessary expenditure. Finally, heavy rains are likely to dislocate the working of the system.

The third system—the partially separate system—has come into existence due to the difficulty in excluding the rain water from the house drains. Most of the houses have a courtyard and the rain water generally finds its way into the drains.

The operation of either of these systems may be either by gravitation or by pumping. The adoption of pumping depends on several factors. If the town is a flat one like Madura, Vellore and Bezwada, the surface fall will not be sufficient to adopt the gravitation system. If there is sufficient surface fall as in Coonoor and Ootacamund, the sewage can be carried away easily without the necessity of pumping. Further, if the subsoil condition is such that water is encountered within a few feet of the ground surface or if the subsoil is sandy and porous as in Madras, the laying-in of sewers at a great depth to secure gravitation is not possible except at a prohibitive cost. Thus, the subsoil conditions may in the end result in increasing the number of pumping stations and thus render the drainage system costlier.

Drainage Areas

For the purpose of drainage, the town is divided into several areas, the extent of each area is determined by the depth at which sewers can be laid without difficulty and at reasonable cost. Madura is divided into six areas and Vellore and Bezwada each is having one pumping station. So far as Ootacamund is concerned the operation is by gravitation and the sewage is discharged at convenient points. In other places, the operation is by pumping and each area has a pumping station. The process of disposal of sewage is as follows: The sewage from the houses flows by gravity into the street sewers. At the end of house drain an iron grating is fixed which holds up all floating rubbish. All the grit and sand passes on through the interspaces in the grating and gets into the iron bucket specially provided for the purpose. All the heavy silt and sand is deposited at the bottom of the bucket and the sewage passes into the street sewer.

The buckets are cleaned by the drainage coolies every morning. Thus most of the silt is excluded from getting into the street sewer. The street sewers convey the sewage to bigger sewers which in turn empty their contents into the intercepting sewers. The intercepting sewers convey the sewage to the pumping station.

The pumping station consists of a main building to house the engines and a number of wells. All the intercepting sewers discharge their contents into a collecting well. From the collecting well sewage is let into another well called the sedimentation well. The bottom of the sedimentation well has the shape of an inverted cone and the fine sand which might have escaped from the cast iron bucket settles down in the sedimentation well. After sedimentation, sewage is let through a pipe to another well called the suction well. From this well the sewage is sucked by pumps to the disposal place by pressure. The silt and sediments are removed periodically.

We have so far seen the actual working of the water and drainage works. It now remains for us to note the role which the municipal councils play in the administration of water and drainage. So far as water supply is concerned the municipal authorities are concerned with the bringing of water from the source of supply, with filtration, with distribution and with the levy of water rate. Similarly, as regards drainage, they are responsible for the collection and disposal of sewage. Excepting that, all other functions like the investigation, designing, executing the works are done by the Sanitary Engineer and the Chief Engineer. The municipal authorities are not free and independent in fixing the number of public fountains that should be installed and the places at which they should be installed. They have to obtain the sanction of the Sanitary Engineer for increasing the number of public fountains and for shifting them from one place to another. It is therefore clear that the role which the municipal councils play in the administration of water and drainage appears to be a minor one.

As regards the progress made in the installation of water and drainage works in the municipal areas, new water works were installed in 13 municipal areas during the period under review. That is, 50 per cent of the municipal towns had no protected water supply. As regards drainage, 97.5 per cent of the municipal towns had no proper system of drainage. Further, in some of these municipal areas where protected water was supplied the supply was not adequate.

Who is responsible for this state of affairs? The responsibility should be shared by all the three concerned, the municipal councils, the Sanitary Engineer and Government. A careful reading of the

history of some of the schemes for water supply and drainage clearly establishes the fact. For instance, the Government asked the Sanitary Engineer to investigate a scheme for the supply of water to Nandyal. The Sanitary Engineer did it and submitted his proposals to Government in 1915; but the Government dropped the proposal on the ground that it was beyond the financial capacity of the council to finance the scheme. No action was taken on that matter till 1922. In 1922, the matter was again revived and the Government appointed a committee consisting of the Director of Public Health, the Sanitary Engineer and the Director of the King Institute, Guindy. The committee recommended a scheme called the Mahanadi Scheme. The Government again dropped the scheme on the ground that the council did not come to terms in the matter of financing the scheme. The matter was again revived in 1938 and another scheme called the Cuddapah-Kurnool Canal Scheme was proposed. The council accepted the scheme—probably it was in its better senses this time—but the execution of it had to be postponed for the period of war and if all the calculations go aright the scheme may come into existence sometime in 1950. The example of Nandyal is not the only one. There is Peddapuram which has already spent Rs. 30,000 on investigation alone. Turning to drainage schemes, a proposal to prepare drainage scheme for Rajahmundry was first mooted in 1909 and for Tirupattur in 1913. Till today nothing has happened.

What is the result of this procrastination? During all these years of procrastination the people of Nandyal are made to drink water which is heavily polluted. The sources of water supply for this town are, Nagalagunta on the eastern side of the town, Peddacheruvu on the northern side and the Kundu river on the western side. Nagalagunta is located in the midst of unhealthy surroundings. On two sides of this pond there are paddy fields. All the excess water in the paddy fields flows into this pond. On the western side there is a public latrine and the sullage water and at times even the faecal matter gets into this pond. On the southern side there is a public road and during night time it is converted into a public latrine and the water of the pond is used for washing purposes. Now we come to the Kundu river on the western side of the town. The river also runs through unhealthy surroundings. On the western bank of the river the municipal night soil trenching ground is located, and the town is located on the eastern bank of the river. The municipal night soil carts must cross the river to reach the trenching ground and at the time of crossing a part of the night soil is diluted in the water especially when the river is in floods. Further, on the eastern side of the river there are Muslim and Hindu burial and burning grounds. In addition, the municipal drains discharge their contents in the river just above the

place where people generally take water. Nandyal is not the only town that is placed in this unhappy position. There are Tenali, Ongole, and several other places. The people that drink such heavily polluted waters cannot but be visited with cholera and other epidemics. If only Government had made up its mind, they would have provided these towns with protected water and thus many a life would have been saved. To say that the council did not come to terms on the question of finance or on the merits of the scheme is the safest way of shirking responsibility. We noticed in several other cases that whenever the Government wanted to pigeonhole a scheme or proposal they expatiated on the principles of local self-government and conveniently forgot the very same principles whenever they wanted to supersede a bad council or remove a recalcitrant chairman. After all, the municipal councils are not the proper bodies to speak on the merits of a scheme especially when we remember the several technicalities involved in its preparation. The councils may be consulted, but to drop a scheme on the plea that the councils did not accept the scheme on its merits is to stretch the idea of local self-government to a ridiculous extent. The Government do not seem to realise the fact that by dropping a scheme on the ground that the council did not accept it on its merits, they are discrediting the Sanitary Engineer and his staff who prepared the scheme. Further, the attitude of the Government on the question of financing the schemes was not helpful. They insisted that the councils should bear fifty per cent of the capital cost. That was the surest way to evade the responsibility. Government knew that some of the councils like Tiruvannamalai and Nandyal were not in a position to bear 50 per cent of the capital cost of the scheme in addition to the ordinary expenditure for the maintenance of the scheme. And yet they insisted on this principle of 50 and 50. These facts go to show that the Government defaulted in their duty and as a result many municipal areas had to go without protected water.

The Sanitary Engineer and his staff were also responsible for this procrastination. At the very outset, it should be said that after the departure of Mr. Westerdale, no eminent engineer was appointed as Sanitary Engineer. At times persons who had no knowledge of sanitary engineering were appointed. The writer has knowledge of one such person at least. This person was graduated in mechanical engineering, spent the best part of his life as civil engineer in the P.W.D., and in the evening of his life was posted as Sanitary Engineer. In the very nature of things it is unjustifiable to expect him to have a sound knowledge of Sanitary Engineering. Further, some of the Sanitary Engineers were part-time politicians and their political leanings produced serious repercussions. The Sanitary Engineer's

office was divided into two warring camps indulging in mutual bickerings. Under such conditions no useful work could be turned out.

Finally, the councils themselves were also responsible for this procrastination. The councils were very often guided in this matter by communal and personal considerations than by the larger interests of the people of the locality. For instance, when the Government proposed the Mahanadi Scheme for Nandyal, the council adopted a communal attitude in the consideration of the scheme. The Muslim councillors of the council supported the scheme and the Hindu councillors opposed it. The Muslim councillors supported it because, Mahanadi is a sacred place for the Hindus and the spring from which water was proposed to be supplied is in the heart of the temple. The Muslims thought that with the supply of spring water from Mahanadi the religious importance of the place would be reduced. The Hindus thought that Hinduism would be in danger by allowing the Muslims of Nandyal to drink the spring water of Mahanadi. Let us take another example. Vizagapatam was experiencing scarcity of water supply for a very long time. The Government proposed the Mehadrigadda Scheme. But the oppositionist in the council turned down the scheme because the credit for the installation of the scheme would go to the chairman. Later on the very same scheme was executed.

As regards the actual working of the water works schemes, we do not have much material on the subject except stray references in the annual reports of the Director of Public Health. According to the reports, it appears that in the earlier years of the period water was not filtered properly in some of the municipalities. For instance, the chemical coagulant should be added before letting water into a mechanical filter but that was not done at Erode and Masulipatam. Most of the slow sand filters were not working efficiently. In Adoni, for instance, filtered water was much worse than the unfiltered water. In Kurnool, unfiltered water was mixed with filtered water to meet the increasing demand. In Tuticorin, water was not at all filtered for a very long time. But according to the latest report these defects have been rectified.

However, one thing remains to be said. Till recently, there was no planning for the introduction of protected water supply in the municipal areas. We would, therefore, suggest that a comprehensive scheme should be drawn up for the purpose and it should be executed within a reasonable period. (See the Conclusions for the details of the post-war scheme for the introduction of water supply schemes.) The scheme was prepared by the Sanitary Engineer. But the greatest need is the appointment of an expert Sanitary Engineer for the preparation and execution of the water supply and drainage schemes.

CHAPTER VI

TOWN PLANNING, HOUSING AND ROADS

Introduction

Town planning and public health are so very intimately related that one can establish correlation between the height and weight of children and the size of the buildings in which they live. Children of short stature with stunted growth—both physically and mentally—generally come from the slum areas. Slums are generally congested, with insanitary surroundings and bad structures. They are the breeding places of all communicable diseases. They facilitate the spread of infection without let or hindrance. In short, they are responsible for the national ill-health. The existence of slums is a heavy drain on the finances of the councils, for, expensive institutional treatment should be provided for direct treatment. The aim of town planning is, therefore, to regulate the physical development of the urban communities with a view to secure the present and future inhabitants, sanitary conditions, amenities and conveniences. It determines the amount of space which each house should have and the degree of building concentration that should be permitted.¹

A well-planned town should have the following characteristics: Separate areas should be set apart for commercial, industrial and residential purposes and their location should be such that they may be reached with ease. Each area should be provided with all the amenities necessary. Above all, enough space should be left for recreational purposes.

Historical Background

Town planning in this province before 1920 had no history worth studying. It is true that before that date, councils prepared town planning schemes for the relief of congestion and for the laying of extensions.² The Provincial Government sanctioned grants to the extent of 34.50 lakhs to the councils during the period 1903-20 for the purposes of town planning. With this amount the councils purchased large tracts of land, viz.: 1,770 acres, but for want of proper guidance and skilled advice these lands could not be developed. The number of dwellings constructed on these lands was only 1,787, i.e. on the average one hut per acre of land.³ But the great defect was, the councils had no power to compel the private owners of lands to

1. P.E.P. Reports, British Health Services, p. 36.

2. In 1915 two experts on town planning, Prof. Geddes and Prof. Lancaster visited a number of municipal towns and prepared a number of schemes.

3. Speech of Sir P. Rajagopalachari, M.L.C.P., 1920, p. 819.

develop them according to approved plans. As a result of this, slums came into existence. To check this unbridled freedom which the owners of private lands enjoyed, legislation was introduced in 1920. The Town Planning Act conferred on the councils the power to prepare town planning schemes either for the whole town or for particular areas and to enforce them; to control the physical development of the town; to acquire lands; to pay compensation to the injured person; to levy betterment tax and finally to check any violation of the rules relating to town planning.

It should, however, be remembered that the Act was not intended to tackle the larger problems of housing excepting the hutting areas.⁴

The Act is applicable to all the councils and the councils are under an obligation to prepare a general town planning scheme.

Thus, for the first time, statutory planning came into existence in 1920. Under statutory planning, schemes are to a great extent standardised because they are prepared according to a system of rules. Naturally they will have that high degree of uniformity both in design and in provisions. Further, under statutory planning, the schemes should be submitted to a higher authority for approval. This does not mean that there is no place for local discretion. The uniformity mentioned above relates only to the main outlines. So far as the details are concerned local factors are taken into consideration.

The first step in the preparation of a town planning scheme is the constitution of a separate fund and all the receipts under the Town Planning Act should be credited to that fund and all expenditure relating to town planning should be met out of it. The fund should not be utilised for purposes other than town planning. The Fund should have a separate account, and the councils are required to make a definite contribution to the fund. Deficits in the fund should be made good from the general funds of the council.

Town Planning Committee

The next step is the appointment of a town planning committee. The committees are of two kinds, single committees and joint committees. The single committees consist of representatives of the council concerned. The joint committees consist of representatives of two or more local authorities interested in the preparation of a joint town planning scheme. The reasons for the appointment of a separate committee for town planning are obvious. Town planning involves consideration of matters which are very complex and in the very nature of the case the councils are not the proper bodies to deal with them in the initial stages.

4. Ibid., p. 1334.

The Town Planning Committee is appointed by the council. The chairman of the council is an *ex-officio* member of the committee. The strength of the committee should not exceed six. Regarding the membership of the committee, it may be composed either wholly of the members of the council or partly of members of the council and partly of outsiders. Outsiders are appointed if they are specially qualified to sit on the committee or to represent particular institutions or corporations interested in the work of the committee. The appointment of outsiders is subject to the conditions that the number of outsiders does not exceed one-third of the sanctioned strength of the committee and that the appointment has the approval of at least one-half of the sanctioned strength of the council. The term of office is three years for outsiders and for others it is co-terminous with the office of councillorship. Vacancies are filled up by the council. The committee should elect its president at its first meeting.

The committee should meet at least once a month. The president of the committee may call for a meeting of the committee at any time he likes and shall convene a meeting on a requisition signed by at least three members. The quorum of the committee is three and the proceedings of the committee must be entered in a minute book.

The council may with the sanction of government and by a resolution supported by not less than one-half of the sanctioned strength of the council remove any member of the committee other than the *ex-officio* member, on the ground that the person concerned has refused to act or is rendered incapable of acting or in the opinion of the council has so abused his position that his continuance on the committee is detrimental to public interest. A member who does not attend three meetings consecutively ceases to be a member.

The Committee has the power to requisition records, correspondence, documents, plans or accounts which are in the possession of the executive authority.

The committee should report annually about the progress made in the preparation of town planning schemes.

The council may delegate its powers relating to investigation and settlement of disputes to the committee.

The council may dissolve the committee at any time. It may cancel any resolution of the committee and if the circumstances warrant it may take direct action without waiting for the decision of the committee.

The executive authority should inform the Government through the Director of Town Planning as soon as a committee is formed and furnish him with a list of the names of the members of the committee.

Town Planning Trust

The Government, if it thinks that the town planning work should be entrusted to a special trust may by notification in the Fort St. George *Gazette* constitute such a trust. To the Trust are entrusted the responsibilities of carrying out the provisions of the Act. The Trust inherits all the powers of the council including the power to borrow funds.

The Trust consists of a chairman appointed by the Provincial Government and members appointed by the council concerned or nominated by Government. Usually certain percentage of the members of the Trust are elected by the council concerned from among its members and others are appointed by Government. The Trust may also consist of the representatives of Railways, Tramways or other transport companies, chambers of commerce, co-operative societies and such other bodies.

The strength and composition of the Trust are fixed by Government. The term of office of each trustee is five years but for the councillors it is co-terminous with the office of councillorship.

The chairman of the Trust may be paid a salary. The salary of the chairman is fixed by Government. No other trustee should receive any remuneration.

The Government may remove any trustee from office if he suffers from any one of the following disqualifications, viz : absence at three meetings consecutively ; becomes an undischarged insolvent ; or sentenced for a criminal offence for a term exceeding six months ; or bound over for good behaviour ; or has acquired a share or interest in the Trust or appeared on behalf or against the Trust as a legal practitioner.

Every Trust has its own funds. The council should contribute to the fund annually such amount as may be fixed by Government.

The Trust may be dissolved at any time after all the schemes have been executed. The council inherits from the date of dissolution all the assets and liabilities of the Trust.

Procedure for the Preparation of Schemes

As soon as a committee or Trust is formed, the council should pass a resolution requesting the committee or the Trust as the case may be to prepare a town planning scheme. The resolution should specify the areas and the boundaries for which schemes should be prepared. All general town planning schemes should be prepared in consultation with the Director of Town Planning within a

period of 12 months. The schemes to be prepared are of two kinds, general and special.

While preparing a general town planning scheme it may be found necessary to include the neighbouring lands lying within the limits of another local authority, because administrative boundaries are not always the best geographical boundaries and a necessity may arise to control their development. For instance, zoning particularly residential, may be rendered ineffective unless the lands adjacent to such lands are also brought under control. Before including such areas, the local authority concerned should be consulted and its approval should be obtained. If the local authority concerned refuses to accede to the proposal the matter may be referred to the Government and its decision is final.

The schemes to be prepared are of two kinds, general and detailed. The general town planning scheme deals with broad outlines, such as the fixation of the residential, commercial and industrial areas. But a detailed town planning scheme deals with the construction, removal, alteration or demolition of buildings, bridges and other structures; with the acquisition of land; with the distribution and reconstitution of land; with transport facilities; with the allotment of lands for playgrounds, streets, squares, houses and buildings for religious purposes with the provision of lands for open spaces, factories, hospitals, schools, markets and shops; with the construction of houses and the preservation of objects and buildings of archæological and historical interest.

It is obligatory on the part of every council to prepare a general town planning scheme. The Provincial Government has power to direct any council to prepare a detailed town planning scheme for any particular area.

The procedure for the preparation of a general town planning scheme is as follows: The council or the committee, as the case may be, should prepare a map called Map No. I. This map should show the boundaries of the municipality. It should also show all the public streets and their width; railways, tramways, bus routes, public buildings, religious places, lands belonging to Government, municipal and other public bodies, bazaars, industrial, commercial and residential areas, tanks, rivers, canals, drains, public latrines and cultivable lands.

In addition to this map, another map called Map No. II should be prepared. This map should contain the proposals, such as the zoning of areas for particular purposes, opening and improvement of sanitary lanes; laying out new areas for residential purposes.

While preparing the second map consideration should be given to the centralization of certain civic functions which are central in character and decentralization of certain industries and other activities which can conveniently be located in subsidiary centres and the reservation of sufficient space for recreational purposes.

The map containing the proposals should be published for the information of the public. Within 60 days from the date of publication of the draft scheme any person affected by it may communicate in writing to the authority concerned any objection or suggestion relating to the scheme. The council should consider the objections raised before it submits its proposals to the Provincial Government. The scheme as finally approved by the council should be embodied in a map called Map No. III. This map should be submitted to Government in the Education and Public Health Department through the Collector of the district, the Board of Revenue and the Director of Town Planning.

The procedure for the preparation of a detailed town planning scheme is as follows: The council should decide first as to the area for which a detailed town planning scheme should be prepared. A copy of the resolution of the council resolving to prepare a detailed scheme should be published. After the publication of the notification a notice should be sent to every owner of land in the area for which a detailed town planning scheme is proposed, informing him that he should not proceed with any building work without the permission of the executive authority. Then a lay-out plan together with a detailed town planning scheme should be prepared. The scheme should show the lands belonging to Government and the municipal council; the character of the buildings proposed to be erected; the density of the buildings or the number of buildings per acre proposed to be erected; the minimum size of the buildings and also the lands provided for recreational purposes.

After the preparation of a detailed town planning scheme a meeting of the owners of the lands and buildings affected by the scheme should be called and the implications of the scheme should be explained to them. Wherever possible, agreements should be taken from persons who are prepared to surrender their lands for public purposes. The preparation of a detailed town planning scheme involves the preparation of three maps called, Map A, Map B and Map C. Map A shows the existing position; Map B shows the manner in which the existing land is proposed to be used; Map C shows the boundaries of plots as they will appear if the scheme is accepted. These maps should be forwarded to the Director of Town Planning and wait for 15 days for the receipt of

any suggestions which he may make. After the expiry of the period the council should proceed with the consideration of the scheme. The scheme as approved by the council should be published for criticism. Any person affected by the scheme may communicate his objections or suggestions to the executive authority within 60 days from the date of publication. After the expiry of the period of 60 days the council should proceed with the consideration of the objections raised. The scheme as finally approved by the council should be forwarded to Government in the Education and Public Health Department through the Director of Town Planning.

While submitting a scheme to government the municipal council should furnish the following information : The date on which the preliminary notification was published ; whether the consent of the local authorities whose lands are included in the scheme has been obtained ; whether individual notices have been served on persons affected by the scheme ; whether a meeting of the owners of lands was held ; whether objections to the scheme have been called for ; whether the council considered the objections ; the date on which the final notification has been published and the date on which the council approved the scheme. Further, explanatory notes giving such particulars as the ownership of all lands and buildings, the approximate cost of the land proposed to be acquired and the cost of acquisition, etc. should also be furnished.

The Government may sanction the scheme with or without modifications. As soon as the Government sanctions a scheme it should be published in the district *Gazette* and no one should be permitted to execute any work without the sanction of the executive authority. It should be remembered that there should be no deviation from the scheme without the sanction of Government.

Central Control

Any dispute arising between two local authorities on a scheme should be referred to Government and the decision of Government is final. Further, Government has power to order a council to prepare a scheme or adopt a scheme or consent to any modifications made by it. If the council fails or refuses to do so, the Government may give its approval to such scheme or to such modifications and ask the executive authority to enforce them. Further, Government may employ its own officers to execute schemes. Finally, it has power to call for records, cause inspection to see whether schemes are being executed according to plan. The councils should also submit progress reports periodically.

The Appointment of Arbitrators

With the sanction of a scheme a number of complex matters crop up pertaining to land. To deal with them a person who has a knowledge of lands and their values is required. Therefore Government may and shall, if requested by the council, appoint an arbitrator. His functions are to divide land into several plots ; to transfer the ownership of a plot of land from one to another ; to allot plots of lands to different persons ; to define and demarcate plots for laying out streets for the construction of schools, playgrounds, etc ; to decide the award of compensation to properties which have been injuriously affected by the scheme ; to determine the properties liable to betterment tax. The decision of the arbitrator is final, and the councils are prohibited from interfering with them. However, an aggrieved person may prefer an appeal against his decisions in a district court.

If these are the rules and regulations relating to town planning, how far have these been enforced and how many councils have been benefited by the Town Planning Act ? By the end of 1936-37 the Act was in force in all the councils. Most of the councils had taken up the preparation of general town planning scheme. At the end of the year 1935-36 town planning committees were functioning in 60 councils. But powers were delegated only to 12 of them. Of the 81 councils, 32 appointed special staff for the purpose of preparing town planning schemes ; till the 31st March 1936, only 17 councils had submitted Maps Nos. I and II relating to general town planning. Seven of them were not prepared according to the rules mentioned above and therefore they had to be returned to the councils concerned. Only 33 detailed town planning schemes were sanctioned during the period 1920-36. These figures show that the progress made in town planning was very poor.

As regards the functioning of the committee system, it should be said that they were only nominal committees. Most of them rarely met even though they were required under the rules to meet at least once a month. Further, powers were not delegated to 80 per cent of the committees and the result was that committees had no enthusiasm to do any work.

In the execution of schemes the councils were lax. They countenanced deviations. According to the rules no buildings should be erected during the interim period without the permission of the executive authority. In practice, however, a number of buildings were allowed to be constructed and the violation of rules was not checked and thus the very purpose of planning was defeated.

All these facts go to show that the councils did not evince much interest in town planning and delayed in the submission of schemes even when ordered by Government. While it should be said that there was some activity in town planning during the period 1920-37, the fact remains that the progress was very slow.

(ii) *Housing*

We shall now turn our attention to housing conditions in the municipal areas. Under the Act and the rules made thereunder, no one should construct a building or a hut without the written permission of the executive authority. Before commencing any construction an application together with a site plan and building plan should be submitted to the executive authority. Every site plan should give the survey number, its boundaries, and the position which it occupies in relation to the neighbouring buildings and lands. The building plan should show the depth and width of the foundations of the proposed building, the level of lowest floor, the position and dimensions of the windows and ventilators, the means of access to the building; the position and dimensions of the latrines, urinals, drains, cess-pools, stables, cattle sheds and other parts of the building and the means of access to them; and the materials that will be used for the construction. All these particulars are intended to enable the executive authority to determine whether the proposed building is suitable for habitation.

Before sanctioning permission, the executive authority should see whether the site on which a building is proposed to be constructed is suitable for habitation. If the site is marshy, insanitary, damp or badly drained or incapable of being properly drained, permission may be refused.

Secondly, it should be seen that four feet space in front of the building and 10 feet in the rear exclusively belonging to the building are left vacant. However, latrines, wells, ashpits, cowsheds and any other structure not intended for human habitation and whose height does not exceed 12 feet may be constructed provided the aggregate area occupied by such structures does not exceed one-fourth of the area.

Thirdly, it should be seen that houses not separate from the adjoining buildings on two sides have at least one-third of the area left vacant.

Fourthly, every room intended for human habitation should have a clear superficial area of not less than 80 sq. feet with 8 feet width and 9 feet height measured from the top surface of the

floor to the underside of the beam on which the roof rests. Every room should have a sufficient number of windows and ventilators which open directly into the external air.

Fifthly, the open space or yard should be paved with durable and impervious pavement to prevent insanitary conditions.

Finally, it should be seen that adequate arrangements have been made for draining the storm water and sewage from the premises and that a sufficient number of sanitary conveniences have been provided.

If the application does not satisfy any one of the conditions mentioned above, it may be returned to the person concerned to satisfy the conditions. It should, however, be remembered that the executive authority should, within 30 days after the receipt of an application, issue orders either sanctioning or refusing permission. In case no orders are issued, the applicant may appeal to the council and the council is bound to give a decision within 30 days after the receipt of an appeal. If the council also fails to do so, the applicant may proceed with the construction but not in contravention of the act or the rules made thereunder. In case the executive authority refuses permission the aggrieved party has a right of appeal to the council.

If any person undertakes construction without permission or deviates from the plans approved by the executive authority, the executive authority may issue a provisional order to the person concerned requiring him to show cause within a reasonable time—the period should be specified by the executive authority—why action should not be taken against him for violating the rules. The nature of action proposed to be taken should also be mentioned in the order. If the person concerned fails to show cause to the satisfaction of the executive authority, he may confirm the provisional order. The person concerned has a right of appeal against the order issued by the executive authority to the council. The appeal should be filed within a period of 30 days from the date of receipt of the order confirming the provisional order. The executive authority should not take any action in pursuance of the order issued by him until the expiry of the period of appeal. Any action taken by the executive authority in violation of the procedure mentioned above is illegal and *ultra vires* and he may be sued for damages.

In practice, however, the rules mentioned above were not observed during the period under review. The Director of Town Planning writes, "it has been usual for persons to commence building construction immediately after submitting an application to the muni-

cipal office, without waiting for licence. Cases are not wanting in which constructions have come up even without such an application". In the year 1935-36, building regulations were not enforced strictly in 24 municipal towns. Further, no action was taken against persons who deviated from the conditions in a good number of municipal towns. As a result there was no effective regulation of building construction and slums continued to flourish.

A visit to some of the municipal towns reveals the deplorable housing conditions obtaining there. Very few of the municipal towns are planned properly like Ootacamund, Coonoor and Mangalore. Mangalore has wide spaces for recreational purposes. The streets are generally broad and the building concentration per square mile is not much. The slums which the writer has seen are maintained properly and are in a better condition when compared with those existing in towns like Nandyal. There is no need to say anything about Ootacamund, the Queen of hill stations. In recent times, Coimbatore, Vellore, Cocanada and, to some extent, Guntur, have prepared a number of detailed town planning schemes and in the newly planned areas buildings are constructed on approved lines with all modern amenities. But a great majority of the municipal councils have taken no action in this respect. Slums are still flourishing in municipal towns like Nandyal, Rajahmundry Vizianagaram, Chicacole and Kumbakonam to mention only a few places. Nandyal was described by one of the Directors of Public Health as the latrine of the ceded districts. In the writer's opinion the only way by which the insanitary condition of this town can be improved is by the total demolition of the entire town. Some of the localities in the town are thoroughly unfit for human habitation. The chucklers' colony, for instance, is located in a place low in level and very near to the Muslim and Hindu burial grounds. The lanes are narrow; the flooring is damp throughout the year as the soil is made-up one and the houses are unfit for human habitation. The heart of the town itself is a big slum area. This locality situated between the fort ditch and Nagalagunta is a typical slum area. Most of the houses are single-roomed ones and each house is terribly overcrowded. A house is said to be overcrowded if any two persons of the opposite sex over 10 years of age and not being wife and husband sleep in a single room. One room is sufficient for two persons of the same sex. But in this locality, the writer found more than two persons in these one-roomed houses. The same room is used as kitchen, as dining hall and bedroom and everything else. In one of the single-roomed houses, there was a leper living with his wife and half a dozen children. The wife was pregnant and the writer was told that the same room

would be used as a labour ward. In some houses animals also shared a portion of the house. During the rainy season the entire area was slushy. In summer, scores of makeshift beds were put up during the night time in the streets. We find similar horrible conditions in all the municipal towns in the Vizagapatam district. In these towns the huts inhabited by the fishermen community have the shape of a conical flask. They do not have windows or ventilators. To get into a hut one will have to bend so low that the forehead almost touches the ground. Invariably they are all one-roomed huts. Wife and husband with a half a dozen children on the average live in these huts. What morality and what health can be expected in these places needs no description. Men, women and children living in such localities are of stunted growth. Instances of the housing conditions mentioned above are legion. Everyone is aware of these conditions and yet no action is being taken.

(iii) Roads and Streets

Roads are the means of overland communications. The free movement of the population from one locality to another depends upon them. In recent times road administration has assumed increasing importance and new authorities are being created to meet the situation. It is because of the fact that the motor vehicle has entirely changed the conception of road administration. Its weight and speed have naturally resulted in the demand for better and stronger roads. Therefore road administration is concerned not only with the problem of constructing sufficient mileage of roads but also to maintain them in proper condition. It should, however, be mentioned that roads are different from streets. Streets are the means of communication within the municipal limits and the roads are the means of communication from one locality to another.

According to the rules, the width of the streets should ordinarily be not less than 40 feet excepting in the hutting areas. In the hutting areas it should not be less than 20 feet. Whenever an open area is to be converted into a building area the municipal authorities should insist that streets of the prescribed width are first laid and until that is done no permission should be given for the construction of buildings.

The management of all roads and streets is vested in the council. That is, the surface of the roads or streets is vested in the council but not the sub-soil beneath. Vesting of these properties does not mean that the councils are the rightful owners of the site. The councils have an exclusive right to manage and control the surface and so much of the sub-soil as is necessary to maintain the roads and streets in efficient condition. It is the duty

of the executive authority to see that no one encroaches upon streets and roads. As soon as an encroachment is detected the out-door staff should report the fact to the executive authority. In some of the councils—particularly the councils which have been surveyed—a person called the Town Surveyor is specially appointed for the purpose. His duties are among other things, to detect encroachments. The executive authority should forward a list of encroachments detected once a quarter to the Collector. In forwarding the list he should classify encroachments into three classes, encroachments which are objectionable, encroachments which are not objectionable at present but are likely to become objectionable in future and lastly encroachments which are unobjectionable. The Collector may order the removal of all objectionable encroachments and license the unobjectionable ones. Before removing an encroachment a notice together with a sketch showing the encroachment should be served on the person concerned who may be either an owner or occupier of the building¹⁶ and action must be taken within a period of three years from the date of detection. If the council fails to do so the Collector may take action under the Land Encroachment Act.¹⁸ The power to remove an encroachment is not affected by the prescriptive right which a person gains as a result of continuous occupation of a piece of land for more than 60 years. An encroachment is always an encroachment and the person concerned should remove it when ordered to do so;¹⁹ but the aggrieved person is entitled to compensation.²⁰

As regards unobjectionable encroachments, the council may lease them out for a period not exceeding 12 months at a time. If the councils propose to lease them out for a period exceeding 12 months the sanction of the Collector of the district should be obtained. However, the executive authority is empowered to terminate the lease at any time within the lease period and the person has no right to claim compensation.²¹ The lessee is permitted to put up only temporary constructions over the site.²² The councils are prohibited from leasing out any portion of the road and street margins for the construction of petrol pumps and reservoirs.²³

Let us now see how road administration was carried on in the district municipalities. This aspect of municipal administration also was bad. Firstly, the councils did not rigidly enforce the rule

that the width of the streets should be 40 feet. As a matter of fact the municipal authorities did not insist on the owners of private lands to lay streets of the required width before sanctioning the construction of buildings in such areas. The result was, many open areas were converted into building areas without adequate provision for roads, and the streets provided in some of these areas were just narrow enough for small carts to pass through.

Secondly, the execution of road works was not placed in the hands of qualified staff. In some places like Ongole and Sivakasi, the sanitary inspectors were in charge of the execution of road works; in Bimilipatam the municipal office manager was in charge of road works; in Tadipatri and Anantapur, maistries were in charge of public works.

Thirdly, adequate amounts were not provided in the budget for the maintenance of roads. The provision made by all the councils during the period 1932-37 was as follows :

Year	Mileage of Trunk roads maintained	New Roads opened	Total Mileage of roads maintained	Total Expenditure on roads
1932-33	146	21	2,582	13,34,306
1933-34	130½	9½	2,549½	13,46,832
1934-35	122½	9½	2,497½	13,24,573
1935-36	125	Nil	2,535	12,39,416
1936-37	122½	26½	2,489	12,40,913

The provision made in the budget estimates of some of the councils was adequate and yet the condition of the roads was not satisfactory in those municipal areas. Some of the councils spent the entire amount received from the tolls and their roads were properly maintained. But a good number of councils did not make adequate provision in the budget for the maintenance of roads and as a consequence roads and streets in these municipalities were bad. At present the amount that should be provided for the maintenance of roads has been fixed by the Provincial Government and the result is that roads are well maintained. Till very recently, a great majority of the councils were without dustless roads. Even the most busy areas where articles of food were sold were without dustless

16. 58 M.L.J., 622.

18. Endt. No. 45218. L.M. 2-12-1930.

19. *Public Prosecutor v. Varadarajulu Naidu*, I.L.R., 1924, Mad. 716-22.20. *Gemini Ramayya v. Rajahmundry Municipality*, 54 M.L.J., 581.

21. G.O. No. 1236. L.M. 26-3-1926

roads. At present a number of councils have taken up the construction of dustless roads with the help of provincial grants.

Fourthly, in some municipalities road administration facilitated the swindling of municipal funds. An Auditor informed the writer that roads were laid on paper. That is, estimates were prepared, the approval of the council was obtained; tenders were invited and the execution of works was entrusted to the contractor. But works were never executed. The executive authority—who was the chairman during the period 1920-33—entered into an unholy alliance with the contractor and both of them defrauded the council. In some municipalities metal was stacked, measurements were taken and payments were made; but the same metal was taken overnight and stacked in a different place. Measurements were taken and payment was made for a second time. Thus many a non-official chairman utilised his official position in feathering his own nest.

Regarding the removal of encroachments, it is an open secret that the councils criminally neglected their responsibility in this respect. Not only did they fail to detect encroachments but also defaulted in removing them after detection. Some of the executive authorities, especially the non-official ones, used this power to punish their opponents and favour their partisans. It may therefore be said that practically no action was taken by the executive authorities. There were no doubt some exceptions. Mr. J. P. L. Shenoi, I.C.S., Municipal Commissioner, Madura, 1935-38, is a notable exception. He was largely responsible for the removal of innumerable encroachments in and near the Meenakshi temple. The removal of encroachments resulted in the removal of obstacles to free traffic. The writer visited the place and was told by responsible persons like Mr. N. M. R. Subbaraman, formerly chairman of the Madura municipal council, when Mr. Shenoi was the Commissioner and Mr. P. S. Kumaraswamy Raja, M.L.A., ex-President of the Ramnad District Board, that of all the executive officers Mr. Shenoi was the only person who took effective action against encroachments. But most of the executive officers are taking a line of least resistance in this respect. To take vigorous action is to court unpopularity with the council and the ratepayers. In order to avoid that, practically no action is being taken.

GREATER POONA MUNICIPAL CONSTITUTION COMMITTEE.

CENTRAL LIBRARY, TOWN HALL,
Bombay, 21st July 1947.

Sir,

I am directed by the Committee appointed by the Government of Bombay under their Resolution Health and Local Government Department No. 5608/33 dated the 7th July 1947, to examine and report to them on matters relating to the Municipal government of Greater Poona, to forward herewith a copy of their Questionnaire and to request that you will be so good as to send your reply thereto at an early date and not later than the 15th August 1947.

The terms of reference to the Committee on which the Questionnaire is based are as follows :—

- (1) To examine and report after eliciting local opinion, whether, having regard to the ultimate benefits to the people residing within the limits of the Poona City Municipal Borough and the Poona Suburban Municipal Borough and in the existing or growing contiguous areas, it would be advisable to establish a single local authority in place of the existing separate local authorities for the Municipal government of all these areas; and
- (2) To suggest legislative and other measures, if any, considered necessary to achieve greater efficiency of Municipal administration and to promote better development of all these areas, whether under a single Local authority or under the existing separate Local authorities.

Your obedient servant,
D. V. NADKARNI,
Member-Secretary.

N.B.—Kindly address your reply to the Member-Secretary, Greater Poona Municipal Constitution Committee, Central Library, Town Hall, Bombay 1.

**Committee appointed by the Government of Bombay to examine and
report on matters relating to the Municipal government of
Greater Poona.**

QUESTIONNAIRE.

1. What is your general opinion about the administration of the Poona City Municipal Borough and the Poona Suburban Municipal Borough and of the Local authorities in the existing or growing contiguous areas? Do you consider it satisfactory? If not, what are the shortcomings? What are your suggestions to remove them?

2. Do you think that the services rendered by the Local authorities in Poona City and Suburbs in respect of essential needs such as primary education, water supply, drainage, conservancy, public health, medical relief, roads, lighting, fire-fighting and markets are efficient? If not, what are the drawbacks? Do you consider that there is need for improving as well as expanding these and other services?

3. Do you think that the development of Poona City and Suburbs is being carried out on right lines? If not, what measures would you suggest for promoting better development?

4. Are any difficulties experienced in rendering the obligatory and other services under the existing provisions of the Bombay Municipal Boroughs Act? If so, what are those difficulties? What remedies would you suggest for removing them?

5. Do you think that greater efficiency of administration can be achieved by amending the Bombay Municipal Boroughs Act? If so, what amendments would you suggest?

6. Are you in favour of establishing a single Local authority in place of the existing separate Local authorities for the Municipal government of Poona City and Suburban areas? If you are, what ultimate benefits you think will be derived by the people residing in all these areas by the establishment of a single Local authority? Besides the areas included within the limits of the Poona City Municipal Borough and the Poona Suburban Municipal Borough, what other areas would you suggest for being brought under the administration of a single Local authority?

7. Do you think that greater efficiency of Municipal government and better development of all these areas will be achieved by having

a Municipal Corporation on the lines of the Bombay Municipal Corporation than by bringing all the areas under the administration of one Municipal Borough with necessary modifications in the Bombay Municipal Boroughs Act? If so, have you any definite suggestions to make in this connection?

8. Do you consider that the present method of appointing Municipal Officers is satisfactory? If not, what modifications would you suggest?

9. Do you think that the control at present exercised by Government over the Poona City Municipal Borough and the Poona Suburban Municipal Borough is adequate? If not, in what respects you think it should be strengthened?

10. Do you think that for achieving greater efficiency of Municipal Government and for promoting better development of all these areas, whether under a Municipal Corporation or a Municipal Borough, larger financial resources will be required? If so, have you any suggestions to make as to how financial resources could be increased adequately?

11. Have you any other suggestions to make generally in connection with the Municipal government of Poona City and Suburbs?

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L. S. G. D. EXAMINATION RESULTS

(January-May 1947)

The following students have passed the L. S. G. D. Examination held in the month of May 1947.

(In order of Merits)

- | | |
|--|------------------------------------|
| 1. Mr. J. M. Bajpai | 9. Mr. Rajendra Prasad |
| 2. Mr. Balkrishnarao Dhondopant Kshirsagar | 10. Mr. Gopala Pillai |
| 3. Mr. Murari Lal Govil | 11. Mr. Padmanabhan Nair E. |
| 4. Mr. Mohd. Aitamadol Huq. | 12. Mr. Champalal G. Parmar |
| 5. Mr. J. A. Chokshi | 13. Mr. Dattaram Bhalchandra Joshi |
| 6. Mr. Bhagwandas Shriwastava | 14. Mr. G. Ramados |
| 7. Mr. M. A. Hameed | 15. Mr. M. V. Samant |
| 8. Mr. Purushothaman Nair S. | 16. Mr. Madhavan Nair K.P. |
| | 17. Mr. M. C. Chacko. |

EXEMPTION LIST

The following students got exemptions in the papers marked against their names :—

Name of the Student.	Paper I	Paper II	Paper III	Paper IV	Paper V	Paper VI
1. Mr. N. Neelakantan	—	—	3	4	—	—
2. Mr. Mahadeo Shankar Ghode	—	—	3	—	—	6
3. Mr. Purushottam Dattatraya Datye	—	—	3	—	—	6
4. Mr. T. K. Ramkrishna Pillai	—	—	3	—	—	—
5. Mr. P. N. Surendran	—	—	3	—	—	6

Bombay, 15th July, 1947.

S. S. NAIK,
Vice-Chairman,
Board of Examiners,
L. S. G. D. Examination.

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REPORT ON CAWNPORE MUNICIPAL AND DEVELOPMENT BOARDS' FINANCES

By

MANU SUBEDAR, M.L.A. (Central),
B.A., B.Sc. (Econ.) London, Barrister-at-Law.

CHAPTER I

PRELIMINARY

1. I received a communication from the Prime Minister, the Hon'ble Shri Govind Ballabh Pant, on the 25th of February 1947, in which he stated:—

"We have a Development Board in Cawnpore for the improvement of the town and the development of the adjoining areas. Certain proposals for this purpose have already been made, but it has not been possible to carry out the plan for want of necessary funds. The question has been engaging the attention of the Development Board and also of the Government here. It is necessary to place the finances of the Board on a sound basis and also to provide adequate means for giving effect to an ambitious programme which the Board has in view. I wonder if it will be possible for you to undertake this task."

2. I replied on the 2nd March 1947, agreeing to tackle the work.

3. I further received a letter from the Hon'ble the Premier of the U.P. on the 15th March 1947, enclosing a letter from the President of the Cawnpore Development Board, requesting me to proceed with the work early.

4. I wrote to the President of the Cawnpore Development Board on the 17th March 1947, intimating that the task entrusted to me was as under:—

"To examine the finances of the Cawnpore Development Board and to suggest ways and means and sources of taxation for the immediate needs and the next few years."

The President of the Cawnpore Development Board forwarded to me a copy of the Board's Resolution No. 20(24), dated 26th March 1947, and said that the terms of reference therein were much wider. But I desired to proceed on the basis of the terms of reference quoted above, which I felt was more suitable to the needs of the situation.

5. I sent to the President a list of requisitions and heads of information, which were wanted by me, and mentioned that I would be

visiting Cawnpore in the beginning of April. The President of the Cawnpore Development Board sent to me all relevant papers and he also called on me at New Delhi on the 29th March to have a preliminary discussion.

6. I reached Cawnpore on the morning of the 2nd April and was there till the 6th April. During this period I had an opportunity of meeting representatives of Upper India Chamber of Commerce, United Provinces' Chamber and Merchants' Chamber, the Civic Affairs Committee of the Cawnpore City Congress Committee, the Cawnpore Mazdoor Sabha, the Better Cawnpore Association and other public bodies.

7. The arrangement to meet the Bar Association and the Medical Association was not successful on account of the curfew and holidays.

8. I had also an opportunity of meeting prominent businessmen, journalists and citizens of Cawnpore, and of ascertaining their views in general terms.

9. I had a talk with leading officials of the Municipality as well as of the principal officials of the Board. I take this opportunity of thanking them and other gentlemen for the courtesy and consideration extended to me and for the valuable information, which they readily placed at my disposal.

10. It is not possible for me to conclude acknowledgments without a prominent mention of the help, which at each stage, was willingly given by the President of the Development Board, Sir Edward Souter. I had ample opportunities to observe his wide knowledge of the affairs of the city and his genuine desire to see the works in hand conceived in the interests of the city, to be put through. But for his willing co-operation, I would not have been able to fulfil my obligation in completing the work entrusted to me in the limited time at my disposal.

11. It is possible that some error may be found in some small detail in this report. That would arise on account of the limitation of time, during which the work was done. But I believe that the main trend of the report is likely to be useful to Cawnpore City. It is also possible that some of the comments, which I have heard and reproduced, and some of the comments, which I have myself made on the activities of the local authorities, may be regarded as unduly harsh. I would like to emphasize that I had no local interest or partisanship, and no malice. My object was to bring these matters to the notice of the U.P. Government, on whose part I have suggested firm action, and to the notice of Cawnpore citizens, so that the future affairs of this great city may be arranged on a better footing than has been the case in the past.

CHAPTER II

LOCAL SELF-GOVERNMENT IN CAWNPORE

12. The U.P. Municipalities Act of 1916 is not at all suitable for Cawnpore. Cawnpore is a metropolitan area and the problems of a metropolitan area are different not only in volume but in kind from the problems of a small borough or a small growing town. Cawnpore is a great industrial centre. It is one of the most important junctions in Northern India, where railways from five directions converge. It has not only a large stationary population, but a large transitory population, and the number of daily arrivals in Cawnpore was indicated to me at ten thousand persons. An industrial centre of this character responds more quickly and keenly to changing economic circumstances. The enterprise of the people and their wealth induces them to expand rapidly and more production takes place (in the same manner as it did during the war period). Whenever there is a boom, these changes do not occur in small places. Not only complex problems of water supply and sewerage occur, but the health conditions of the city itself offer problems of an intricate character. Trade wastes produced and the removal of such wastes, as well as the cleansing of the city are new features in a metropolitan area. Transport problems of a large city have to be considered by themselves.

13. It is, therefore, recommended that, before it is too late and before the problems created by a weak, inadequate Municipality become more difficult, a new Act may be passed. The model of such an Act can be the City of Bombay Municipal Act of 1888, as amended from time to time. I understand that this legislation would need consideration. I strongly urge that there should be no delay.

14. I have no hesitation in saying that where municipal life is not robust, it is desirable to keep a strong executive, who will act independently in all administrative matters, subject only to the policy as it is fixed by popular representatives.

15. The essence of self-government is that people must govern themselves, i.e. public-spirited men should give their time and effort in order first to create and then to administer a local self-governing body like the Municipality. People should have the moral courage to prevent evasion of municipal dues. Councillors must have the strength to impose the necessary taxes (even where their own property or trade would have to bear a little more) in order to meet the growing requirements of the city and in order to cope with public health and other problems as they arise.

16. From more than one quarter I heard that the troubles of Cawnpore could be put right by the supersession of the Municipality.

Even if that was a correct and adequate solution, I cannot uphold it, as it cannot be regarded as a permanent solution. In this age and under a popular Government, the association of the people with the task of municipal administration is bound to be considered essential. But the drawbacks, as revealed by experience in Cawnpore, should be guarded against by Government providing two officers, one as Chief Executive Officer and one as the Assessment Officer to the proposed Corporation.

17. In the event of this measure being adopted by the U.P. Government, the task of re-adjusting matters with the Cawnpore Development Board ought not to offer any serious obstacle, as an Improvement Trust is regarded merely as a device for more speedy and efficient execution of large schemes for which the Municipality has normally not got adequate staff. In its very nature, such a body is temporary and when the functions, for which it was created, have been performed, it has to disappear. This is the general experience elsewhere and I cannot see how the course of events can run differently in Cawnpore.

18. The assets and liabilities of the Improvement Trust elsewhere have been taken over by the Municipality. A similar position must necessarily arise with regard to the Cawnpore Development Board.

19. All the assets created are of a permanent character, such as the proposed water works, sewerage scheme and roads.

20. On this basis, all the finance required for the Development Board comes as a matter of course from the Corporation.

21. In other parts of India, a body like the Development Board would be merely a branch of the Corporation functioning as a special body for special purposes. In Cawnpore also, even at the hands of Section 93 Government and under its present constitution, representatives of the Municipal Board are already there on the Development Board, and some very eminent citizens of Cawnpore have been added amongst the eight nominees on the Board. With a slight change in this constitution, if necessary with the addition of eight other nominees from the Government and of eight additional representatives of the Corporation when it is formed, the position could be set right.

22. It is difficult to recommend whether Government should give extra powers of taxation to the Corporation. The need for such a course may arise in future. At the present moment the position is that the existing powers even under the U.P. Municipalities Act have not been fully utilised. The conception of Municipal authorities with regard to their existing powers under the present law has been feeble and misguided, and they have not made use of all the powers, which

they had. They have not even collected fully the very meagre levies, which they had put under existing powers.

23. As will be seen from paragraph 66, the Municipality has not taxed vacant lands at all, though it is quite within their competence to do so. They have lost, in my opinion, a sum of Rs. 2 lakhs a year by this neglect. They have been content to tax owner-occupiers on the capital basis and this basis has seldom been revised. Incongruities may be found if further investigation were made, so that bungalows, which are for Municipal rates estimated on a capital basis of Rs. 30,000, may have changed hands and may have been sold at something like Rs. 2,50,000. Even after such sales it is quite possible that cases may be discovered where the charges have not been enhanced.

24. The Municipal authorities have in my opinion misjudged the definition of section 145(1) and they have religiously believed that they had no power to revise with reference to rateable value unless a period of five years had passed since the last revision. I do not find this to be the case. All that the law requires is that revision should not be put off longer than five years; that the law should not possibly require, nor does the wording of it require that the intention of the legislature was that even if the values were going up and the cost of municipal service was going up, the Municipality was precluded in law from revising their assessment of any properties unless a period of five years had passed since the previous revision. In the matter of factories, the same weak and spineless attitude appears to have been maintained by the municipal authorities. It is difficult to estimate the revenues lost in this manner, but I consider the amount to be not less than six lakhs a year and more likely to be in the neighbourhood of Rs. 10 lakhs a year, because the low assessment not only covered taxes on house property, but became the basis of a calculation of $6\frac{1}{4}$ per cent water taxes.

25. The Municipality did not appear to have enforced all the powers, which they have got in the matter of the encroachment of streets, declaring buildings unfit for human habitation and putting down building lines, beyond which plans for reconstruction may not be passed. The inspection obligations of the Municipality appear to be carried out in a very haphazard manner. The very fact that the fees levied for this purpose have remained unrevised for many years and are nominal in many cases, would show that the matter has not received the attention it deserved.

26. Municipal accounts are audited by Government, but Government could not be taking a survey of improvements made or omitted to be done. If that had been done in the past, the deterioration noticeable in Cawnpore would not have occurred.

27. It is with a view to establish a closer link with Government, that the constitution of a corporation is suggested, in which a senior Government official would be the Chief Executive Officer, and the report of the activities of the Corporation would be submitted to Government every year.

28. How soon the Corporation could be established and what are the difficulties in it is a legal matter, but the present strained relations between the Municipality and the Development Board are a disadvantage. The essence of local self-government is firm and honest management of municipal affairs, the readiness to tax for all essential purposes and impartiality in the administration. The sense of citizenship must be developed. Different standards and conflicting views must be reconciled. All classes, who will be on the Corporation, must work for the common good of the mass of the population. Municipal taxes should be so arranged that they should fall on those who can bear the burden.

CHAPTER III

THE MUNICIPAL BOARD

29. The inadequacy and failure of the Municipal Board was indicated not merely by criticisms from outside, but by the self-confessed and emphatic condemnation from the mouth of the leading Municipal Councillors. In the matter of sectional details it came from even officials of the Municipal Board. Leaders of commerce, who were competent men, handling problems of even bigger magnitude in their own private businesses, when appealed to for setting right the affairs of the city, proclaimed their inability to work with their colleagues, describing the Municipal Board as "Dhobies' Panchayat" in which they were not prepared to waste their time in idle wrangling. I heard with dismay suggestions that some of the Councillors' sole preoccupation was to protect some of the employees of the Municipal Board and, through them, to get favours conferred on members of the public in respect of their relations with the Municipality for sanction of plans, for assessment and for other purposes. I was told that every attempt to regulate the size of the establishment to the task required and to see that the personnel had the qualifications for the work, which they had to do was met with stiff resistance from the Board. I heard that the expenditure of the Board was not only extravagant, but much money out of such expenditure was diverted into private pockets. Making allowance for vested interests, lack of intimate acquaintance with facts, disinclination to study the municipal problem, inexperience in affairs of administration

and a large volume of prejudice (which I regard as rooted in determined disinclination to think for resolving any situation to its primary elements), it appears that the affairs of the Municipal Board are in a very low ebb of efficiency.

30. Everybody held up his hand in horror at the suggestion that more money should be placed in the hands of this Municipal Board. Everybody felt that amenities, which were due and which could be provided with the money in the hands of the Board, were not provided. Most people not only doubted the capacity of the Municipal Board to take over the activities of the Development Board, but there was a suggestion from many quarters that some of the functions, which the Board was now performing, should be taken away. There was even a suggestion for complete supersession.

31. News that Government were contemplating the constitution of a Corporation to replace the present Municipal Board, appeared to be received with a great sense of relief by all sections, including the Councillors.

32. I am not concerned with the constitution or the expenditure of funds by the Municipality, but it was suggested that, if the expenditure of the Municipality were overhauled by any authoritative party sent out by Government, the amount, which will be saved per year from the checking up of waste, duplication, removal of superfluous personnel and greater co-ordination, would be not less than Rs. 2 lakhs. Some persons in their enthusiasm even gave a much higher figure.

33. It was further pointed out that so far as engineering, road and sewer repairs and other tasks were concerned, the Municipality had a staff, whose functions had seriously abated, because of the transfer of these activities to the Development Board, and that these men had no work. They were still being maintained and there was thus duplication of their service at the expense of the city, for which there was no excuse. Great disappointment was expressed that the expenditure side of the Municipal Board could not come under review by me.

34. Emphatic suggestions were made that any additional revenue that may arise as the result of the suggestions made by me, should not fall in the hands of the Board, but should be earmarked for the specific purpose of development. After a serious consideration, I therefore recommend that additional revenues arising out of suggestions made by me should be set aside in a separate fund, and these moneys should not be spent, but that the service of interest and sinking fund in connection with the loan raised for development should have absolute priority, and these moneys should be handed over to the U.P. Government for such service to the extent required for this purpose.

35. Apart from this, the funds required for the Development Board for doing the functions, which were hitherto done by the Municipal Board, viz.: sewer repairs, road reconstruction, road maintenance, etc. on which, I understand, as much as Rs. 6 lakhs * was being spent by the Municipal Board at one time, should be handed over to the Development Board, and this item should have absolute priority on the collections of revenue by the Municipal Board.

36. There is a lacuna in the law at present. The Municipal Board may refuse to levy the tax required for these services and there is nothing which the Development Board or any one can do to induce them to adopt this course. If and when such funds are collected there is nothing in the Act, either of the Municipality or of the Development Board, which would compel the Municipal Board to earmark these funds and make them available for the purpose of the Development Board.

37. There is even a provision that as much as 20 per cent of the total revenue of the Municipal Board may be spent on education. Such a provision in the present context is altogether unworkable, because, additional taxation raised specifically for the purpose of development, should not be diverted to any other purposes, however laudable they may be.

38. I would request the immediate attention of the U.P. Government to the fact that indecision or the intervention of any period of time is likely to make a situation already too bad, much worse, whatever the final solution of the local self-government tangle in Cawnpore City may be (and even this could not be put off for any period of time).

39. Changes in law and some emphatic Government directives would be wanted.

40. For the biggest city in Northern India and in the United Provinces, Cawnpore appears to have received not too close an attention of Government from the capital, which the affairs of the city are in serious need of. I understand that Government could not give an officer to come as an Assessment Officer of the Municipality.

41. As indicated in paragraph 24, under-assessment is rampant. Moneys badly needed for the improvement of the city are permitted to remain in the pockets of the assesseees through a misinterpretation of the existing powers and disinclination to exercise those powers with firmness.

42. I would like to suggest that Government should give, not one, but two officers at once for purposes of the Municipality with full powers for executive work, who would not be deterred by interference from

* The municipal authorities contended that this was not so, They calculated the amount as Rs. 2½ lakhs.

Councillors in the discharge of their duties as laid down by the Act, who would not be influenced by local factions, and who would safeguard public interests and public revenue.

43. These, in my opinion, should be an Executive Officer and an Assessment Officer.

44. In making this suggestion, I imply no personal reflection on the present holders of these posts. I have no means of ascertaining their personal competence, but the results speak for themselves. In any case they lack the strength, which officers appointed by Government and charged with the specific task of cleaning up the situation, would have.

45. I was told that municipal expenditure was very extravagant, not in the scales of pay, but in the number of persons employed for the work, which they have to do. A very knowledgeable Municipal Councillor was of opinion that, if the municipal affairs were run strictly and if Government were to send round an official in the first instance to overhaul the establishment of the municipal staff and later, if the executive was independent of the Councillors, the economy in the expenditure of the Municipality would be of the order of two lakhs of rupees.

46. Similarly, with regard to the Development Board, the complaint was that, money was being spent extravagantly and men were being maintained, who were not necessary for the work, which the Board had in hand. A committee of the Board is already appointed to look into this subject, so far as the administrative establishment is concerned, and I hope that from the Rs. 5½ lakhs spent for this purpose every year, they would be able to effect an appreciable economy. Looking into the expenditure is, however, not the part of my work. In any case it must ultimately depend upon the vigilance and civic sense of the Municipal Councillors and members of the Development Board. It is to be hoped that the right spirit of local self-government will grow and assert itself in Cawnpore.

47. It was mentioned that the resistance to new taxes for the Municipality and the Board would be less intense if the people, who paid taxes, had the confidence that the money would be properly spent. The reluctance of the people to be taxed has been known in other parts of the world to bring out this form of criticism. I have not been able to judge to what extent there is substance in this charge, but I must mention it in order that those, whose concern it is to show that the administration is run efficiently and economically, may examine this allegation and may be watchful for the future.

48. There appears to be a general feeling that in spite of a change so recent as September 1945 when the Cawnpore Development Board

was set up and given certain powers with reference to the Municipality, the constitutional position is yet unsatisfactory, and the relation between the two bodies is not all that would be desirable. In this situation must enter necessarily the history of the two bodies, the local party positions, individual jealousies, rivalries and suspicions and other factors, with which I am neither familiar nor concerned.

49. From experience of other places in India, the true conception should be that an Improvement Trust (or any similar body which may be set up) should have specific schemes of improvement involving the planning and the execution of large schemes; that such a body should have a staff of a calibre much higher than that wanted by the Municipality normally for maintenance purposes; that it should have facilities of finance for the purpose of executing such schemes with speed and in such a manner as to provide good spread over the administrative overhead charges; that, as and when its work is finished, the specialized organisation may be terminated and its liabilities be taken over by the Municipality. Some municipalities have been known to carry on different street improvement schemes as well as improvement of water supply, sewerage and other requirements through their own staff, supplemented by a Special or an Improvements Engineer. The matter must depend on the convenience and local considerations in every city. Where Government assist by means of finance or in any other manner, Government would like to see that schemes are well conceived and are executed in an orderly manner economically and efficiently. The device of a special body like the Improvement Trust is therefore used. Generally, the position, however, is that such a specialised body is brought to an end as soon as the major and more substantial schemes are executed and when there is a feeling that the type of minor schemes taken in hand could be conveniently carried out by the Municipality itself without a duplicate organisation.

50. The freedom of action to the Development Board is rightly conceived, but I have not been able to understand the suggestion that the Development Board should take over all the normal and ordinary functions of the Municipality. The Development Board, which is a nominated body in the main and is not the result of a direct election by ratepayers, cannot and should not be regarded as a permanent body. The aim should be to secure as early as possible a recognition of the Municipality with wider powers, but with such safeguards as Government think proper in the initial years. Such a Corporation should have representatives of all classes of the city, but it would be wise for Government to provide that the executive work of such a Corporation was not interfered with unduly by individual Councillors or any group of

Councillors. The executive must be free to function within the powers of the Corporation. The Chief Executive Officer and the Assessment Officer should be men, whose services are lent by Government and who owe their appointment to Government and not to the sweet will of the members of the Corporation.

CHAPTER IV

THE FINANCES OF THE MUNICIPALITY

51. It has been already remarked that in the matter of the levy of assessment and of its collection, even according to existing powers, the municipal authorities did not fully interpret the Municipality's rights or carry out its obligation. The following Table of yield from various sources of municipal taxes will illustrate this:

			1945-46	1946-47
			Rs.	Rs.
Tax on annual value of buildings and lands	...	...	3,53,154	5,76,504
Tax on vehicles and other conveyances and on boats			1,52,573	1,51,778
Water tax	...	...	5,50,059	5,43,421
Octroi	...	...	48,572	47,419
Terminal tax	...	...	11,80,101	11,27,960
Terminal toll	...	...	1,97,716	2,28,025
Rents of lands, houses, Sarais, Dak bungalows, etc.	...	...	1,89,639	1,58,939
Market-fees and revenue	...	...	1,18,234	89,824
Sale proceeds of water	...	...	3,31,687	3,13,949
Miscellaneous	...	...	3,52,148	2,99,866
Other items	...	...	1,59,649	1,74,093
			-----	-----
Total	...	...	36,43,532	38,11,778
			-----	-----

52. The significant increase in the annual value of buildings and lands is due to the increase of $3\frac{1}{8}$ per cent in the assessment, but the figures of the principal sources of the municipal income appear to have been singularly stationary, as will be seen from the following Table:—

	1937-38	1938-39	1939-40	1940-41	1941-42	1942-43	1943-44	1944-45	1945-46	1946-47
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Opening balance...	7,47,231	3,70,410	7,87,547	11,44,969	6,69,413	7,76,428	7,27,235	6,66,274	6,18,768	5,09,980
Octroi	27,365	27,360	30,459	30,450	29,714	31,888	42,317	49,949	48,572	47,419
Tax on the annual value of lands and buildings ...	2,48,518	2,35,105	2,40,594	2,54,292	2,55,585	2,60,953	3,09,458	3,55,936	3,53,150	6,76,504
Water Tax	4,25,663	4,07,767	4,16,479	4,37,908	4,40,183	4,48,415	5,40,651	5,65,873	5,50,059	5,42,421
Terminal Tax	8,09,816	8,58,240	8,85,313	9,90,014	10,99,933	11,80,382	11,39,778	12,31,764	11,80,101	11,27,960
Terminal toll	1,56,288	1,55,415	1,84,851	1,69,138	1,46,348	1,45,851	1,75,538	2,13,423	1,97,716	2,28,025
Sale proceeds of water	2,05,993	1,90,059	2,09,700	2,09,543	2,37,630	2,09,025	2,44,907	2,65,121	3,31,687	3,13,949
Rent of meters	25,609	24,984	27,287	27,263	25,637	23,262	25,394	26,091	26,804	12,608
Grants from Government	95,678	1,14,536	1,05,011	1,08,328	1,07,279	2,10,688	1,53,878	2,52,573	1,59,805	22,516
Other heads	3,75,480	2,98,621	4,04,889	4,03,596	2,41,708	4,26,085	4,67,541	7,13,832	1,69,649	1,74,093
Total	33,17,641	26,82,497	32,92,130	37,75,281	32,53,430	37,12,957	38,26,737	43,40,836	42,62,300	43,21,758
Closing balance	3,70,410	7,87,547	11,44,969	6,69,413	7,76,428	7,27,235	6,66,274	6,18,768	5,09,980	

53. A still more clear way of looking at the problem is provided by the following figures:—

Result of Quinquennial Revision of Assessment of Houses Tax and Water Tax

	House Tax. Rs.	Water Tax. Rs.	Total. Rs.
Increase in 1932-33 over 1931-32	14,191	23,385	42,576
Increase in 1938-39 over 1937-38	—814	—678	—1,492
Increase in 1943-44 over 1942-43	37,437	73,075	1,10,512

54. Over a period of ten years from 1932-33 to 1942-43, the number of properties must have increased. The rents, which were not controlled for most of this time, were also on the increase. The land values were definitely going up. The cost of service of the Municipality was also going up, and yet in the principal source of the revenue of the Municipality there was no marked increase.

55. Another aspect of the same problem may be judged by the following Table:—

Name of the mill or factory.	Q. Q. Assess- ment for 1933-38.	Q. Q. Assess- ment for 1938-43.	Q. Q. Assess- ment for 1943-48.
	Rs.	Rs.	Rs.
B. I. C. Ltd. (The North-West Tannery)	22,100	18,716	30,876
The Elgin Mills Co., Ltd.	1,01,396	73,635	74,500
B. I. C. Ltd. (Cooper Allen Mills Co., Ltd.)	44,313	47,255	48,525
The New Victoria Mills Co., Ltd.	73,250	73,250	75,000
B. I. C. Ltd. (The Cawnpore Woollen Mills Co., Ltd.)	52,996	56,193	56,808
The Muir Mills Co., Ltd.	62,472	58,132	59,708
The Brush-Ware Ltd.	5,400	6,530	6,530
The Bhargava Ice Factory	2,400	1,650	3,000
Matadin Bhagwan Dass Oil Mills.	3,520	3,520	6,240
The Ganga Oil Mills	3,600	3,600	5,520
The Kamla Ice Factory	6,720	5,400	13,380
The Cawnpore Flour Mills	10,000	10,000	15,000
Kakomi Factory (B. I. C. Ltd.)	26,627	26,627	26,627
Singh Iron Plate Mills	Nil	600	1,200
J. K. Iron & Steel Co., Ltd.	Nil	1,200	8,748
Juggilal Kamlapat Cotton Mfg. Ltd.	1,400	2,004	11,000
J. K. Jute Mills Co., Ltd.	40,000	35,000	59,332
J. K. Spg. & Wvg. Mills Co., Ltd.			

Name of the mill or factory.	Q.Q. Assessment for 1933-38.	Q.Q. Assessment for 1938-43.	Q.Q. Assessment for 1943-48.
	Rs.	Rs.	Rs.
Singh Engineering Works Ltd. ...	Nil	1,800	3,651
Lesco Chemical Works ...	Nil	4,800	9,600
The Misra Hosiery Mills ...	Nil	2,400	2,400
The Ganesh Flour Mills Ltd. ...	15,000	9,000	14,555
The Laxmi Ratan Cotton Mills Co., Ltd.	13,240	13,240	31,000
The Singh Engineering Works Ltd. (II)	600	2,400	5,400
Baij Nath Balmukund Woollen Mills	24,000	15,000	15,000
The Indian Distillery	17,000	8,500	8,500
Baij Nath Balmukund Sugar Mills }		8,500	8,500
The Atherton West Co., Ltd. ...	30,000	31,044	31,200
The Cawnpore Chemical Works Ltd.	8,680	8,683	8,683
The Northern India Oil Industries Ltd.	5,172	5,892	7,200
The Cawnpore Tannery Ltd. ...	11,400	12,000	12,000
The Cawnpore Cotton Mills Co., Ltd.	70,050	54,104	54,224
The Cawnpore Textiles Ltd. ...	23,705	13,659	18,800
The Premier Oil Mills Ltd. ...	4,200	5,004	4,662
Cawnpore Sugar Works Ltd. ...	32,400	32,400	32,520
Juggi Lal Kamlapat (Cocolas Mills)	12,000	10,000	10,000
H. Bevis & Co. ...	8,500	8,064	9,480
Sri Govind Oil Mills ...	2,720	2,424	6,000
Nihal Chand Kishori Lal Factory	3,120	3,120	4,800

Name of the Mill or Factory.	Q. Q. Assessment for 1939-44.	Q. Q. Assessment for 1944-48.
	Rs.	Rs.
Gutaiya Sugar Mills ...	11,436	12,000
Do. ...	26,000	16,883
Swadeshi Cotton Mills ...	82,800	82,800
Duli Chand Umrao Oil Mills ...	880	9,900
National Industries Co. ...	...	4,500
Reliance Brushware ...	...	6,600
Bhatia Safe Works ...	760	6,000
Shri Mahabir Rolling Mills ...	2,320	5,780
Nagrath Oil Mills ...	1,800	7,800

56. From this it would be seen that mills and factories, whose share values have gone up, whose profits were enormous, who paid heavy E. P. T. and some of which have changed hands at fabulous figures continue to be taxed by the Municipality at almost the same figure as ten years ago. The more curious fact is that, some of the assessments were actually reduced, as in the case of the Elgin Mills Ltd., the Cawnpore Textiles Ltd., and the Cawnpore Cotton Mills. There may be explanations, but the broad fact emerges that the machinery for the assessment of municipal tax has not functioned to the advantage of the city and has resulted in letting off assesseees, whose capacity to pay the taxes is unquestioned.

57. The same situation would be found in the case of owner-occupiers, whose bungalows have changed hands at high values, whose use value has increased enormously on account of the shortage of housing and whose values have gone up. I have not been able to look into these cases, but I fear that the municipal authorities, who failed to collect from industry, could not have been more watchful of the loss of revenue in regard to private dwellings. Besides, the almost stationary figure of the income from assessments clearly shows that such an assumption would not be incorrect.

58. Another source of escape of legitimate municipal revenue arises from minimum exemptions as follows:

Number of houses not liable to House Tax (Rs. 72 per annum or less)	6,263
Number of houses not liable to Water Tax (Rs. 180 per annum or less)	6,906
Number of houses beyond radius of 600 ft.	120

59. These exemptions were settled in 1923 on the curious plea that the scale of municipal taxes was heavy. A whole generation has since then passed. I find the scale of municipal taxes in Cawnpore unduly low. I am not satisfied as to the validity in public interest of these exemptions, more particularly as the exemptions are given on the basis of properties, whose assessment value is Rs. 72 or less per year, and in the case of water Rs. 180 or less per year. But the benefit of these exemptions are enjoyed in some cases by the rich, who own more than one building. The principle of the exemption of the minimum in the case of the municipal revenue is to be deprecated. Apart from its misdirection, it is the survival of the old idea of charity to the poor. There is nothing to prevent the municipal authorities from investigating genuine cases of hardship and giving them relief to the extent of the assessment or even more, but the assessment must be levied and collected in the first instance. It is not necessary to give artificial induce-

ment to those, who cannot remain in Cawnpore according to the current cost of living, to come and crowd there, or to the continuation of slums, which may have come into existence fifty years ago, but which, without danger to the city, cannot be permitted to survive.

60. The loss of municipal revenue also arises from absurdly low charges for scavenging and cleaning of house latrines. These charges were last increased in 1926-27 and at Rs. 3 a month for house latrine, Re. 0-10-0 a month for Ahata or factory latrine, and for cleaning private cesspool at Re. 0-12-0 a month to Re. 1-8-0, according to capacity. They are absurdly low, having regard to the cost of service. I understand that proposals for increasing them have been made recently.

61. The licence fees charged by the Cawnpore Municipality are very low in comparison with the fees charged elsewhere in India. Having regard to the amenities created by the Municipality in maintaining sanitary and other services, it would not be unreasonable to increase these fees. I understand (but I was not able to look into) that there is much leakage in the Nazul and that the encroachment laws are not properly enforced.

62. It is desirable that the water should be supplied by the meter, wherever possible. No property should have more than one small ferrule in respect of the water rate paid by it. But as soon as more than one ferrule is asked for, the *whole* supply should be by meter with a minimum exemption. In some municipalities this exemption is at five to ten per cent of the total, but a suitable rate may be fixed for Cawnpore. The basic idea in Cawnpore, that the Municipality is not legally free to charge more than the cost of service for the water must be altered, as it is not possible in any system of accounting to allocate charges and general administrative expenditure to any particular service. The public is receiving services as a whole and the municipal authorities ought to be relieved from the thralldom of having to account for a levy, which may be fixed on account of its convenience, on account of its capacity to yield good revenue and on account of its being a proper means for spreading the municipal taxes without being challenged.

63. **Terminal Charges.**—The municipal income from these taxes was as follows:—

	Rs.
1935-36	7,98,108
1936-37	8,64,125
1937-38	8,09,816
1938-39	8,58,240

	Rs.
1939-40	8,85,313
1940-41	9,90,014
1941-42	10,99,933
1942-43	11,80,382
1943-44	11,39,778
1944-45	12,31,764
1945-46	11,80,101
1946-47	11,27,960

But I find that in December 1935 the terminal tax on jute was reduced, and in June 1942 the terminal tax on groundnut was reduced. Whatever the justification may have been for these reductions at that time, the original rate should be restored. In the matter of jute, it was represented to me that the local jute manufacturer would suffer in comparison with jute manufacturers from outside. It is not the primary function of the Municipality to help industry in a city by means of differential taxes, but, as the need for revenue is there, there is no harm in levying a terminal tax on jute manufactures arriving in Cawnpore. The distribution of jute manufacture from Cawnpore to other places may suffer, but merchants well know how to avoid the levy for hessian and bags, which are not used in Cawnpore itself.

64. The terminal taxes could not be increased in view of the financial provisions of the 1935 Act, without the concurrence and sanction of the Government of India. I am informed, however, than in Delhi and other places, the Transport Department of the Government of India have agreed to collect increased amounts. This does not entail any direct labour to the railway staff, as the time and trouble involved in collecting a smaller rate is the same as the time involved in collecting a higher rate. The U.P. Government ought to help the Cawnpore Municipality by their mediation and good offices to get the Government of India to agree to increased terminal taxes.

65. Any hesitation on the part of the Government of India, that this is an invasion by the Municipality of their field of taxation, would be misplaced. The whole system of taxes in this country is in the melting pot and more than once the appointment of a taxation committee has been urged. The need for such a committee has been accepted by the Government of India. It has been held up on account of the constitutional questions being to the fore, but it cannot be held up much longer. As and when that committee examines the sources at present available to the Municipality, to the Provincial Government and to the Central Government, and when it makes recommendations on this topic, it would be possible to readjust these matters. The appointment of a taxation committee, the receipt of its report, the

examination of its report, and the adoption of the legislation consequent thereon, would however take some years. During this period and as an immediate relief, neither the Transport Board nor the Finance Department of the Government of India ought to have any hesitation in helping Cawnpore municipal finances by an enhancement of the source of taxes which in the bulk falls on the people of Cawnpore, and which causes minimum disturbance and inconvenience to the trading community.

66. It is not necessary for me to go into the legal interpretation of section 145(1) as to whether the Municipality can revise the assessment at an interval of not less than five years. In my opinion even the present wording permits this, but, after examination by the Legal Remembrancer of the United Provinces, if the position is doubtful, Government ought to put it right by an amendment of this particular section. The Municipality ought not to lose legitimate revenue when the assessee benefits. Municipal taxes are not to be compared to the assessment of land revenue, where the principles involved are quite different. Nor shall I deal with the question of taxing vacant lands. As to the law involved in the question of taxing vacant lands, according to the present sections my view is that the Municipality has the right to tax land as such with buildings where there are buildings, but, if there is any doubt, I suggest that this matter should be also put right by legislation.

CHAPTER V

THE DEVELOPMENT BOARD

67. There was no suggestion from any quarter that the Development Board should be abolished. It was not denied that the functions, which it had to perform, are important and necessary. It was generally agreed that the city grew very fast, but there was no foresight or provision, and overcrowding and problems of public health became acute, because there was no provision for accommodating the large number, which came to the city. The population of the city has increased as follows:—

1891	194,048
1901	202,797
1911	178,557
1921	216,436
1931	243,755
1941	487,324
1947	879,419 (based on rationing figures.)

Some persons thought that, as the Ordnance and other activities abated, the population would diminish, and some of the population attracted by the war would go away. Such a tendency would help relieving the immediate problems, but shrewd observers were inclined to agree with me that as the expansion of urban population is growing in India elsewhere and has grown in the world, Cawnpore may have in the course of the next few years one million people and perhaps more. The rate of expansion would necessarily depend on economic and industrial conditions. In any case it would be unwise to permit mistakes of omission, which took place in the past, to continue. Therefore, (1) the provision of larger water supply, (2) the provision of larger sewerage, (3) making of bridges over the railway, (4) improving roads and extending roads, (5) filling up low lands and making plots available, should not be deferred, but should be taken in hand. It would be economical to take up all these and execute them in the next few years, after which the Development Board could be finally wound up and amalgamated with the Municipality.

68. Criticisms were, however, not wanting on the details of the Development Board's activity. It was said that the establishment was expensive. The expenditure on establishment now is Rs. 5½ lakhs. A committee of the Board is now examining whether and to what extent economies could be made in this establishment. It was further alleged that there was some graft in the execution of works. This allegation is not very different from the general allegation against P.W.D. engineers everywhere in India. It was said that some of the roads recently laid down or prepared were not properly laid and after a very short time the surface broke up, leading to the inference that the work was badly executed or overcharged, and public funds were diverted to private pockets. I had no means of finding out whether the administrative efficiency of the Board was upto the mark, but the only way in which this could be checked up is by providing a periodical inspection of the activities of this Board at the hands of the Superintending Engineer of Government, who would see what is being done and the manner in which it is being done, and whether in the execution all the precautions, which sound administration should involve, are, or are not taken.

69. The other line of criticism of the Development Board was that very little was done to the old city, that the slums were not cleared, that the roads in the old city were neglected in favour of the expansion schemes. Owing to lack of material and road rollers, it is quite possible that the Board was unable to do all that it had in hand. The calibre and experience of members of the Board seems in my opinion to be adequate to leave it to them, to suggest the order of priorities,

in which the Board's schemes should be executed. Criticisms of persons outside against the Board may be divided into three groups:

- (1) People, who did not want acquisitions and further schemes. If acquisitions took place, they wanted more value and they wanted privilege for the party whose land was acquired, to get the new plot. They did not want 'profit' of the Development Board. They wanted land to be made available to the poor and the middle classes at cheap prices.
- (2) Those, who were opposed to the Development Board activity altogether and, by exaggeration, wanted to suggest the defeatist view, that so long as little lanes existed in the old city and some slums existed in the old city, the Development Board was useless and its activities were misdirected. This section seemed to be voicing merely an expression of the normal resistance to new taxes, which takes many forms and appears on the scene in many garbs.
- (3) People who did not know and did not care to study the report published by the Development Board, of each individual scheme, the progress made in the scheme during the year and that which was proposed to be done during the next year, reason why progress was quick and extraordinary, and the reason why it was impeded in other directions. I found that even amongst outstanding citizens there was a large body of prejudice. People derive their views from emphatic assertions of various interested groups of vested interests, or often pure slogans of local parties.

70. There was criticism that the Board members were nominated and that was not democratic. There was some personal prejudice against Sir Edward Souter and the desire for Indianisation was indicated. Others commented on the lack of a Master Plan and complained that the various schemes were to be executed piecemeal without any reference to the general layout of the city. The recent appointment of Mr. Mehta and the Master Plan and zoning which he is preparing, will, I hope, obviate this complaint, which, at the hands of most of those who voiced it, appeared to be somewhat academic and; in my opinion, it was used more as a useful form of general resistance to new taxes, and it does not proceed from that vivid realisation of the city's requirements, whose orderly development the Master Plan would help.

71. It was suggested that the Development Board should go slowly and reduce its requirements so as to reduce taxation. Other factors mentioned were increased cost of materials, possible increase in borrowing rates on loans.

72. The question, which initially arises in considering the activities of the Development Board is, whether the schemes in hand by the Board and those that have been sanctioned, are necessary for the Development (and welfare) of the city as a whole. There was generally no disagreement on this issue, though some people mentioned that the work was being carried on faster than was necessary, and that Cawnpore must cut its coat according to its cloth and some of the conceptions were somewhat extravagant. With regard to the speed, the question to bear in mind is that a specialised body like the Board with a large staff and engineers, could put through a good quantity of work during the year, and any attempt to reduce it would result in a larger overhead cost and would be uneconomical. It is better in my opinion to concentrate the work of the Board and carry it intensively during the next five years, than to spread it over fifteen or twenty years on the ground of economy.

73. With regard to the other contention, the question is whether the new areas do not want the facility of sewerage, roads, communications and water supply. If the new areas are to house a class of population, which may increase hereafter, or to accommodate population dishoused by the scheme of the Board itself, it cannot be argued that roads, water supply and sewerage, which not only serve that locality, but help other localities, must not be constructed. On a closer examination, it was disclosed that the only direction in which extravagance was alleged was the size of the roads and the nature of the surfacing. Having regard to the increased communications and the use of a larger number and larger types of motor vehicles, in public safety and in public interests, road improvement could not be condemned. As for the surfacing of the roads, I also heard that the surfacing was not adequate, because heavy motor lorry traffic was cutting up roads faster than at any previous period of time. I fear that the above pleas with regard to the handling of the scheme by the Board arose more as a cloak for resisting new taxes than for any substantial justification in themselves.

74. It was not seriously disputed that the work of the Board as carried on hitherto was fairly efficient and that, with its present staff, it could put through the schemes in hand as programmed during the next five years.

75. Whether the work of the Cawnpore Development Board is economical, is an issue on which I am unable to say anything. Costs have increased and, rather than wait indefinitely, it is desirable to use the standing establishment to put through as much work as possible. Any delay, which would lead to a delay in the sale of lands, would be financially disastrous. Such a delay would also put off the increase of housing accommodation, which is badly needed for the city.

76. There is further the consideration that schemes, which were considered by the Board and recommended without any serious difference by that Body as a whole, and which have been approved by Government, could not be fundamentally wrong.

77. If the schemes are therefore necessary, money has to be found. In the method of finding this money, care may have to be taken to see that the burden should fall on those who are better able to bear it.

78. The framers of the constitution of the Cawnpore Development Board doubtless intended to help the Board to have an income and for this purpose, principally on the basis on which these things are provided in Calcutta, they introduced sections relating to stamp duty and betterment tax, but, unfortunately, in both these directions the result was not adequate.

Stamp Duty

79. Government could not have intended section 171 to bring in only Rs. 5,000 per year under this head. The trouble of framing this section would not have been undertaken by Government for so meagre a help for a body, which they deliberately set up with powers wider than those enjoyed by the Improvement Trust and with powers even for taking over certain or all of the Municipal functions.

80. This section was copied from an existing section in the Calcutta Improvement Trust, but in Calcutta the interpretation on this section has been put properly and, as the duty on the transfer of land and property has been increased by two per cent, the entire proceeds of this additional two per cent are given to the Improvement Trust. In Cawnpore, on the other hand, on account of the narrow interpretation by the Legal Remembrancer, the increase has been two per cent of the existing duty and not two per cent of the total value, with the result that, instead of getting Rs. 3 lakhs a year, the Cawnpore Development Board benefits only to the extent of between Rs. 5 and 6,000.

81. It is suggested that this obscurity in the interpretation should be ended by a small amending Act with a view to set it right. In order that there may be no further difficulty about it, it should be laid down that the proceeds from the stamp duty and the transfer of property inside the municipal limits of Cawnpore should be shared half and half by the U.P. Government and the Development Board and that the existing rates of stamp duty should be increased by two per cent.

82. This would bring to the Board a very small share of the increase in the value, to which the activities of the Improvement Trust and of the Board, its successor, have contributed. It would only bring

under contribution those properties, which change hands. Properties do not change hands very quickly and the capital gains tax imposed at the Centre will probably slow down still further the rate of such transfers. All the same it would not be unreasonable to assume that on an average all properties change once during a generation. It is only fair and proper that, as and when these transfers take place, a certain meagre amount should go towards the cost of further improvements to be made in the city, which will further add to the value of these very properties. From all standpoints this would be a very fair procedure and, whatever has happened hitherto, this is a matter which I urge should be put right without any delay.

Betterment tax

83. Sections 100 to 106 deal with the betterment tax. They appear to have been very carelessly drafted. In practice, the intentions of Government have been completely frustrated and the Development Board has not been able to raise any money. The tax is confined to properties in a scheme which are not acquired. Betterment is the difference in value between the date of the resolution of the Board and the date of the notice given. In other words, this can only apply to past schemes and only if the notice given by the Improvement Trust is deemed to have been given by the Board. Under sections 4 and 6 and section 71(2), the cumulative effect undoubtedly is this, but it is wrong to leave such matters open to litigation.

84. There does not appear to be any provision for any special betterment, such as would arise by the widening of the streets by the pulling down of buildings on one side. The cost in such a scheme must necessarily be taken as a whole and completely from properties on both sides by way of betterment as well as properties within a given range of distance. This would not be possible under the existing provisions, in spite of the fact that it is quite clear that such schemes would be necessary, if the more crowded parts of Cawnpore were to be improved.

85. Nor is there any provision to enable the benefit of public expenditure, from which values of private property have gone up, reaching the public bodies. The expenditure incurred by Government with regard to the three roads, which are passing through Cawnpore, by the Municipality in schemes of improvement taken by them prior to the Improvement Trust, by the Improvement Trust itself, and lastly by the Development Board, would collectively run into many crores of rupees. Without any exertion on his part, the owner of properties in Cawnpore has been benefited out of such public expenditure on roads, water supply, sewerage, bridges, filling up of land, extension of lighting and

other amenities. Cawnpore is connected with several lines of railways and has offered siding to many trades and industries. These have all prospered and created wealth, much of which they have retained to themselves. It is very unsatisfactory that the local authorities should not benefit out of these unearned increments of value and wealth in the hands of private individuals, which have come about substantially, if not wholly out of the expenditure of public funds.

86. There is no provision as such in the constitution of the Development Board, authorising them to impose taxes on properties generally and on all, so that substantial portion of the gains of private individuals could go to defray the cost of improvements in hand, which would further add to the value of these very properties.

87. I, therefore, suggest that the whole of these six sections should be recast and that the Development Board should have the power to impose:

- (a) a special betterment tax with reference to properties, which stand to benefit from a specific piece of improvement and, more particularly, from the widening of a road undertaken for the benefit of these very properties, and
- (b) a general betterment tax.

88. I may point out that in effect this will not be different from the general house property tax. For purposes of collection, it would be more convenient if the Municipality collected it in the form of a property tax but its justification for increased levy is provided in the general betterment achieved at public expense (and the increased cost of service).

89. The betterment tax is being objected to on the ground that there is no special betterment to most of the properties in Cawnpore, and more particularly to properties, which were and continue to be overcrowded or actually slums. Everybody seemed to be in favour of a betterment tax, which would lead to direct improvement, but this was due to the fact that no such betterment tax had been levied for direct improvement. If and when such tax is levied as in the clearing of a slum area, by the pulling down of one entire side of the road, there would be a howl by people on the two sides.

90. The conception of betterment of the city as a whole was challenged by various parties, who regard the schemes of general improvement as either not necessary or too costly, or having been carried out on uneconomic lines, or the programme being put through at a faster rate than would justify. I regard this as normal resistance, which taxpayers give to the levy of these taxes. I must presume the

schemes, which were put forward by the Development Board, with the concurrence of its members and which were approved by Government, were and are necessary for the benefit of the city. Some of those schemes have made partial progress and it is impossible to drop them. In other cases it is necessary not to commit the same mistake of the lack of foresight shown, as in the past. If the city has grown from whatever it was to 8,79,419 (the figure said to have been checked on the basis of ration cards issued) it cannot be denied that improvements in water supply, drainage, storm water drain, bridges, roads and reconstruction are necessary. Nor can it be denied that more land is necessary for expansion; nor again that housing and communications must be increased and improved. The expectation that Cawnpore would reach one and a half million people in the next ten to fifteen years, is one, which would be justified by the rate of growth in the past and by the wealth of the city as a whole. The tendency all over the world is for the urban population to grow and Cawnpore, which has got attraction as a centre of industry and of finance, cannot be expected to show less virility and growth than other cities in India.

91. The finances required for continuing the work of the Development Board must be found from the resources of the city as a whole. While land schemes could be self-liquidating and may in some cases actually leave some surplus, all other schemes in the hands of the Development Board still continue to bear fruit over an extended period of time and would benefit the city as a whole.

92. Land values have gone up. It was sought to be made out that this is due to black market money. Whether the money is from the black market or any other market, if values rise, it is absurd to suggest that the local authority and the Municipality ought not to get any increased benefit from such rise of value.

93. It was argued that when values rose, the owners, who occupied the property, or other owners, who had let out their properties under the Rent Control, did not get any benefit from it. This argument is very misleading. The rise of values is a permanent benefit, which stays with the owner of the property over the whole stretch of time from now onwards. The rent control was a phenomenon of the war which was extended after the war because of serious shortage of housing, but nobody expects that the gap between the controlled and fair value is and must remain permanently. In fact the activity of the Board itself in making more lands and more tenements available is calculated to bridge this gap. The evasion of control by the payment of 'salami' or 'pagdi' is an evil, which everybody condemns. The one final method of terminating this evil is to bring about an increase of housing. The one essential pre-requisite for the increase of housing

is the increase of land in the vicinity of the city which is served by roads, sewer, water supply, lighting and other utilities. All this the Development Board has been doing and it would be wrong to argue that the only method and the best method, by which an evil could be cured, is one, which cannot be financed, merely because of temporary check to rents.

94. The other argument, that an occupying owner is still occupying the same property for a series of years and has not particularly benefited in value or rents, is entirely untenable. It is open to every owner to sell his property at the enhanced price and realise the large unearned increment, which he would get, the bulk of which could be traced to the improvement of the city through the activities of the Development Board.

95. It is also open to such owner to let out his house. If an owner deliberately chooses to use a house, whose amenities have increased through communications, water supply, sewerage and other facilities provided, he is deliberately keeping to himself a more and valuable use of his own property than the time when the improvements were not made and if he so chooses, he cannot escape the logical and direct consequence of his action, viz. the liability to the same increased payment for that class of property than this property was bearing at some previous time.

96. The additional argument that, with the rise of prices all round, the cost of service has gone up and the Municipal field, as in any other field, is one, which would sustain an increased levy on all property owners, is an argument, which cannot be gainsaid, as would be seen from the rising figure of expenditure, particularly under street cleaning and conservancy.

97. It has already been pointed out that the betterment tax is, under the present Act, leviable only on properties, which were not acquired, i.e. in which the old owners (or their assigns and transferees) were permitted to continue in possession. This is also wrong and misleading, because, with the process of expansion as well as general improvement, not only do the old properties benefit, but properties, which have been put up on plots taken from the Improvement Trust, also continue to benefit. While the work of the Development Board therefore continues, particularly with regard to such general facilities as improved water supply, improved drainage provision and storm water drains, cutting of new roads, improvement of old roads, provision of footpaths, provision of bridges and provision of parks etc., and public money continues to be spent, the betterment to the property built on the Improvement Trust plots also arises and continues to grow.

98. The fact that those, who purchased lands from the Improvement Trust at one or two rupees per square yard, find themselves in possession of land, whose value has gone up to twenty, thirty or more, is itself a proof that there is a vast accretion of wealth. This accretion should contribute to the further work of improvement and of slum clearance, which is necessary (and which is costly). The method of making such properties contribute was indicated as and when they sell. The sale of property depends on briskness of the market, distress or necessity of the family, which owns. It is not a true test. While the justification for the levy of the stamp duty on transfers is there, by itself such a duty does not attract the bulk of the properties, as the percentage sold in any city hardly exceeds one or two per cent of the total. Is it suggested that 98 per cent of such properties, which benefit, ought not to come in for a levy, which will only fractionally give back to the city the benefit, which these owners derive?

99. So long as the rents are controlled, the increases may appear to be uncalled for, or even unjust. Against this, is the provision that increased municipal charges are payable by the tenants, even if the rents are controlled. There is further, a consideration that the benefit attaches to the property permanently, while the controls are supposed to be temporary. There is also the question whether, as in Bombay and the Centrally Administered Areas, the U.P. Government will, or will not bring in a law, which will permit a moderate increase of rents, while still continuing the control. On any of the grounds, or on the cumulative effect of all of them, a certain amount of levy on all properties in Cawnpore for the purpose of paying for the requirements of the Development Board, will be fully justified.

100. It was also pressed, and very rightly, by certain prominent citizens and members of the Board that the cost of permanent benefits of the future ought not to be charged on the present. This is a just contention and for this reason, I have recommended that the capital cost of such measures as water works and sewerage, the benefit of which would extend indefinitely, should be spread over a large number of years. If the money is raised by loans, the interest charge has to come out in any case, but the sinking fund provision could be reduced by spreading it out over a period. Too much emphasis should, however, not be given on the period, because the future requirements of the city cannot be gauged now. Cawnpore has been overtaken in the past by extraordinary expansion during the war period, and no one can foretell with absolute confidence what the position would be during the next ten, twenty years, and to what purpose the credits and capital resources of the Local Authority may have again to be

pressed into service. A balance must be therefore found between these two conflicting considerations, and I suggest that sinking fund arrangements for a certain type of the activities of the Development Board should be therefore on the basis of twenty-five years to thirty-five years.

101. The Rent Act, which was a necessity during the war, controlled rents of existing properties at a basic figure on the same principle on which price control in other directions was put. With the stoppage of the war, the justification for all controls has been less than before and, while Government may continue still to impose a control on the rents, a moderate increase has to be permitted. The increase in residential buildings may be a little less, but the increase in buildings occupied for business purposes ought to be a little more, as shops and businesses speaking as a whole, have undoubtedly prospered. I recommend an increase of 10 per cent for residential buildings and 20 per cent for buildings occupied for business purposes.

102. The need for diminishing the gap between controlled rents and economic rents and rents of new properties whose costs are heavy, is paramount from the point of view of industry as a whole. If the evils of 'Pagdi' (lump premium) and of exploitation by sub-tenants and exploitation on the basis of letting out furnished premises is to be stopped, the final solution is to increase the supply of housing. The supply can be increased when owners of property are induced to undertake more building and when private capital flows freely into this activity. Incidentally the building activity would give scope for employment and ease the blow from the inevitable decline of the boom. As the supply increases, by competition, rents would tend to come down and it is my suggestion that the amount of increase permitted to owners of buildings should also be gradually increased.

One direct consequence would be the easing of municipal finance everywhere, as the yield on increased rents at existing rates would automatically be bigger and would be still larger when the rate itself is increased from $6\frac{1}{4}$ to 10 per cent.

CHAPTER VI

THE FINANCES OF THE DEVELOPMENT BOARD

103. The following financial figures will indicate the position of the Improvement Trust of Cawnpore:—

CAWNPORE MUNICIPAL AND DEVELOPMENT BOARDS' FINANCES 221

	Opening balance.	Income.	Total ordinary expenditure.	Closing balance.
	Rs.	Rs.	Rs.	Rs.
1937-38	70,724	11,58,430	15,68,653	32,202
1938-39	32,202	12,03,562	15,81,316	31,398
1939-40	31,398	10,74,385	968,433	2,16,112
1940-41	2,16,112	9,11,861	10,21,699	1,38,535
1941-42	1,38,535	13,57,663	12,07,857	3,62,947
1942-43	3,62,947	21,40,845	8,80,869	3,21,130
1943-44	3,21,130	22,33,896	17,65,503	7,49,710
1944-45	7,49,710	17,27,021	27,17,146	10,29,660
1-4-45 to 31-8-45	10,29,660	5,31,462	9,28,117	5,91,500

104. Since the 1st of September 1945, when the affairs of the Improvement Trust were taken over by the Development Board, one report has been published and the other is under preparation. The figures therein are as follows:—

1-9-45 to 31-3-46	5,91,500	13,39,760	25,02,062	5,14,800
1946-47 (revised)	5,14,800	53,75,824	90,00,100	6,79,100
1947-48 (Budget)	6,79,100	53,19,900	1,42,39,300	3,41,500

105. The division of income into ordinary and extraordinary and of expenditure into ordinary and extraordinary, is somewhat misleading.

106. It would be noted from the above that the income of the Improvement Trust was stationary at near Rs. 20 lacs in 1942-43 to 1944-45 inclusive. What has since increased is receipts as will be seen from the following Table.

*'Income' of the Development Board for the year 1946-47.
(Revised Estimate)*

	Rs.
1. Sale proceeds of land and premia on lease:—	
(a) Sale proceeds of land	1,89,800
(b) Premia on leases exceeding 30 years	10,67,500
(c) Premia on leases not exceeding 30 years	...
(d) Sale proceeds of Special Nazul land	8,300
2. Sale proceeds of buildings	21,100
3. Receipts from betterment Tax	...
4. Rents:	
(a) Land (lease rent 99 years)	6,700
(b) Land (lease rent 999 years)	6,700
(c) Special Nazul land rent	500
(d) Buildings	15,500

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'Income' of the Development Board for the year 1916-17.

(Revised Estimate)

			Rs.
5.	Temporary lettings:		
	(a) Agricultural lands	...	18,900
	(b) Open lands	...	8,900
	(c) Buildings	...	15,400
6.	Revenue from markets and hawkers' stands	...	...
7.	Revenue from sewage disposal	...	...
8.	Sale proceeds of trees, grass and fruit crops	...	10,000
9.	Sale proceeds of machinery, tools, plant and other movable property	...	500
10.	Sale proceeds of stores	...	...
11.	Board's share of stamp duty on transfer of property	...	14,000
12.	Receipts from transport services	...	...
13.	Receipts from Water Supply:		
	(a) Water Tax	...	5,61,000
	(b) Sale of Water:	...	...
	(1) Ferrule ratings	...	...
	(2) Sale of water by meters	...	3,27,500
	(3) Other sales	...	12,000
	(c) Rent of meters	...	26,200
	(d) Other items	...	24,900
14.	Other receipts:		
	(a) Licence fees	...	300
	(b) Copying fees	...	10,000
	(c) Other fees	...	100
	(d) Fines	...	100
	(e) Compensation for damage to Board's property	...	50
	(f) Stamps	...	500
	(g) Miscellaneous	...	1,37,100
15.	Interest:		
	(a) From sinking fund	...	...
	(b) From other sources	...	42,200
16.	Grants and contribution:		
	(a) From Government:		
	(1) In aid of capital account	...	15,30,000
	(2) In aid of revenue account	...	...
	(3) In lieu of fines realised under D. B. Act	...	3,000
	(b) From Municipal Board:		
	(1) For drainage	...	1,02,336
	(2) For roads and streets	...	2,00,000
	(3) For other purposes	...	...
	(4) For water supply	...	3,12,238
17.	Recoveries on account of services rendered to:		
	(a) Private individuals	...	...
	(b) Local Bodies	...	100
	(c) Government	...	7,02,400
Total			53,75,824

107. I cannot hold that receipts from sale of land and arrears of instalments when received constitute a regular source of income. They would balance themselves against the expenditure of the particular scheme and, on strict accounting, only the net surplus should be brought in as income. From particulars given to me of the land schemes, many schemes were deficit schemes, though on the whole the Improvement Trust and the Development Board have made good and have actually earned a surplus. What then is the regular source of income of the Development Board?† The Board has not, in my opinion, sufficiently stable sources of income. The receipts from Government in respect of work done are balanced by the expenditure on such work. The receipt from Government "in aid of capital account—Rs. 15,30,000" is an extraordinary receipt, which cannot go under the head of income by any stretch of imagination.

108. The three receipts from the Municipal Board are as follows:—

	Rs.
(1) For drainage	1,02,336
(2) For roads and streets	2,00,000
(3) For water supply	3,12,238

They are significant and may be regarded as a permanent source of income, but they are also more or less intended to cover expenses of actual services rendered. I cannot help inferring that the Board has not got a stable source of income to cover its usual establishment and other permanent expenditure. So far as receipts under water are concerned, the expenditure shown under water may be considered against it. The expenditure shown is as follows:—

	Rs.
Water Supply:	
(a) Capital charges.	
(1) Capital outlay renewals	7,73,000
(2) " " extensions	12,000
(3) Pay and provident fund contribution of establishment	...
Add proportionate amount of G. A. charges	46,200
Total	8,31,200
(b) Maintenance:	
(1) Establishment	2,78,500
(2) Supplies	3,42,000
(3) Repairs and Maintenance	1,44,200
(4) Other charges	79,700
Add proportionate amount of G. A. charges	49,500
Total	8,94,500

† I expect an additional income of a lakh of rupees per annum for the Development Board from renting out the balance of the 2,400 workmen's quarters, which remained unoccupied through lack of water supply and disposal of sewage. This has not been taken into account by me, as it must go towards the service of existing loans.

109. I have found the system of account keeping difficult. In respect of the receipts and disbursements under the head of water, I cannot help drawing the inference that the Development Board has no surplus 'income' under this head.

110. The increased demand for maintenance alone in respect of water would be seen from a different set of figures given to me as follows:

Statement showing the present expenditure on Waterworks Maintenance (excluding repayment of loan, sinking funds, etc.) on the supply of 22 million gallons per day and proposed expenditure on 45 million gallons per day.

Particulars.	Present expenditure for 22 m.g.	Proposed expenditure for 45 m.g.
	Rs.	Rs.
Establishment	2,00,000	3,25,000
Power and Fuel	2,91,000	6,00,000
Alumina Ferric	55,000	1,20,000
Chemicals	18,000	36,000
Canal Dues	76,000	75,000
Stores, medicines, tools, plants, etc.	75,000	1,50,000
Cost of collection and supervision by the Municipal and Development Boards	95,000	95,000
Total	8,10,999	14,02,000

111. The general income of the Board is estimated by me at Rs. 2,44,750 which, it will be noticed, is not enough to cover the cost of general administration, which has risen from Rs. 1,81,962 in 1945-46 to Rs. 5,28,600 in 1947-48.

Cawnpore Development Board Expenditure.

	1945-46	Revised 1946-47	Budget 1947-48
	Rs.	Rs.	Rs.
GENERAL ADMINISTRATION	1,81,962	4,70,200	5,28,600
Deduct proportionate amount chargeable to schemes, water supply & other works	1,51,211	4,39,900	5,16,100
Balance	30,751	30,300	12,500

Expenditure - Contd.

	1945-46	Revised 1946-47	Budget 1947-48
	Rs.	Rs.	Rs.
SCHEMES	15,13,694	32,24,000	63,21,000
ENGINEERING			
Tools, plants and stores	4,200	1,10,000	30,000
BOARD'S BUILDINGS, MARKETS & HAWKERS' PLACES	1,71,193	9,70,500	12,34,400
WATER SUPPLY			
Capital extensions	3,52,946	8,31,200	8,30,600
Maintenance, establishment, repairs, etc.	2,72,649	8,94,500	9,04,200
WORKS TAKEN OVER FROM THE MUNICIPAL BOARD:			
Drainage, sewers and roads	15,536	20,22,900	34,77,200
SURVEY OF LANDS	31,803	24,400	21,100
REFUNDS: Cost of land	4,601	12,000	12,000
Surplus of water supply receipts		73,700	
Misc. other than cost of land and security	17,765	10,000	10,000
CHARGES FOR INTEREST AND SINKING FUNDS			1,37,300
COST OF WORK DONE FOR			
Private individuals	4,114		
Local Bodies	1,641		
Government	4,284	6,30,000	10,38,000
ABORICULTURE	518	10,000	68,000
OTHER CHARGES	74,458	1,56,600	1,42,000
Total	25,02,062	90,00,100	1,42,39,300

Capital Requirements

112. I had the benefit of reading the excellent memoranda by various officials, including those prepared by Mr. Akhtar Husain, as well as Sir Edward Souter, the President of the Development Board. From these, particulars of the capital requirements of the Development Board appear to be as follows:—

	Rs.
Construction of new main sewers and partial purification before disposal of sewage	1½ crores
Extension of water supply	1 crore
Reconstruction of roads	1½ crores
Total	Rs. 4 crores

113. In addition to this, according to the President of the Development Board,

"In addition to the above expenditure there will be a lag of receipts as compared to outlay on our Expansion Scheme Projects for the first five or six years. This may amount to a peak of Rs. 1½ crores to Rs. 2 crores and depends entirely on the rate at which the Expansion Schemes are carried out and the progress at which transfers are completed and income realized."

114. In so far as the Development Board have got an outstanding against the public of Rs. 28 lacs in respect of land sold, but not fully paid for, the net requirement would be of the order of

Rs.	4,00,00,000+
	1,50,00,000
	5,50,00,000—
	28,00,000
Rs.	5,22,00,000

115. In estimating the requirements of the Board, account must be taken of unsold but saleable assets in hand of the Board, which on the basis of book value, were shown as on 31st March 1946 as follows:—(See Table on next page.)

116. The position here is that the undeveloped area will be diminished to the extent to which it is used up for roads, and the book cost of the undeveloped area will increase to the extent to which expenditure will be incurred. But, notwithstanding this consideration, the selling value will considerably exceed the Rs. 64 lakhs, which has been put here. The Board authorities would probably be able to say with greater accuracy what the approximate selling value will be, but I estimate it at in the neighbourhood of one crore of rupees. In other words, the Board, for whose purposes money has to be found, is not an insolvent body, but has saleable assets in hand in the form of land alone, which will bring to it a sum of one crore of rupees. The receipts will be necessarily spread over a number of years. Besides this, I was told that the process of acquisition was still going on and that assets were being acquired on the same basis, from which in due course and in a similar manner further surplus receipts would arise. Making allowance for money, which may have to be spent for acquisition as well as development, the net assistance to the Development Board's finances from the sale of lands already paid for and from gains on further schemes during the next seven years cannot be put at less than one crore

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Statement showing Assets of the Board on 31st March 1946.

Scheme No.	Name of Scheme	Total area in possession of Board	Undeveloped area in acres		Developed area in acres		Assets	
			Area	Cost	Area	Cost	Rs.	Rs.
I.	Factory Area Scheme	...	841.9263	8,41,926	174.7384	17,47,384	25,89,310	6,29,544
II.	Southern City Extension	...	830.8286	6,29,544	...	...	2,104	3,45,365
III B.	Khalasi Lines	...	...	...	0.5795	5,795	8,92,967	84,243
IV.	Sisamau	...	10.0000	20,000	10.8455	10,84,55	1,20,612	3,12,000
VII.	Gutaiya	...	74.0800	1,48,160	24.8269	24,82,69	6,400	1,34,589
IX.	Civil Lines	...	...	...	3.3697	33,697	16,800	9,08,258
XIII.	Nazirbagh Ghosiana	...	0.4900	24,500	0.7689	7,689	1,10,085	3,24,414
XX.	Pechbagh Dalelpurwa	...	6.0748	3,12,000	...	...	36,17,165	64,76,691
XXI.	Creet's Compound	...	...	...	0.3200	3,200	...	...
XXII.	Raipurwa Scheme	...	13.7270	1,34,589	...	...	...	...
XXIII.	'P' Road Extension Scheme	...	...	...	0.5600	5,600	...	...
XXIV.	Nachghar Birhana	...	5.8386	6,10,433	1.1913	11,913	...	...
XXVI.	Old Cawnpore	...	144.3500	1,10,085	...	...	...	...
XXVII.	Sisamau Nala	...	9.1800	28,289	11.8450	11,84,50	...	...
Total	...	2165.5405	19,36,4953	28,59,526	229.0452	22,90,452	36,17,165	64,76,691

Contd. from page 226]

and fifty lakhs of rupees. To this extent, the requirements stated could be reduced, but I do not advise this course. It is better to leave this source, from which receipts will fluctuate according to economic conditions prevailing, as a stand-bye.

117. I do not put the peak requirements at more than Rs. 50 lakhs for the following reasons. The Development Board has got an outstanding against the public of Rs. 28 lakhs in respect of land sold but not yet fully paid for. The present method of sale by instalments is a convenience, which the public may or may not ask. It should not be impossible to charge full value and to charge interest to people, who ask for instalments. This will induce many people, who do not want to pay interest, to pay down the capital. In the case of all transactions, where instalments are outstanding, the contract having been already made, there is no other method except to offer small rebate to persons, who pay cash against their outstandings. In other words, it should not be difficult to adjust these matters and to realise from sale and disposal of land almost the whole sum, which would be required for acquisition and development in the first instance.

118. The entire capital outlay on land development schemes would be recouped when the lands are sold and the money collected. The rate of disposal would depend on the circumstances and the rapidity with which various services, i.e. water, drainage, roads, lighting, etc. are provided. Circumstances are indeed propitious at present, as Cawnpore City is expanding. The price of land in the centre has gone up enormously and the demand for land for all classes and for all purposes is at the moment intense. It may be possible, therefore, that the peak requirement may be met from auxiliary receipts from land sold. The total capital requirements may be, therefore, put down at Rs. 4 crores, as indicated in paragraph 112 plus Rs. 50 lakhs.

119. The sinking fund and interest requirements for a sum of the order of Rs. $4\frac{1}{2}$ crores would depend on the number of years, for which the loan is floated, and the rate of interest charged.

120. Hitherto, Government of India have been ready to give loans to Provincial Governments for productive purposes. In such cases the loans are raised at the highest credit and therefore at the lowest possible rate. There is no reason why the U.P. Government should not negotiate for a loan from the Government of India of Rs. $4\frac{1}{2}$ crores spread over five years in three parts. The U.P. Government have also got to raise money and so has the Cawnpore Development Board, but bankers and financiers and investors always desire a loan which could be dealt with at any monetary centre in India and for which the purchasers are spread far and wide.

121. Cawnpore's own financial strength is such that two to three crores of rupees out of these loans could be easily absorbed in Cawnpore itself. This wants management and close contact between the Finance Department of the U.P. Government and the bankers, trustees, public men and others in Cawnpore. If the U.P. Government, therefore, raise a Cawnpore Development loan, which will be secured against the municipal revenues of Cawnpore and the receipts of the Development Board, in which the annual debt services and sinking fund would be provided as laid down, the prospects of getting the money for the loan would not in my opinion be negligible. In fact I expect that, if the operations are handled with tact and with close understanding, the results should prove extremely satisfactory.

122. My object in suggesting that the loan should be raised in three parts is that the maturity dates should be at least five years apart and the question of repayment or renewal may not offer difficulties to those, who come in the succeeding generation. The period of the loan, which I suggest, should be not less than twenty and not more than thirty-five years.

123. It would be desirable for the Development Board to have independent sources of income, such as stamp duty and betterment. But, since loans for the purposes of the Development Board have to be raised for schemes, which will ultimately be handed over to the Municipality and since the interest and sinking fund charges are to come out of municipal revenues, I am bound to consider in process of thought the total debts of these two bodies against their total revenues collected from the public. Even if the Development Board is maintained as a separate body for execution of large schemes in hand, in so far as the finances would stretch out over a series of years, much bigger than would be required merely for the execution of schemes, it is necessary in the process of thought to take their total indebtedness against their total current receipts. In the orderly disposal of finances, it would certainly be necessary to lay down which of the additional moneys coming into the hands of either of these bodies are to be necessary for which purpose. As already stated, it would be necessary, that certain receipts of the Municipality should be definitely earmarked for interest and sinking fund charges on loans raised for Development schemes relating to water, drainage, bridges and roads. They must have absolute priority over schemes of other heads of expenditure and there should be no scope for any diversion of new funds, until the requirements of the loan service have been met.

124. Particulars of the loans taken by the Municipality were given to me as follows:—

Date	Amount of loan	Rate of interest	Half-yearly instalments
	Rs.		
Cawnpore Water Supply Improvement Scheme :—			
31-3-39	5,00,000		
31-3-40	5,00,000		
15-1-41	1,25,000		
25-2-41	3,75,000		
16-9-41	5,00,000		
20-3-43	2,12,000		
30-9-43	13,000		
	22,25,000	4½%	Sixty half-yearly instalments of Rs. 65,961 each.
26-10-43	8,00,000	4½%	Sixty half-yearly instalments of Rs. 23,716 each.
21-9-44	5,00,000	4½%	Sixty half-yearly instalments of Rs. 14,823 each.
Total loan for Water Supply Improvements	35,25,000		
Construction of Sweepers' quarters :—			
19-2-41	50,000	4½%	Ten half-yearly instalments of Rs. 5,603 each. (This loan has already been paid up in full).

125. Relative to the income of the Municipality, I do not consider that the debt is heavy, and therefore there is scope for borrowing for the purposes of the Development Board on the security of municipal revenues. The loans outstanding by the Development Board are as follows:—

	Raised in	Interest %	Amount. Rs.	Outstanding on 31-8-1945. Rs.
Loans for the development of factory areas and town expansion schemes				
	1920-21	6	7,00,000	3,00,000
do.	1921-22	6	10,00,000	10,00,000
do.	1922-23	6½	13,00,000	13,00,000
do.	1946-47	2½	20,00,000	20,00,000
Loans for the construction of workmen's quarters of Ordnance Factory				
	1943-44	No interest	30,30,000	27,27,000
Water works	1946-47	2½	10,00,000	10,00,000
Total			90,30,000	83,27,000

126. The total current indebtedness of both of them thus amounts to Rs. 1,18,52,000.

127. The total taxable capacity of Cawnpore has been estimated by me at not less than one crore of rupees. This will leave enough for a debt service of 4½ crores additional borrowing, the bulk of which will be spent on the improvement of water supply, drainage and roads.

128. The rate, at which money has been borrowed hitherto, gives no indication of the rate at which it can be borrowed in future. The era of cheap money appears to have reached its peak and the tide has turned in the United Kingdom, and it is bound to turn in India. The days when unlimited amount of money could be picked up by Government in the market have, in my opinion, gone. The highest credit would necessarily get the lowest rate of interest and the highest credit is still that of the Government of India, who would be able to borrow at or near three per cent. The Provincial Government would probably have to pay ½ or ¼ per cent more, and the Municipality would have to pay one per cent over the Provincial Government's borrowing rate. For purposes of safe estimate, I would not put the municipal borrowing rate for these purposes at less than 4½ per cent. The interest requirements would be in the neighbourhood of Rs. 20 lakhs and if the sinking fund is based on the same figure, a sum of not less than Rs. 40 lakhs would be necessary for carrying out the capital works, which have been envisaged by the Development Board. If a closer scrutiny and examination of each individual scheme at the hands of

the Public Works Department of the U.P. Government were made, it may be found that a smaller sum would serve the purpose. Moderation only means spreading over a longer period and carrying out only those works, which may be regarded as urgent, or execution of the larger works in sections so as to ultimately complete the schemes as they are now planned.

CHAPTER VII

SUGGESTED FINANCIAL MEASURES

129. The exact financial effect of all the suggestions, which I am making, it is very difficult to estimate, in the absence of data, which I do not possess, but I may indicate roughly my conception of the amount of taxes, which have to be collected in Cawnpore and which should be used for the maintenance of the health and other services and for the improvement of the city.

130. Bombay City has an estimated population of 27 lakhs, i.e. roughly three times as much as Cawnpore, and the municipal revenue of the city has now reached Rs. 6 crores. The prosperity and resources of Cawnpore are, however, not to be compared with the resources and prosperity of Bombay, though there is a considerable similarity in certain respects. I would therefore put the resources of Cawnpore, if not at as much as Rs. 2 crores on the basis of a population which equals one-third, at least Rs. 1 crore. The existing revenue of the Municipality at Rs. 38 lakhs and of the Development Board* (Rs. 2,44,750 from general revenue, plus Rs. 9,51,600 from water supply) at Rs. 11,96,350 makes up a total of Rs. 49,96,350. The scope for increase is therefore to the extent of Rs. 50 lakhs. Care must be taken that it is not steep, nor falling on one class of tax-payers, nor again concentrated on property owners, who are handicapped by the control of rents under the present laws.

131. It has been already pointed out that the taxing powers given to the Development Board have not been adequately drafted and they cannot be exercised so as to yield any substantial amounts. In view of the relations between the Board and the Municipality, where the municipal authorities look upon the Board with both suspicion and annoyance, it was indicated to me that the Municipal Board will not be willing to tax the city in order to find the money for the Development Board.

* Out of the receipts of the Development Board, I regard only those which come from the public to the Development Board as revenue, which do not refer to sale of land, or arrears of instalments, receipts from Government or receipts from the Municipality. They amount to Rs. 11,96,350.

In other words, the Municipality having already defaulted payments, which they had promised before, could hardly be expected to willingly exercise their powers in this direction. This brings up, therefore, the whole issue of the reorganization of local authorities of Cawnpore, which has been already dealt with in Chapters I, II and III.

132. I found with interest that the municipal authorities and the Development Board officers had been discussing various means of raising more revenue, and I have before me a list of suggestions made by the Executive Officer of the Municipality as well as by the Chairman of the Development Board. My visit to Cawnpore undoubtedly stimulated thoughts in many minds, because I not only enquired about the necessity for raising more money, but I raised the specific issues with various parties of the relative merits of different methods of raising revenue. It is not a theoretical discussion of what is feasible and possible, which is now required. Active steps in order to put a scheme of new and increased taxation into effect are necessary. I hope these taxes will be found as the result of suggestions, which I am making. It is not improbable that in some of the suggestions, which I make, it may be necessary to change merely a rule. In other suggestions it may be necessary to secure the sanction of the U. P. Government and in still other cases it may be necessary to amend the municipal law. These are details, which arose in the course of discussions. I raised them with the Legal Officer of the Municipality, whose note on the subject I have read with interest. I feel that it is unnecessary for me to go into the specific drafting of points or amendments, which may be required. The Government of the United Provinces is conscious that the affairs of Cawnpore require immediate attention and in that atmosphere it is legitimate to hope that Government will give the facility for amendments giving powers to the Municipality as and when required.

Resistance To Taxation

133. All over the world those on whom increased rates of taxes or new taxes, are to be levied, try to resist such imposition. They argue that the raising of new monies is unnecessary, that the schemes, for which new money is being placed, are badly constructed, or are being executed prematurely. They also argue that the expenditure will be made recklessly and inefficiently. These types of comments were expected by me and were received by me while I was in Cawnpore. I would request the Government not to pay any heed to these comments for the simple reason that they are occasioned by the normal psychological progress of the tax-payer.

134. Another feature of the same process of resistance is the attempt to point out other and more suitable sources than those which fall on themselves, by a rich class to whom a direct approach is made.

The businessmen and shopkeepers pointed out to the factories, and the vested interests of the factories pointed out to the general population. There were still others, who pointed out that the Government was taking away entertainment tax and that the Central Government was taking away large sums under the income-tax. In other words an attempt by the tax-payer to shift the burden and pass it on to other classes, was visible to me and will probably arise in more vocal form when the problem of Cawnpore is taken in hand and insistence is put on the resources of the Municipality (as well as the Development Board) to be adequately increased by local taxation.

135. In the field of taxation there is a very severe limitation to what a Municipality can use for its own purposes. There are heads of taxes reserved for the Centre and there are heads of taxes for the Provincial Government. Both these superior authorities are naturally extremely jealous of the exercise of any of their powers by any local authority. It is not my purpose to criticise existing constitutional arrangements as provided, beyond remarking that the requirements of a metropolitan city area cannot always be met by a strict adherence to the field, which is indicated for municipal authorities to raise money from. In an abnormal condition, some little allowance and modifications would not be therefore improper and, so far as the conditions of Cawnpore City is concerned, I do consider that the position is exceptional and it deserves consideration both of the U. P. Government and of the Government of India, wherever some small latitude in favour of the Municipality is sought.

136. The first question to answer is: Has the Municipality used all its powers of taxation, which are open to them? The reply in this case is an emphatic 'No'. In the following suggestions, which I am making, however, I assume that the peremptory requirements of the city in respect of more revenue will induce Government to enforce the necessary action, using such powers as the Municipality have at present and widening them, wherever its Legal Advisers point out the need for widening.

Suggested Scheme of Taxation

137. I suggest that the general house tax in Cawnpore should be raised to 10 per cent. All vacant lands in the municipal area should be taxed on a valuation based on recent transactions in the locality as reported in registered documents. I further suggest a close examination of the problem of taxing "lands that are imperfectly used" at a higher rate 50 per cent more. Amongst these I include all ground floor corrugated tin sheds, Ahatas and ground floor buildings. This would be a novel feature in India, but for a metropolitan area like Cawnpore,

it is of great importance that owners of land, who deliberately refrain from putting their land to the fullest use, are doing something that is against the interest of society as a whole. There is nothing to prevent people, who have merely got a ground floor structure, from raising one storey and there is no reason whatsoever for any lands in the Cawnpore municipal limits to be used for temporary or ground floor structures, so that the enhancement of values arising out of public expenditure goes to the owner of the land, but the public authority, which gives these services, is deprived of its legitimate revenues, which it would have earned, had the owner decided to build fully. This question is complicated and there would be an enormous resistance from members of the public, but I strongly recommend the Government of the United Provinces to have it examined, to have an estimate made of the difference which arises, and ultimately to give a period of twelve months, after which the enhanced rate would be levied so as to give a reasonable opportunity to present owners to build up if they want, and thus avoid the additional levy.

138. The water tax may be retained at the present figure, but the supply of water to everybody, who use more than one tap with a small ferrule, should be by meter. Five per cent of the meter reading should be deducted before the bill for water is made out. This deduction represents the normal drinking and washing water, which the Municipality is obliged to supply in respect of the payment of water taxes.

139. According to the Executive Officer of the Municipality, "before 1941 the Board used to supply about $7\frac{1}{2}$ million gallons of water per day, while now 21 million gallons of water is supplied by the Municipality per day, but the income from the sale of water by ferrule is almost the same. Much water is wasted through this system." This is the justification for the suggested change of system. The five per cent reduction would represent the normal obligation of the Municipality to supply drinking and washing water. The balance would be charged for service at a rate which I do not consider very high.

140. The terminal taxes, that were reduced on jute and ground-nuts, should be restored. Existing terminal taxes, whose schedule was fixed in 1922, should be doubled. A representation should be made to Government of India and the good offices of the U. P. Government should be used with the Government of India to secure this increase for a period of five years. No additional trouble of any kind accrues to the railway authorities, but the municipal revenue will be substantially benefited.

141. I invite attention to the following expenditure:—

	1945-46	1946-47	Estimate for 1947-48
	Rs.	Rs.	Rs.
Conservancy (including road cleaning and watering and latrines)			
(a) Subordinate establishment	7,18,338	5,44,176	8,00,000
(b) Cost and feed of live stock	64,306	34,688	30,000
(c) Plant and contingencies	1,39,378	57,509	1,00,250
(d) Road watering	9,671	4,916	18,000
Total	9,31,693	6,41,289	9,48,250

142. The receipts under conservancy are as follows:—

	1945-46	1946-47	Estimate for 1947-48
	Rs.	Rs.	Rs.
Conservancy (including Scavenging and latrine taxes)	3,320	2,825	4,000
Conservancy receipts (other than taxes and rates)	4,894	3,808	5,000

143. This heavy discrepancy between the expenditure on conservancy and cleaning of the city, and the realisation to the Municipality, should have been noticed long ago and some attempt made to recover the actual cost.

144. In general, the service reaches every one, who is living in Cawnpore, but it is not possible to collect the charge from every one. Larger properties would be paying the increased assessment and to some extent the present escape of levy would be remedied. I suggest, however, that all factories in Cawnpore, should pay in respect of conservancy and sanitation, which service is provided both directly to the factories as well as to the men wherever they are living, a sum of Rs. 3 per employee per year. I was given the number of factory employees in Cawnpore as a hundred thousand. I had no means of checking this figure, but the Factory Inspector's office would have, in respect of each factory, the number of people on the roll according to the latest report. In making the suggestion, I am influenced by the relatively low cost of collection, the certainty of realisation and the burden falling on those, who are able to bear it. The factories in Cawnpore have been let off in the last ten years, as pointed out in this report elsewhere, with a low levy. While no retrospective action could be suggested, it is only fair that their contribution to the local municipal revenue should be on a

proper footing. The increased assessment, which has been suggested, if levied with reference to the value of the land as it is now prevailing, and the value of the buildings as they are now standing, would yield extra income, but an additional burden of about Rs. 3 lakhs on the industry of Cawnpore, would not be misplaced.

145. Section 128 of the United Provinces Municipalities Act of 1916 gives power to the Municipality to impose

"a tax on trades and callings carried on within the municipal limits and deriving special advantages from, or imposing special burden on, municipal service;

"a tax on trades, callings and vocations, including all employments remunerated by salary or fees."

In virtue of this power, a tax should be imposed on all shops and places of business as follows:—

	Annual Tax.
1. Those who are paying a rent of less than Rs. 25 a month	Nil
2. Those who are paying a rent of Rs. 25 to 100 a month	Rs. 75
3. Those who are paying a rent of Rs. 100 to 200 a month	Rs. 200
4. Those who are paying a rent of Rs. 200 and over	Rs. 750

146. In the case of owner-occupiers the monthly rent will be estimated on the average of the rents prevailing in the surrounding locality. This payment should be collected in two instalments in the year.

147. In justification of this suggestion, I would point out that, whereas the owners of property are momentarily disabled on account of controlled rents, all those people, who have been in trade and in business, have experienced unparalleled prosperity. Their contribution, however, to municipal revenue has not been proportionate, partly because of the Rent Act and partly because there was no general tax falling on shops and businesses as such. This needs to be corrected, and in order to spread the burden of the municipal expenses on all classes, this would be a legitimate levy. On the other hand, the charges taken are not very heavy. They amount to the rent of one or two months according to the rough and ready classification, which has been put, and it would not be argued that any business whether it is retail or wholesale, or any business office would be ruined, if it had to pay to the Municipality the equivalent of one or two months' rent more in the year.

148. Professional men, who have hired premises for their professional purposes, or who are using a part of their residential premises for their professional purposes, would be liable to this levy, from which only private residences would be excluded.

149. I shall not attempt to give a quantitative estimate of total increase in municipal resources from the various suggestions, which I have made.

150. It is proposed to take advantage of the maximum of five per cent, which is permitted by section 140 (1) for the taxation of factories, instead of the present 4 per cent. Why this was not done when there was a bigger call on the Municipal Board's resources, is not clear.

151. Recent increases of house tax from $3\frac{1}{8}$ to $6\frac{1}{4}$ per cent and of the increase of the percentage from 4 to 5 should provide a substantial revenue, if the assessment machinery was not as feeble and helpless as it appeared. The formula—present value of the buildings and estimated value of the land—does not appear to have been applied to any factories or industries at any time. The assessing authority appears to have been contented with the assumption that the previous assessments were correct and the figure should be altered only where there has been a substantial addition to the building. This savours to my mind as an extraordinary neglect. The present value of buildings is in most cases two and a half times as much as before the war, and the present value of land is in many cases more than three times over. That this factor should have been altogether ignored when the assessment was made in 1943 is deplorable.

152. In view of the circumstances, it is to be desired that Government will interfere and use the controlling powers, which they have, to enforce on the Municipality the duty of reassessment of all factories and industrial properties in Cawnpore for the year 1947-48 on the new basis, viz.: full present value of the buildings and estimated value of the land on the basis of the market values prevailing, 5 per cent thereon to give the rateable value, $6\frac{1}{4}$ per cent for house tax (and 10 per cent after it is increased, as suggested by me), and $6\frac{1}{4}$ per cent for water tax. It is difficult to estimate the increased yield, but I cannot place it lower than Rs. 8 lakhs. It may be much more if Government would appoint an independent assessing officer, who will do his job without being influenced or interfered with by the Councillors, or without having the assessment unduly modified by the Appeal Committee on which the Councillors sit.

Other suggestions are given hereafter. A tax on Cinemas, and places of amusement of Rs. 5 per show is recommended.

153. While the enhanced licence fees would cover some of the callings, I would more specifically recommend for examination as a minor source of income the question of imposing a tax on all (a) hotels, (b) restaurants and tea shops, and (c) sweet shops. In such a case it must be noted that the intention should be not merely to gain the money coming in, but a substantial part of it to be spent on rigid inspection in the interests of public health.

154. I have not been able to examine existing taxes on motor cars and lorries, but I was told that they are very low. I was told that Government was taking a very large sum in respect of motor cars and lorries and the Municipality was receiving a relatively small sum. I recommend that comparative figures of these taxes in several cities in the country should be called for, and the revised rate should be imposed.

155. The tax on bicycles, if it is low, could be justified. It would fall in the main on those, whose direct contribution to the Municipality is necessarily very low. Dog licences yield a substantial revenue in some Western cities, but I do not expect it to work very fruitfully in Cawnpore.

156. Pedlars encroach on public foot-paths. They cause a nuisance. They compete with shopkeepers who have to give rent and who thus contribute to municipal revenue. In order to accomplish a double purpose, I suggest that pedlars should be licensed and asked to contribute to the Municipality every three months the fee put down. This control would disclose many interesting facts about the city's economic life.

157. Advertisements displayed in the city also can be taxed, on the basis of the full house property rate, or on the actual charges which the advertiser pays for the display, or, where the display is on own property, on an estimated basis of actual rents.

158. The provision of markets is a public obligation on the Municipality. I was not able, owing to lack of time, to look into the question as to the adequacy of markets, of their regulation and inspection in the interests of public health, and of the income, which the Municipality derives therefrom. But I am making a suggestion on this topic in paragraph 181.

159. I have not estimated the yield from various suggestions made herein, either because of lack of data in some cases, and in other cases because the revenues would be small, or because they would not arise immediately. Some of the items put in immediately above are of this category. The other important item is the levy of a house tax at fifty per cent more on land, which is imperfectly utilised. The

effect of the restoration of the terminal tax on jute and groundnuts has also not been included. The effect of the removal of exemptions from the levy of house tax and water tax has, however, been taken into account in the estimate.

160. The general position will be seen from the following Table:—

Increased Yield from various Taxes.

	Rs.
(a) House tax and water tax on the basis of the fresh valuation of the <i>present</i> value of land and of the <i>present</i> value of buildings thereon	8,00,000
(b) Taxation of vacant lands	2,00,000
(c) Raising of the assessment from 6½ per cent to 10 per cent	6,00,000
(d) Assessment of water charges by the meter	3,50,000
(e) Tax per employee in respect of conservancy on all industrial and other employers	3,00,000
(f) Tax on trade and callings carried on within Municipal limits	6,00,000
(g) Revision of licence fees	1,00,000
(h) Terminal taxes	11,00,000
(i) Stamp duty	3,00,000
Total	43,50,000
(j) Special betterment tax (The amount would vary according to the levy and would be used up for the immediate purposes and would not be available for anything else.)	Nil
(k) General betterment tax (See paragraph 88) (In effect this is not different from an increase in the general house property tax.)	Nil

161. These yields (except terminal taxes) indicated by me are, in my opinion, on the lower side, but, if the taxes are levied and collected properly, the yield may be even bigger.

162. I consider that by this method the burden would be spread more or less evenly over different classes and would not be felt acutely at any point.

163. If the rent control continues and increase of rent is permitted to the extent of 10 per cent in residential and 20 per cent in business premises, as recommended in paragraph 101, this will automatically increase the yield of all municipalities including Cawnpore, and give a much needed relief to municipal finance.

164. I have refrained from going into the question of the possible increase of revenue for Cawnpore Local Self-Government from motor buses and the Transport Company, and from the supply of electrical energy for lighting and power purposes. Both these services can be made not only fully supporting, but yield a surplus for providing for future expansion, if it is considered a desirable and convenient form of collecting taxes, which should be spread out on the whole community.

CHAPTER VIII

RELATIONS OF GOVERNMENT WITH THE MUNICIPALITY AND THE DEVELOPMENT BOARD

165. Some suggestions have already been made in the body of the report, but I should like to focus marked attention on this topic.

166. The wealth produced in Cawnpore is considerable and the contribution of Cawnpore to the provincial revenue could not be negligible, though it is true that the most significant contribution is by way of income-tax and that is going to the Central Government (except for what the Province is receiving under the Niemeyer award). The Province is, however, receiving grants from the Central Government of large sums, which have become possible on account of the old system of tax plus the new tax now imposed on businesses and capital gains. Cawnpore's contribution towards this would be material and it is only fair that Government should set aside for the improvement of Cawnpore a lump sum of Rs. 50 lakhs, either recurring for the next five years, or if Government so prefers, half or one-third of the outlay on the improvement of (1) water supply, (2) sewerage, (3) bridges, and (4) major roads connecting the communication system with the C.O.D. and other Ordinance factories.

167. Large capital works constructed for the provision of sewerage would be useful to the city for a long period of time. While the future benefits would be considerable, the question is, whether and how far the burden should be thrown on the resources of the Development Body. As sixty years' sinking fund would give a smaller amount annually to be set aside, a still better method of dealing with the situation would be a non-recurring lump grant by the U.P. Government of half or one-third of the cost of these schemes.

168. The efforts of the Development Board in dealing with a large metropolitan area in U.P., the like of which does not exist in any other part of the Province, deserves the sympathy and encouragement of Government. That the most populated city of the Province should

suffer from epidemics of plague and cholera is an intolerable situation, which Government ought not to permit. Its cure cannot come in one day radically, but the efforts of the Development Board cumulatively tend to reduce the incidence of disease.

169. The extraordinary expansion of the city (510,000 by census to 879,419 reckoned on the basis of the ration cards issued) during the period of the war and immediately thereafter, were entirely due to the activities of Government. Many of the problems of the Municipality have accentuated on account of this increase of population and many of the Development schemes are calculated to meet this situation, which has thus arisen.

170. Government have already given a grant of Rs. 3,90,000 in the last year in respect of roads. This is a portion of the grant coming from the petrol duty and the Road Fund. It is good that Government have acknowledged that on account of the war and of the military traffic as well as the industrial traffic, roads have been worn out. An accumulated amount of repairs and reconditioning has to be done on a basis of cost for this work, which has seriously gone up.

171. When the Cantonment is released by the Government of India (Military Department), all the vast vacant lands in the Cantonment will fall in the hands of the U.P. Government. Reserving such of them as the U.P. Government would want for their own use, the balance should be given to the Development Board. Many of the leases in the Cantonment area are on short tenure and the full benefit of the rise of values since these leases were given, should fall in the hands of the authority, which devotes its efforts and finances to the improvement of the city.

172. Government should intervene between the Municipality and the railways for the following purposes:—

- (1) To fix a more careful and full assessment of railway properties and lands in the Municipal area, instead of the arbitrary Rs. 8,000 per year.
- (2) The District Magistrate has ruled that certain water charges levied by the Municipality were excessive and they have been made to refund these water charges to the railways. Water is supplied in Cawnpore on a basis that does not leave a surplus. These issues should be smoothened out by a high level conference, so as not to penalise the Municipality.
- (3) Government should compel railways for the interchange of railway lands in inhabited parts with lands, which the railways use farther south of the line, which Development Board would provide in exchange.

(4) For the removal of the Goods Yard and the sidings in connection therewith, to be put south of the railway line on lands to be interchanged with the Development Board. This is essential for the proper layout of the city and for the removal of certain trades, which are concentrated in the wrong part of the city, viz.: bamboos, wood, iron, and grains. It would not be harmful to the railways, because the present Goods Yard and sidings were designed perhaps several decades ago, and a better design of the Goods Yard and sidings on the south of the line would serve their purpose. The market for the above and for heavy and rough trade would move farther south and the lands released in this manner could serve for public buildings as well as buildings for superior use, such as markets, hotels, cinemas, business offices, shops, etc.

173. Government's expenditure on the Grand Trunk Road and the P.W.D. roads passing through the city has materially helped the Municipality.

174. Government have helped the Development Board by tax-free loans.

175. The Board is helping Government by executing public works at cost plus ten per cent.

176. Government ought to accede to the request of the Board to remove the experimental farm five or seven miles out and to give the land to the Development Board, or, in the alternative, they should take land for land farther away.

177. I have already suggested that Government should take prompt steps to put the affairs of the city right and that, wherever they have the power by executive action to sanction, they should sanction changes in rules by the Municipality to put their finances right. They should reverse the interpretation of the Legal Remembrancer in respect of the stamp duty. They should pass immediately any amendments in municipal law, which may be put, about the Municipality's power to revive or suspend whenever they think fit, to collect taxes and assessment on vacant lands, and to impose differential and heavier (fifty per cent and more assessment on lands that are imperfectly used) taxes. They should empower the levy of special betterment and a general betterment to be imposed and any other validating power, for which a properly considered request is made by the Municipality.

178. The establishment of a Corporation, as one of whose special Departments the Board can function, cannot brook a long delay. The interim arrangements, by which the executive work of the Municipality

and the stricter revision of the assessment (with retrospective effect at least for a year) could be carried out, must be made immediately by the loan of officers, who will do this. I do not see any great harm; in fact I see very great advantage if the local affairs of Cawnpore, both of the Municipality and the Board, are carried on for a couple of years by a Board only selected by Government. I feel that the major purpose of the recommendations, which I am making, could not be achieved unless Government acted promptly in these directions.

179. I would request the U.P. Government to consider an amendment of the rent control on lines recently adopted by the Central Legislative Assembly in regard to Delhi. My recommendation is that rents for residence should be permitted to be increased by 10 per cent and those for business premises by 20 per cent. These are minimum increases, but if Government are advised to put slightly higher percentages, there would be no harm. The justification for these increases is the extra cost of repairs and replacements. While every other form of capital investment has been permitted to earn, there is no justification after the war for not relaxing controls on earnings from property. The effect of this would be beneficial on the finances of all municipalities in the United Provinces. The cost of municipal service has gone up and to the extent to which by way of assessment such increase will find its way into the coffers of the Municipality, there will be unquestioned justification. So far as Cawnpore is concerned, this is a major issue between Government and the Municipality, in which Government ought to help by bringing in early legislation and permitting such enhancement as they consider proper.

CHAPTER IX

MISCELLANEOUS

180. I feel that I must not withhold thoughts, which passed in my mind while I was in Cawnpore, particularly those, which have a bearing on the finances of the local authority. It is not improbable that some of these thoughts may not appeal to local citizens. On the other hand, when a stranger looks at things, he often gets ideas, which do not readily strike the local people. •

181. Amongst the improvements, which I would like to suggest in Cawnpore, is the removal of the present Goods Yard. In the interests of the city, the U.P. Government ought to be able to persuade the railway to take land on the other side from the Development Board. I was able to see in the course of inspection and to indicate that such

land was available. The Goods Yard was laid out many years ago and its reconstruction on more modern lines and its expansion would not only help the city, but would secure a quicker turn round of wagons. The land, which would be thus released, would be most valuable and I suggest that a market like the Hogg Market in Calcutta, should be set up in this part of the city. On the rest of this land, public buildings, places of amusement and hotels should grow up, and it would become one of the best parts of the city. The financial gain to the Development Board under capital and to the Municipality under rents, from the market, it is difficult to estimate, but they would be so considerable and the land would so improve the city, that I strongly recommend its close examination by a small committee.

182. In the interest of the health of the city, I suggest the diversion of the canal, which is passing right through. The cost of this diversion would be more than made good by the fact that a most important thoroughfare and traffic link would be secured along the existing route of the canal through the city. A moderate betterment should be imposed on all properties, which benefit by this thoroughfare. Considerable amounts could be secured by set-forwards to various properties abutting on this new thoroughfare. Whether this road should be sunk as the existing canal is, or not, is a question, which needs examination from the point of view of engineering, traffic and land values. I suggest that this also should be examined by a small committee of the Development Board in all its aspects.

183. It should be possible for Cawnpore to have a riverside drive even if, at certain places where very substantial industrial and other properties abut on the river, a diversion has to be made. This is an amenity, which the future generation will appreciate very much. If the whole drive is planned up, in some parts the Development Board would benefit on sales of land. In other places it would be a liability and a costly business. This again needs examination as to what the costs would be, how much acquisition would have to take place, and whether the cost of acquisition of strips necessary for the road could not to some extent be recouped by the levy of betterment on properties, which will benefit by the scheme.

184. The utilisation of a portion of the Memorial Gardens by putting up business premises and shops could also be a valuable source of income to the local authority, who would have to maintain the rest of it as a public park.

185. The abolition of a separate authority for the Cantonment, where I believe the taxes and assessments are extremely low and haphazard, and its amalgamation with the proposed Corporation of Cawnpore is another important step, which I strongly recommend, as it will

have a great bearing both on the development of the city as well as on the financial resources of the local authority.

186. On slum clearance there are two methods—the slow one and the peremptory. The peremptory one is the wholesale acquisition of a slum area and its realignment after the slums have been cleared. Provision must be made to house those, who are dishoused and, in order of sequence, this must come when development along the outskirts has taken place. Such schemes are often very costly. The land, which is appropriated for wide roads to pass through, brings in nothing. The balance of land sometimes fetches high value. Large finance is required in the first instance and as much as could be recouped comes in after some years.

187. The slower method is to establish street lines so as to widen every street and to prevent repairs or rebuilding on all properties that abut on the street line. The portion for the widening of the street must be yielded up to the Municipality, for which the Municipality will pay a reasonable market value. All projections must be prohibited, but where permitted, they must be charged heavily, so that slum owners do not encroach on municipal land at any level, and a valuable source of income begins to come to the Municipality. The other method is to pull down all buildings on one side of a narrow lane, to use the area created in this manner for the widening of the road, to give set-forward to certain people wherever it is possible, and to charge properties on both sides as well as within a certain distance with a betterment rate, which would be calculated in each case. The betterment rate must be sufficient to enable the local authority to defray the capital cost involved in the course of about fifteen years. The heavier taxation of lands, which are imperfectly used, which has been suggested by me in paragraph 137, would also tend to reconstruction, but reconstruction of a building for human habitation should not be permitted by the Municipality unless the plot is of a given size. It could be only rebuilt as a warehouse, but not as a dwelling. Further, a change must be put in the Municipal law, by which even in the crowded slum area, open space of not less than three to four feet is maintained on all the three sides of the building abutting on the road. In conjunction with the minimum size of the plot, this rule would automatically tend to reduce the slum area, in course of time.

CHAPTER X

SUMMARY OF RECOMMENDATIONS

The relations between the Cawnpore Municipality and the Cawnpore Development Board were not harmonious, and the Municipality was not likely to collect taxes for service of loans for the Development Board.

In spite of the fact that the constitution of the Development Board is of recent origin, it has not proved successful on account of defective drafting in sections relating to stamps and betterment tax.

As the major schemes in the hands of the Development Board relating to water, sewage, bridges and roads will ultimately belong to the Municipality, and as the life of the Development Board must come to an end as soon as the major schemes in its hands have been fully executed, the direct responsibility for financing the Board's schemes must be laid on the Municipality.

The constitution of a Corporation, which would cover the activities of both these bodies, is desirable, the Development Board remaining as a special branch of the Corporation.

Till this is done, for a period of two years a body of two dozen citizens selected by the U.P. Government ought to have the control of both the bodies.

Government should lend officers for the executive work of the Municipality and for assessment.

The Municipality has not used the powers under the Act given to it for levying taxes. The most significant omission is in not levying assessment according to the value of land and building as provided, as well as in not revising the assessment in a period less than five years.

While the cost of service to the Municipality has gone on increasing, the taxation yield has not increased accordingly.

The taxable capacity of Cawnpore may be put down at one crore of rupees.

The total amount of money collected from the public by the Municipality and the Development Board is of the order of Rs. 50 lakhs only. There is room therefore for raising more taxes to the extent of Rs. 50 lakhs.

The capital requirements of the Board for various schemes would entail borrowings to the extent of Rs. 4½ crores, which must be done in three parts with a maturity of five years apart. The service of this loan will require Rs. 40 lakhs per annum.

Amongst the suggestions for increased revenue is the increase of house tax to 10 per cent from $6\frac{1}{4}$ per cent.

The water tax should be levied as at present, but the consumption of water should be by meter, except for properties which have only one tap with the smallest ferrule. From the full meter reading, five per cent rebate should be given to cover the normal obligation of the Municipality to supply water. The charges in Cawnpore for water supply by the meter are on the low side.

A tax must be levied per employee per annum of Rs. 3 on each factory and every other class of employers. This is expected to bring Rs. 3 lakhs a year.

A tax must be levied on trade, i.e. shops and business premises at the following rates:—

	Rs.
(1) Those who are paying a rent of less than Rs. 25 a month	Nil
(2) Those who are paying a rent of Rs. 25 to 100 a month	75
(3) Those who are paying a rent of Rs. 100 to 200 a month	200
(4) Those who are paying a rent of Rs. 200 and over	750

This is expected to bring a sum of Rs. 6 lakhs.

Licence fees, which are very low, should be revised.

The terminal taxes, the schedule of which was fixed in 1922, should be doubled.

Vacant lands should be taxed and the house tax on lands that are imperfectly used, should be collected with a surcharge of 50 per cent.

Exemptions in respect of house tax and water tax should be done away with.

The reassessment of all factories and of owner occupied buildings on full present value of the buildings and estimated value of the land on the basis of the market values prevailing, 5 per cent thereon to give the rateable value, is recommended. The increased yield, if this were done, is estimated at Rs. 8 lakhs in house tax as well as water tax.

Government is requested to give a grant of Rs. 50 lakhs to the Development Board for Cawnpore development.

Assessment on railway properties and the interchange of vacant lands between railways and the Local Authority is suggested.

A river-side drive, the diversion of the canal and the removal of the goods yard as well as the heavy trades to a new site are recommended, and the extension of municipal limits into Cantonments has been suggested. These measures are likely to improve the city and to bring more money to the Municipality.

Cawnpore is a metropolitan area, the biggest city in U.P. and the junction of railways converging on it from five directions. It is a wealthy city. The slums and the prevalence of epidemics are avoidable, if local self-government were put on a sure footing.

The question of economy in the expenditure of the Municipality and the Development Board may be examined.

Schemes of the Development Board should be scrutinised by the Superintending Engineer of the Public Works Department of the U.P. Government.

The additional moneys raised by the Municipality should be earmarked for the purpose of servicing of the loans raised by the Development Board.

More stable sources of income for the Development Board are suggested.

It is recommended that it is desirable and economical to execute to the maximum capacity of the Development Board all schemes in hand, rather than to postpone those schemes, or to spread them out over a number of years.

The Development Board has no stable sources of revenue and Government should change the Act to enable substantial income to arise in respect of Stamp Duty, a Special Betterment Tax and a General Betterment Tax.

5th June 1947.

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PRIMARY EDUCATION IN INDIA IN 1931-41 (A Comparative Study)

By

V. N. NARAWANE, M.Sc., M.Ed.,
Asst. Superintendent, New English School, Poona.

CHAPTER I

INTRODUCTION

For administrative purposes British India is divided into eleven Provinces, which are governed in accordance with the provisions of the Government of India Act, 1935, and four minor administrative units which are controlled directly by the Government of India. A system of education in general and of Primary Education in particular, has been established in the course of the last hundred years, in each of these administrative units. Obviously, a uniform system of Primary Education cannot be expected to prevail from one end of a vast sub-continent like India to the other. The physical, social and economic conditions vary so largely from one province to another, that the educational systems of the various provinces are bound to differ from one another. These differences are sometimes due to the historical factors and in other cases, to a desire to adapt the educational system to local conditions. But in spite of apparent differences there still exists an underlying unity which it is not difficult to discern for a careful student of education.

The object of this thesis is to make a comparative study of the various systems of Primary Education that actually prevailed in British India during the decade 1931 to 1941, to point out the differences between one system and another, to account for these differences, and to evaluate the advantages and disadvantages of the several variations.

It is not possible, nor is it necessary, to study the system of Primary Education in every one of the administrative units. It is, therefore, proposed to study the organisation of Primary Education in the Governors' Provinces and the specific period chosen for the study is between 1931 and 1941. It would be difficult to find another period like this, in the history of Primary Education in India. In 1929, the report of the Hartog Committee was published and the recommendations of that committee greatly influenced the ideas of high educational officials. On the other hand, the report failed to find equal favour with the non-official educationists. The end of the period was marked by the publication of the report of the Central Advisory Board of

Education popularly known as "The Sargent Scheme". Thus at one end of the period we have the Hartog Committee Report while at the other, we have the Sargent Scheme.

The period (1931-41) was marked by great activity. The Government of India Act was passed in 1935, and it resulted in the introduction of Provincial Autonomy. Government in the Provinces was carried on by the elected representatives of the people and in seven provinces out of eleven the Congress Party was in power. The Congress tried to do some constructive educational work and the Wardha Scheme or Basic Education and the Vidya Mandir Scheme are the instances of that work.

In view of the great developments that took place during these years and their importance to the country, it is quite necessary to make a careful study of these events. This has become the more essential, in view of the whole system of education in the country.

The material for this book is mostly drawn from the reports of the Directors of Public Instruction of the various provinces. Unfortunately the position regarding provinces in 1931 was different from that in 1941. For example, Sind was separated from the Bombay Presidency and Orissa from Bihar on 1st April 1936. These changes have resulted in some complications regarding statistics. Further, the Sind educational department has not published a full report for the year 1940-41 as a measure of paper economy.

Similarly Bihar and Orissa, constituted a single province upto 1st April 1936, when Bihar was separated from Orissa and Orissa became a separate province. But again no separate figures for Orissa are available for the year 1931. Also the educational reports for Bihar for the year 1939-40 and 1940-41 are not published though the statistical data for these years are made available. These statistical handicaps have naturally come in the way of a fair comparison between the position in 1931 and 1941 in some cases.

CHAPTER II

THE BACKGROUND

In order to be able to understand and appreciate the developments in the field of primary education in India during the period of our study, it is quite necessary to consider the broad events that took place in the country during the decade. The object of this chapter is to narrate briefly such of the political, economic and social developments in India as have materially influenced primary education during the period. We will consider these aspects in turn.

Political Developments

During the early years of the decade, the Congress party was the biggest and most popular and organised party in the country and it dominated the political field. In 1930, the Congress had launched a mass Civil Disobedience Campaign and all the leaders and a very large number of its followers were in jail. The year 1931, however, opened with the conclusion of the First Round Table Conference and the release of Mahatma Gandhi. Immediately after his release a pact between the Government and the Congress known as the Gandhi-Irwin pact was signed and Mahatma Gandhi went to England as the sole representative of the Congress.¹ But during his stay in England things in India took a different turn altogether and before he returned to India prominent Congress leaders were put in prison. Mahatma Gandhi tried to ease the situation by asking for an interview with the Viceroy, but it was refused.

The Congress, thereupon, launched another mass movement.² Thus the country was in the grip of a mass movement, during the early years of the decade. The Government, by a series of strong measures including the arrest of Gandhiji, suppressed the movement, by the end of 1932. Government, however, released Gandhiji in August 1933, when he went on fast because of the refusal of Government to grant him certain facilities in connection with Harijan work.³ With the release of Gandhiji the mass civil disobedience movement was withdrawn. Mahatma Gandhi, however, did not undertake any Congress activity, as he regarded himself as a political prisoner till the expiry of his period of imprisonment. He confined himself to Harijan work only.

The attention of the whole nation was, however, sidetracked at this time from political activity, due to the calamity that occurred in Bihar. On 15th January 1934, there was a violent earthquake in North Bihar⁴ and it was estimated that over 10,000 lives were lost and property worth several crores of rupees was damaged. Another catastrophe of a similar nature, took place at Quetta on 31st May 1935; and the town of Quetta was practically destroyed, causing untold damage to life and property.

In 1935, the Government of India Act was passed.⁵ A large majority of Congressmen were strongly inclined to enter the Legislatures. The Congress leaders, therefore, contested the elections and in seven provinces out of eleven, the Congress party secured a majority.

1. *Indian Year Book*, 1932, pp. 861-66.

2. *Indian Year Book*, 1933-34, p. 914.

3. *Ibid.*, p. 916.

4. *Indian Year Book*, 1935-36, p. 953.

5. *Indian Year Book*, 1939-40, p. 847.

When it came to the accepting of office, a controversy arose over the use of the special powers by the Governors, but the Viceroy gave a general assurance, that the ministers would as far as possible, enjoy unrestricted power according to the Act.⁶ The Congress party thereupon accepted office in seven provinces in July 1937. The Congress programme included prohibition, reform of education, of local self-government and such other activities as were in the interest of the nation.

But the regime of the Congress was shortlived. The Second World War broke out in Europe, on the 3rd September 1939 and the Congress ministers, in pursuance of their policy of "Non-co-operation with the Imperialistic policy of the British Government", tendered their resignation on 5th November of the same year.⁷ With the resignation of the Congress Ministers, the Governors of these seven provinces suspended the constitution and carried on the Government under Section 93 of the Government of India Act. In the other four provinces, however, constitutional Government under Provincial Autonomy was carried on by the elected ministers.

Economic Development

Apart from political disturbances, the period of our study unfortunately began with another great handicap, in the shape of economic depression, as can be seen from the following quotation from the Review of the Trade of India.

"The year 1931-32 has been even more disastrous than 1930-31, a year of unparalleled economic collapse throughout the world. International trade has been utterly disrupted. The gold standard had to be abandoned by most countries and all the previous international settlements regarding reparations and war debts have been thrown into the melting pot. Each of the perplexing maladies from which all commerce in all countries has suffered since the war appears to have reached a climax and entered on a critical phase in the year under review."⁸

This economic depression gave a severe blow to the educational finances and the Provincial Governments adopted a policy of very stern economy and retrenchment. The economic distress, exceeded in magnitude and intensity, the one that was experienced after the World War of 1914-18. Every Provincial Government, adopted a policy of economy and the "axe of retrenchment" fell particularly heavily on education, as education was not regarded as one of the major depart-

6. *Indian Year Book*, 1938-39, p. 812.

7. *Indian Year Book*, 1940-41, p. 873.

8. *Review of The Trade of India*, 1931-32, p. 2.

ments of administration. In Bombay, during the first half of the decade, a substantial cut was made year after year in the allotment of grants to education and this hung like a milestone round the neck of the educational department and handicapped all educational activities.⁹ The actual cut varied from 5% to 19¼%¹⁰ during 1932-37. In the Punjab, financial stringency and economic depression had unfavourable repercussions on the enrolment and the number of schools.¹¹ In the N.-W.F. Province, the scheme of expansion which was undertaken during the period 1927-32 had to be dropped in 1932.¹² In the United Provinces, the economic depression affected the programme of education in the province and consolidation rather than expansion was the watchword.¹³ Government introduced a cut of 6¼% in the salary of teachers getting more than Rs. 25.¹⁴ The Central Provinces were hit hard by the economic depression and a cut in the salaries amounting to 33⅓% of the salary of teachers was introduced, by most of the local bodies as a measure of economy.¹⁵ In Bengal, the improvements mediated and long overdue, had to be postponed indefinitely and instead of normal progress, there was at many points a visible retrogression.¹⁶ In Assam, a cut at the rate of 10% was resorted to in 1932, in the pay of all teachers. In Bihar and Orissa, a cut of 10% was introduced in 1932,¹⁷ but the next year the cut was reduced to 4.2%. Madras was the only Province which tried to maintain, if not extend, the facilities for education. But the Province could not incur any expenditure in 1931-32 on the payment of equipment grants due to financial stringency.¹⁸

Such was the reaction of the various educational departments towards the economic depression. Taking India as a whole, there was a continuous decline in the expenditure from Government Funds from 1930-31 onwards till the year 1935-36 when the situation seemed to have improved. This can be seen from the figures¹⁹ for expenditure on education for these years (see Table on next page).

These figures indicate that although the situation improved gradually after 1932-33, the figures for expenditure on education from Government funds in 1936-37 were not as high as those of 1930-31.

9. *Progress of Education in India*, Bombay, p. 2.

10. *D.P.I's Report*, Bombay, 1936-37, p. 96.

11. *Progress of Education in India*, 1932-37, p. 2.

12. *Progress of Education in India*, 1927-32, p. 2.

13. *Ibid.*, p. 2.

14. *D.P.I's Report*, U.P., 1927-32, p. 59.

15. *D.P.I's Report*, C.P., 1933-34, p. 31.

16. *Progress of Education in India*, 1932-37, p. 2.

17. *D.P.I's Report*, Bihar & Orissa, 1932-37, p. 84.

18. *Progress of Education in India*, 1932-37, p. 2.

19. *History of Education in India* by Nurullah & Naik, p. 466.

Years		Expenditure from Govt. Funds (in Lakhs of Rupees)
1930-31	...	12,61
1931-32	...	12,46
1932-33	...	11,35
1933-34	...	11,47
1934-35	...	11,59
1935-36	...	11,84
1936-37	...	12,46
1938-39	...	12,25
1939-40	...	13,03
1940-41	...	12,89

Social Developments

While dealing with social developments during the period, we shall deal in particular with the movements for the amelioration of the conditions of women and the depressed or backward classes and with the attempts made for the spread of education among the Muslims. We shall consider them in turn.

(a) Movement for the Uplift of Women:

The All-India Women's Conference which was established in 1926, was doing very useful work for the amelioration of the conditions of women. We shall, therefore, deal with the part played by the Conference for Women's uplift.

On the social side, the Conference carried on timely and vigorous propaganda against all attempts to nullify the enforcement of the Sarda Act.²⁰ It also tried to secure public support for such Bills introduced in the Central Legislative Assembly as Dr. Deshmukh's Bill to amend the Hindu Law governing Hindu Women's Right of Property and Mr. B. Das's Bill to amend the Sarda Act in order to make it more stringent.²¹ Propaganda was also carried on against Child marriages and steps were taken to file complaints and to prosecute offending parents.²²

Apart from this constructive work the Conference passed a number of resolutions on various problems of women. We mention some of these that referred to primary education.²³

- (1) Priority should be given to the claims of girl's education in every scheme of educational expansion.
- (2) Girls should be included in all schemes of compulsory primary education.

20. All-India Women's Conference, 15th session, 1941, p. 186.

21. Ibid., p. 194.

22. All-India Women's Conference, 15th session, 1941, p. 196.

23. Ibid., pp. 122-24.

- (3) Provision should be made for the supply of properly trained teachers, majority of whom should be women.
- (4) The salary of primary teachers should be raised.
- (5) Provision should be made for adequate sanitary arrangements in girls' schools.
- (6) Medical inspection should be made compulsory by Legislation.

The Conference also emphatically demanded the extension of adult education.

(b) Harijan Movement:

Great efforts were made for the uplift of the Harijans during the decade. In August 1932, the British Government published the Communal Award, which laid down the share of the different communities regarding the seats in the legislature.²⁴ In the Award, the provision was also made for the special representation of the Depressed Classes, on the basis of separate electorate. This led to great dissatisfaction among the Hindus, and Mahatma Gandhi, who was then in prison, threatened to fast till the Award was amended, so as to do away with the separate electorates. This caused great commotion in the country and with the help of the Depressed Class leaders like Dr. B. R. Ambedkar and Rao Bahadur M. C. Raja, a formula known as the Poona Pact was arrived at, which modified the Award, so far as it related to separate electorates. The Award was finally modified by British Government in accordance with the Poona Pact.

During his imprisonment, Mahatma Gandhi was not given the facilities he enjoyed for the Harijan work, as he had during the previous period of imprisonment. He, therefore, went on a fast unto death.²⁵ After some days of fasting, when he entered the danger zone, he broke the fast, but did not exploit the release for any political activity, as he considered himself to be a political prisoner, till the expiry of the period of imprisonment. He, however, threw himself heart and soul into the movement for the uplift of the depressed classes, whom he has thereafter called 'Harijan', meaning "God's own people". He undertook an extensive tour in South India and visited many places in Madras, Karnatak, Cochin, Travancore and Hyderabad and collected funds. During his tour he also pleaded for the removal of social distinctions between the Harijans and the Caste Hindus and the opening of temples to the Harijans.

When the Congress Ministers came into power in 1938 the education of the Harijans received a special impetus the details of which are

24. *Indian Year Book*, 1934-35, p. 956.

25. *Indian Year Book*, 1933-34, p. 916.

discussed in a later chapter. In Bombay, in January 1938, the Temple Entry Bill for the Harijans was passed in the Legislative Assembly.²⁰

(c) Movement for the Uplift of Muslims:

The education of Muslims was carefully watched by the All-India Muslim Education Conference, which held its session every year and passed resolutions bearing on their education. A departure from this practice was made at the 52nd Annual Session of the Conference held at Calcutta, when Nawab Kamal Yar Jung Bahadur gave a practical turn to the activities of the Conference. A large section of the Muslims alleged, that Congress Ministers had forced upon them Schemes like the Wardha Scheme and the Vidya Mandir Scheme, which according to the Muslims, were sectarian and partisan plans of education. They also had a very strong grievance against the use of "Vande Mataram", as the National Anthem. The Conference, therefore, decided to institute an inquiry into the educational problems of Muslims in India. A Committee was appointed under the presidency of Nawab Kamal Yar Jung Bahadur. It carried out an extensive tour all over India to survey the problems of Muslim education and submitted a report. The main findings of the committee regarding primary education are discussed in a later chapter dealing with the education of the Muslims.

CHAPTER III

MAIN EVENTS OF THE DECADE

In this chapter we propose to make a brief survey of the main events of the decade which influenced the progress of Primary Education. We shall deal with each province separately.

BOMBAY

(a) Policy regarding Expansion of Primary Education:

In Bombay, every Local Authority (i.e. Municipalities and District Local Boards that were given the power to control Primary Education) had to submit to Government, a scheme of expansion that it proposes to introduce in its area. The schemes for expansion were of two types: one on a voluntary basis and the other on compulsory basis. It was, however, found that the number of schemes for the expansion of Primary Education on a voluntary basis was much larger than that of those on compulsory basis. The following policy was, therefore, adopted in 1926 and was kept up during 1931-41.¹

20. *Harijan Sevak Singh Report*, 1937-40, p. 13.

1. *D.P.I.'s Report*, Bombay, 1927-32, p. 2.

- (1) Schemes for expansion on a voluntary basis must contain a provision for the introduction of compulsory education equal to one-third of the total cost of the scheme.
- (2) The schemes submitted by the municipalities which are Local Authorities should invariably be for the introduction of compulsory education.
- (3) Additional funds which can be made available should be distributed equally over all parts of the Presidency.

(b) Training of Teachers:

In 1934, the Government again introduced the third year class for the training of male teachers.²

In 1938, a Committee was appointed by Government to advise it on the question of the training of Primary Teachers. The Committee made the following recommendations among others.³

- (1) Excluding teachers above the age of 40; all teachers, as far as possible, should be trained.
- (2) The system of intermittent training should be discontinued and be replaced by one of continuous training for two years.
- (3) The third year class should be abolished and the accommodation thus released should be utilised for admission of more candidates.

It was also decided on the recommendations of the Moose-Paranjpe Committee that full duty pay in lieu of stipends should be given from June 1939 to permanent teachers in the service of Local Authority who were deputed for training.⁴

(c) Curriculum:

To meet the criticism against the curriculum which had remained unrevised, a new and modernised curriculum was introduced in Primary Schools in 1936.⁵ The curriculum was in the first instance introduced in practising schools attached to Government training institutions and later on it was introduced in all schools.

(d) The Provincial Board of Primary Education:

In 1938, The Primary Education (Amendment) Act was passed. In accordance with one of the most important provisions made by the Act, a Provincial Board of Primary Education was established,⁶ to advise Government in matters of Primary Education. The Board considered and reported on various problems of Primary Education

2. *D.P.I.'s Report*, Bombay, p. 53.

3. *D.P.I.'s Report*, Bombay, 1938-39, p. 80.

4. *D.P.I.'s Report*, Bombay, 1939-40, p. 48.

5. *D.P.I.'s Report*, Bombay, 1932-37, p. 119.

6. *D.P.I.'s Report*, Bombay, 1938-39, p. 70.

but its most noteworthy contribution was the publication of three valuable reports. One of them dealt with the problem of the financial implications of the introduction of compulsion all over the province and suggested a suitable basis of grants to Local Authorities.⁷ The second report dealt with the stagnation and wastage⁸ in Primary Schools and pointed out that the departmental method of evaluating wastage was defective and suggested a new method for the evaluation of wastage. In the third report the Board suggested a plan for the expansion of Primary Education.⁹

(e) Basic Education:

In 1939, the Basic course was introduced as an experimental measure in 88 Schools. Compact areas were selected for the purpose of the experiment in different linguistic divisions.¹⁰

(f) Miscellaneous Events:

(i) The Shift System (i.e. holding a section of School in morning and the other in the afternoon in the same building) was introduced by some Local Authorities and where the teachers had the tact and skill to deal with the children, the experiment proved a success. But such teachers being very few, the working of the system was often unsatisfactory. The system was reported to be unpopular with the pupils as well as the parents.¹¹

(ii) A noteworthy feature of the decade was that the number of matriculates who sought service as teachers and admission to training institutions was always increasing.¹²

(iii) At the Mary B. Harding Kindergarten School, Ahmednagar, a course specially devised for the training of teachers for infant classes was followed. The examinations of the School were conducted by an independent board of examiners, half of whom were Government officials. The senior certificate granted by the institution, was regarded as equivalent to the First Year Training Certificate.¹³

SIND

(a) Separation from Bombay Presidency:

In accordance with the provisions of the Government of India Act, 1935, Sind became a separate and independent province from 1st April 1936.

7. *Report on the Financial Relations between Government and the Local Authorities.*

8. *Report on Stagnation and Wastage in Primary Schools.*

9. *Report on the Recommendations of the Joshi Committee.*

10. *D.P.I.'s Report, Bombay, 1940-41, p. 32.*

11. *D.P.I.'s Report, Bombay, 1932-33, p. 42.*

12. *D.P.I.'s Report, Bombay, 1935-36, p. 63.*

13. *D.P.I.'s Report, Bombay, 1937-38, p. 77.*

(b) Training of Teachers:

With a view to training teachers and imparting education in an attractive manner to young children, a Montessori class was started in August, 1938.¹⁴ But unfortunately the person in charge of this training class was not equal to his job. Much progress, therefore, could not be done in training teachers in Montessori method.

(c) Finance:

In 1937, full grants to Local Bodies were resorted and further grants were made to Mulla Schools.¹⁵

THE PUNJAB

(a) Expansion of Primary Education:

(i) Compulsory Primary Education was extended to 6 Urban and 89 rural areas, thus raising the total Urban areas under Compulsion to 60 and the rural areas to 3,013.¹⁶ To enforce compulsion special attendance officers were appointed in selected areas of 15 districts. These officers were able to stimulate interest in the "slumbering attendance committees."

(ii) 'Branch Schools' were introduced for the benefit of young children who were not able to walk long distances. But many of these schools were inefficient and they were, therefore, closed while the few efficient schools were raised to full primary Schools.¹⁷

(b) Training of Teachers:

In 1938 a committee consisting of six officials from the Education Department and four non-officials was appointed, to make suggestions regarding the reorganisation of normal Schools. The Committee made the following recommendations¹⁸:—

- (1) The senior vernacular course should be reduced from two years to one year and the junior vernacular course should be extended from one year to two years.
- (2) The course of study should be revised.
- (3) In order to attract men of ability, endowed with rural sympathies and conversant with rural problems, an allowance of ten per cent be given to the Headmaster and the members of the normal School staff.
- (4) Special grants to libraries and handicrafts be given for a period of three years.

14. *D.P.I.'s Report, Sind, 1939-40, p. 57.*

15. *D.P.I.'s Report, Sind, 1937-38, p. 39.*

16. *D.P.I.'s Report, Punjab, 1932-33, p. 41.*

17. *D.P.I.'s Report, Punjab, 1927-32, p. 60.*

18. *D.P.I.'s Report, Punjab, 1939-40, pp. 61-62.*

(5) Though the Vernacular Final is the minimum qualification for admission, men with higher academic qualifications should be given preference.

(ii) For the benefit of teachers, Refresher Courses¹⁹ were conducted at the Moga Training School, with the object of giving teachers a practical knowledge in the "Moga method" of teaching.

(c) Miscellaneous Events:

Supervisors, well qualified in physical training, were appointed²⁰ and this helped in producing teachers equipped with more scientific and modern knowledge in physical education. This influenced the remotest corner in the Punjab and new healthy spirit and joyous interest in physical activities was visible.

NORTH-WEST FRONTIER PROVINCE

(a) Expansion of Primary Education:

A proposal for the introduction of free and compulsory primary education, within the limits of Peshawar Municipality, was made, but it could not be carried out. However, the money sanctioned for compulsory primary education, was spent on opening schools on voluntary basis.²¹

(b) Training of Teachers:

On the 24th September 1939, the students of the Junior Vernacular Training Class went on strike²² and made the following demands:—

- (1) The period of training should be reduced from two years to one year.
- (2) Stipends should be raised from Rs. 10 to Rs. 15.
- (3) The syllabus should be curtailed.

The strike proved to be short-lived and was withdrawn the next day.

(c) Miscellaneous Events:

(i) In 1938, Pusto was introduced²³ in all Primary Schools, throughout the province. Such Schools as were composed of pupils whose mothertongue was other than Pusto, were given exemption.

(ii) A physical training supervisor was appointed²⁴ in 1936. A teacher from each Primary School was compelled to attend the Refresher

19. *D.P.I's Report*, Punjab, 1932-37, pp. 71-72.

20. *D.P.I's Report*, Punjab, 1927-32, p. 58.

21. *D.P.I's Report*, N.-W.F., 1940-41, p. 59.

22. *D.P.I's Report*, N.-W.F., 1937-42.

23. *D.P.I's Report*, N.-W.F., 1938-39, p. 61.

24. *D.P.I's Report*, N.-W.F., 1937-38, p. 54.

Course in physical education. This improved the tone of physical education in Schools.

(iii) At the time of the Middle School Scholarship examination, a meeting of teachers was held²⁵ every year, under the Chairmanship of the District Inspector. At such meetings defects common to all Schools and the remedies for their removal were discussed. Circulars issued by the department regarding primary education and rural uplift work were also explained to these teachers. In order to encourage village teachers to take more interest in education and village uplift work, a prize of Rs. 50 was awarded in each district to the teacher who proved to be competent.

UNITED PROVINCES

(a) Expansion of Schools:

(i) In 1934, Mr. R. S. Weir, Assistant Director of Public Instruction, was appointed²⁶ as a special duty officer, to examine the then existing provision for primary education and training of teachers, with a view to making specific proposals for improving them. His report called attention to the failure of District Boards to control distribution of Schools within their areas, the resulting inefficiency of small schools and the universal stagnation and wastage in Primary Schools, resulting in an expenditure amounting to at least 30 lakhs of rupees, per annum, without any increase in literacy. According to the report, ordinary three class schools were making no contribution to the advancement of literacy, when compared to the expenditure incurred on them. Between the infant class and the first standard the drop in the enrolment of boys was nearly two lakhs while between the first standard and the second, the drop in the enrolment was nearly sixty thousand. He recommended that 2,500 schools should be closed and the money thus saved should be spent on the remaining Schools. As a result of this recommendation, about 450 Schools were closed during 1934-35.

(ii) In June 1934, a Compulsory Primary Education Committee was appointed, to make recommendation regarding the introduction of compulsion in case of girls. The Committee made the following recommendations²⁷:—

- (1) Girls should not be required to walk long distances to attend Schools.
- (2) No girl should be compelled to attend a Co-education School.
- (3) The board should be free to employ both men and women teachers.

25. *D.P.I's Report*, N.-W.F., 1932-37, p. 95.

26. *D.P.I's Report*, U.P., 1934-35, p. 25.

27. *D.P.I's Report*, U.P., 1934-35, p. 39.

- (4) Full provision should be made for Hindi and Urdu in compulsory areas.
- (5) In each district or municipality, in which compulsion is introduced, provision should be made, and taken into account, for the purposes of grants from provincial revenue, for a lady superintendent, who will be responsible for the compulsory education of girls throughout the district or the municipality.
- (6) Spacious, sanitary, well ventilated buildings are essential and should be erected.

(b) Basic Education:

In 1939, Basic Education was introduced.²⁸ In order to train teachers in Basic Education short-term courses were started at the headquarters of seven circles. "The Government Basic Training College, Allahabad, was the fountain-head of all training in principles of Basic Education".²⁹

(c) Miscellaneous Events:

(1) With the aid of the Public Health Department, medical inspection was carried out.³⁰ As a result of this inspection, it was found that the standard of cleanliness was very poor in Primary Schools. In Lucknow and Fyzabad, therefore, a time was set apart for a cleanliness parade, when boys were inspected and were made to wash dirty clothes and mend torn ones.

(2) The District Board of Jhampur started a Kindergarten School, but for want of a proper teacher it proved a failure. A very efficient kindergarten class was run at the Lal Bagh Girls School, Lucknow. At the Theosophical National School, Benares, good work was done on Montessori lines.³¹

CENTRAL PROVINCES AND BERAR

(a) Expansion of Primary Education:

(i) In 1931, compulsory primary education was introduced in eighty villages and four District Councils and three municipalities.³²

(ii) The Female Education Committee, appointed to make recommendations regarding the education of girls, made the following recommendations³³:—

28. *D.P.I.'s Report*, U.P., 1940-41, p. 40.

29. *Ibid.*

30. *D.P.I.'s Report*, U.P., 1927-32, p. 66.

31. *D.P.I.'s Report*, U.P., 1927-32, p. 67.

32. *D.P.I.'s Report*, C.P., 1927-32, p. 55.

33. *D.P.I.'s Report*, C.P., 1927-32, p. 85.

- (1) A non-official committee consisting of men and women interested in female education should be constituted to carry on propaganda and to stimulate public interest in female education.
- (2) As soon as there are twenty girls in a boys' school, a separate school should be started, if such a desire is expressed by the parents.
- (3) Co-education should be fostered upto the Primary stage.
- (4) The curriculum should be the same as that of boys.
- (5) Vernacular schools should be started by Local Bodies and private societies and they should be aided by Government.

(b) Curriculum:

(i) In 1933, an experimental curriculum was introduced³⁴ in thirty schools. It is reported that it aroused great interest among the villagers and put new life into the lifeless atmosphere.

(ii) The syllabus of normal schools was revised³⁵ in 1937, at a conference of Superintendents of normal schools. The revised syllabus includes both practical and theoretical courses in rural reconstruction. This syllabus aims at (a) providing the necessary theoretical background in rural conditions to teachers, and (b) developing in them an intelligent and active interest in rural reconstruction so that the village school and the master shall be potent factors in village uplift.

(c) The Vidya Mandir Scheme:

In 1939, the Vidya Mandir Scheme was inaugurated. To prepare teachers for the Vidya Mandir, three batches of teachers were deputed for training to the Vidya Mandir Training School.³⁶

(d) Miscellaneous Events:

(i) In 1939, a new physical training syllabus was introduced practically in all schools. Tournaments were held in all districts and these tournaments proved very popular.³⁷

(ii) The proportion of transfers among teachers was very high in the whole of the province. To quote one as an instance, in 1932 the percentage of transfers in Wardha and Buldhana was 103% and 72% respectively.³⁸

34. *D.P.I.'s Report*, C.P., 1933-34, p. 35.

35. *D.P.I.'s Report*, C.P., 1937-38.

36. *D.P.I.'s Report*, C.P., 1939-40.

37. *D.P.I.'s Report*, C.P., 1937-38.

38. *D.P.I.'s Report*, C.P., 1932-33, p. 35.

BENGAL

(a) Expansion of Primary Education:

(1) *Biss Scheme*.—For the expansion of primary education in Bengal, a Scheme known as the Biss Scheme,³⁹ named after the author Mr. Evan E. Biss, was tried. According to the Scheme, it was proposed to establish at least one public or private school, in each population centre within a radius of one mile and a half. Half the cost was borne by the Government and the other half by the Local Body entrusted with the working of the scheme. In 1932, pending the introduction of Bengal Rural Primary Education Act, the expansion under the scheme, was suspended.

(2) Compulsory primary education was introduced for girls in Chittagong municipality in 1938,⁴⁰ where primary education for boys was already compulsory.

(b) Curriculum:

On 1st January 1941, a revised curriculum for Primary Schools came into force throughout the province.⁴¹

(c) Finance:

To solve financial difficulties inherent in the Primary Scheme, it was decided at a cabinet meeting to sanction additional grant upto 35 lakhs of rupees, according to the following scheme.⁴²

Year		Additional Grant (Lakhs of Rupees)
1941-42	...	15
1942-43	...	20
1943-44	...	25
1944-45	...	30
1945-46	...	35

(d) Problems of Primary Education in Bengal:

In 1938, the Government of Bengal appointed a committee to consider the problems of Primary Education in Bengal. The Committee made the following recommendations⁴³:—

- (1) All teachers to be newly appointed should be trained matriculates.
- (2) Primary School teaching should be made a profession, with prospects of promotion to Inspectorships as well as Head-masterships.

39. *D.P.I's Report*, Bengal, 1932-33, p. 18.

40. *D.P.I's Report*, Bengal, 1938-39, p. 22.

41. *D.P.I's Report*, Bengal, 1940-41, p. 9.

42. *D.P.I's Report*, Bengal, p. 9.

43. *D.P.I's Report*, Bengal, 1938-39, p. 8.

- (3) An Additional supply of six hundred trained teachers per year will be required and arrangements should be made immediately for this provision. The training of teachers should relate to village life and welfare.
- (4) The Government should raise a loan of one crore of rupees to finance the building of primary schools.
- (5) Only in certain districts, the educational cess has been imposed. It is desirable to impose the cess throughout the whole province. The cess should be collected and paid into the provincial revenues and from the provincial revenues grants should be paid to District School Boards, calculating in terms of normal requirements and the cess-yield.
- (6) Wherever possible, trained lady teachers should be appointed.
- (7) The present number of inspectors is insufficient to cope with the existing large number of Primary Schools. Trained teachers should be recruited and should be given special training in rural development, agricultural farm work and office work. They should be given a substantial allowance.

(e) Miscellaneous Events:

(i) In 1931, a double shift system of attendance of pupils, on the lines of the Biss Scheme, was introduced as an experimental measure for a period of five years.⁴⁴

(ii) In 1939, a refresher course was held for six weeks for the benefit of women teachers.⁴⁵

ASSAM

(a) Training of Teachers:

As a measure of economy, the training classes for men and women at Silchar, Jorhat, Nowgong and Jaisaw were suspended, in 1931.⁴⁶

(b) Education of Girls:

There was a great consciousness⁴⁷ for the need of primary education among girls and this can be seen from the following resolutions passed at the conference of village school mistresses.

- (1) Necessary arrangement should be made for the training of women teachers.
- (2) Greater provision should be made for starting more girls' middle schools, at each centre of each sub-division.

44. *D.P.I's Report*, Bengal, 1932-33, p. 19.

45. *D.P.I's Report*, Bengal, 1939-40, p. 23.

46. *D.P.I's Report*, Assam, 1932-33, p. 21.

47. *D.P.I's Report*, Assam, 1932-37, p. 53.

- (3) Reading rooms and libraries should be started to give more facilities to women teachers.
- (4) In giving grant to Primary Schools preference should be given to girls' schools.

(c) Miscellaneous Events:

In order to liquidate illiteracy a mass literacy movement was started on the 11th September 1940.⁴⁸

BIHAR

(a) Recognition of Schools:

For the recognition of Primary Schools, a new system was introduced.⁴⁹ This step was necessary, as many schools did not increase the number of teachers, with the corresponding increase in the number of pupils. According to the new scheme three kinds of certificates—A, B and C—were granted to schools according to the conditions satisfied by them.

'A' Certificate is granted, if the following conditions are satisfied:

- (1) There must be at least one teacher for every two classes.
- (2) There must be sufficient space for every pupil and proper separation of classes. All space need not be under a roof; but if open space is used, it must be dry, except during the rainy season.
- (3) There must be a black-board for each class, and text-books for the use of teachers. For every pupil in Class III and each higher class there must be a desk or some such writing surface.

'B' Certificate is awarded to such schools which satisfy the above conditions excepting those regarding space and equipment, but they must assure that these conditions will be satisfied within a specified time.

'C' Certificate is granted to the existing schools which do not satisfy the above conditions but have received recognition before the new rules came into force.

The idea in making this classification was to stimulate local effort to improve schools classed under heads B & C. This system also enabled Local Bodies to judge which schools deserved support and which did not.

48. *D.P.I's Report, Assam, 1940-41, p. 16.*

49. *D.P.I's Report, Bihar & Orissa, 1932-37, p. 72.*

(b) Inspection of Schools:

The Sub-Inspectors of Schools were instructed to concentrate on Schools which had two teachers.⁵⁰ The headmasters were also instructed to have cards in each school showing the hours of school Session, weekly holidays and half-holiday. The object of this provision was to prevent teachers from putting forth an excuse that the school had a holiday at the time of the unexpected visit of the inspector.

A careful register of schools in his circle was made by each sub-inspector.

To make better provision of sub-inspectors for primary schools, a special diploma course was provided⁵¹ for such candidates as sought employment as sub-inspectors of schools. The aim of this course was to get men technically better qualified for the work they had to undertake and they were given preference while making appointments over teachers in Secondary Schools.

(c) Curriculum:

A new syllabus was introduced in January 1935.⁵² It was introduced in classes I & II of the lower primary school and class IV of the upper primary school in 1935. According to the new curriculum, a capital change was made in introducing infant class in the lower primary schools. Thus, now, the lower primary course extends over four years and the higher primary to six years instead of three and five years respectively.

(d) Basic Education:

A Basic Education Board under the chairmanship of the Minister of Education was constituted and Basic Course was introduced in 25 Schools in Brindaban on 13th April 1939.⁵³

(e) Miscellaneous Events:

In March 1938, a Mass Literacy Movement was inaugurated.⁵⁴

ORISSA

(a) Separation from Bihar:

In accordance with the provision of the Government of India Act, 1935, Orissa was separated from Bihar from 1st April 1935.

50. *D.P.I's Report, Bihar and Orissa, 1932-37, p. 75.*

51. *D.P.I's Report, Bihar and Orissa, 1932-37, p. 69.*

52. *D.P.I's Report, Bihar and Orissa, 1935-36, p. 21.*

53. *D.P.I's Report, Bihar, 1933-39, p. 52.*

54. *D.P.I's Report, Bihar, 1938-39, p. 40.*

(b) Diversity in System, Aim and Control:

Orissa consists of two parts—North and South. North Orissa comprises areas transferred from C.P. and Berar while South Orissa consists of areas transferred from Madras Presidency. There is a great diversity in the system of Primary Education in these two parts.⁵⁵ In the North it is called "Primary Education" while in the South the system is called "Elementary Instruction". The difference in nomenclature is due to the difference in aim. In the South the system aims at efficient instruction in elements of knowledge while in the North the syllabus aims at the development of the primary and fundamental powers of the child. There is a great diversity in the South and North Orissa as regards the system of control and the amount of money spent on education, thus affecting the salary of teachers. The unification of the two systems prevailing in North and South is a complicated matter and will require some time as it necessitates consideration in all its aspects. In the North the same system of recognition was in vogue as in Bihar.

(c) Basic Education:

Sixteen Basic Schools—including one Basic Training School—were started in 1939, in Bari, as an experimental measure⁵⁶ but were closed the next year.⁵⁷

MADRAS**(a) Expansion of Schools:**

During the whole decade there was a tendency towards decreasing the number of schools due to the policy of consolidation and concentration.

(b) Madras Primary Education Act:

In February 1939, Madras Primary Education Act was amended.⁵⁸ The District Education Councils brought into existence by the Madras Primary Education Act of 1920 did not work satisfactorily. They were, therefore, abolished and were replaced by Advisory Committees with the Deputy Inspectors as secretaries. These Committees are purely advisory in character.

(c) Syllabus:

In 1939, the primary syllabus was revised and with a view to instructing teachers in the scope of the new syllabus, refresher courses were held.

55. *D.P.I.'s Report*, Orissa, 1936-37, pp. 20-21.

56. *D.P.I.'s Report*, Orissa, 1940-41, p. 39.

57. *D.P.I.'s Report*, Orissa, 1939-40, p. 31.

58. *D.P.I.'s Report*, Madras, 1939-40, p. 23.

(d) Miscellaneous Events:

In 1933, rules regarding religious instruction were relaxed and orders were issued directing provision of religious instruction in schools specially meant for Muslim pupils.⁵⁹

CHAPTER IV**ADMINISTRATION AND CONTROL OF PRIMARY EDUCATION****Introduction**

The Government of India Act of 1919 introduced Diarchy in the administration of Provinces and under this system Indians obtained a control over the Education Department for the first time. At the same time there was a considerable enthusiasm among the masses for the spread of primary education. The Indian Ministers took advantage of this and during the ten years that followed, Primary Education Acts came to be passed in different provinces; the only exception being the N.-W.F. Province where the Primary Education Act was passed as late as 1939. The following table gives the years of passing of these Acts:—

TABLE NO. I

<i>Province</i>	<i>Year</i>
Bombay	1923
"	1938 (Amended Act)
"	1920 (City of Bombay Act)
The Punjab	1919
N.-W.F.	1939
U.P.	1919
C.P.	1920
Bengal	1919
"	1930 Bengai (Rural) P. E. Act.
Assam	1926
Bihar and Orissa	1919
Madras	1920

A careful study of these Acts is essential for a comparative study of Primary Education that we have undertaken and in the following pages we shall turn our attention to this study.

Bombay Primary Education Act,¹ 1923

* The main provisions of this Act were as follows:—

(1) The Act was extended to the whole of Bombay Presidency except the City of Bombay.

59. *D.P.I.'s Report*, Madras, 1933-34, pp. 16-17.

1. Bombay Act No. IV of 1923.

(2) For each Local Authority, there was to be a School Board to manage primary education. It was to consist of 7 to 9 elected members in the case of a Local Authority, which was a municipality and 9 to 16 members in case of a Local Authority which was a District Local Board. The School Board was to include persons experienced in education, women and representatives from the backward and depressed classes. There were to be three nominated members if a Local Authority was a municipality and 4 nominated members if it was a District Local Board. The term of office of the School Boards was to be co-extensive with that of the Local Authority.

(3) The School Boards were to function for the Local Authorities in respect of Primary education. They were to submit their budgets for sanction to the Local Authorities.

(4) The School Board was to appoint an Administrative Officer who was to be the Chief Executive Officer of the School Board.

(5) A Local Authority by a resolution might declare its intention to provide compulsory primary education for children of either sex or both sexes between the ages of six and eleven in the whole or any part of the area under its jurisdiction and was to submit its proposals to the Government in the form of a scheme. The Government might also direct a Local Authority to prepare such a scheme to provide compulsory primary education in a prescribed area. Every Local Authority was also to prepare as complete a programme as far as possible for the universal introduction of compulsory primary education within the areas under its jurisdiction within a prescribed period.

(6) The Government might sanction the schemes—modified if necessary, after an inquiry.

(7) If the schemes were sanctioned, the Government was to bear half the additional recurring and non-recurring annual expenditure of the scheme if the Local Authority was a municipality and two-thirds of the cost, if the Local Authority was a District Local Board.

(8) After the scheme was sanctioned the Local Authority was to make proper provision for compulsory primary education, and such education would be free.

(9) Exemption from attending the school might be granted to a child, who had a reasonable excuse.

(10) In the case of children who failed to attend the schools, notices would be served on their parents by the School Board. In the case of a child who still did not attend the school, the parents were liable to a fine not exceeding two rupees and if the absence continues they would be liable to a fine of eight annas every day.

(11) Any person who employed a child within the compulsory area between the age 6 and 11 would be liable to a fine not exceeding twenty-five rupees.

(12) If a Local Authority refused to prepare a scheme or to make adequate provision for compulsory primary education in accordance with the sanctioned scheme, the Government after making proper inquiry was to appoint a person to prepare a scheme and to bring it into operation and the expenses involved were to be paid by the Local Authority to Government.

Bombay Primary Education (Amended) Act, 1938²

The Bombay Primary Education Act of 1923 was amended in 1938, and is now called the Bombay Primary Education (Amendment) Act, 1938.

The main provisions introduced by the amended Act were as follows:—

(1) The Act created a Provincial Board of Primary Education consisting of 12 members of whom six would be elected by the School Boards, three nominated Government Officers and three nominated members. This Board, which was to be an Advisory Board was (a) to examine and recommend schemes for organisation, co-ordination and expansion of Primary Education, and (b) was to advise the Provincial Government on all matters connected with primary education.

(2) The School Boards were to consist of 12 to 16 members elected by the Local Authority. These members need not necessarily be members of the Local Authority. Out of them two members were to be experienced in education, one woman, and three representatives of the backward and depressed classes. The remaining members were to have some requisite educational qualification such as the Vernacular School Final Certificate or passing of the Anglo-vernacular third standard.

(3) The School Board was not to be subjected to the general control of the Local Authority.

(4) A Primary Education fund was to be maintained by each Local Authority.

(5) The Administrative Officer was to be appointed by, and would be a servant of, the Provincial Government.

(6) The Provincial Government might appoint (a) such Officers as might in their opinion be necessary to inspect the approved schools, and (b) such number of accountants as might be necessary. They were to be the servants of the Provincial Government.

2. Bombay Act No. XII of 1938.

(7) The inspecting officer of the Education Department had the right of being present at any meeting of the School Board and with the consent of the Chairman of taking part in the discussion, but he was not entitled to vote or move any resolution at the meeting.

(8) The Director or the Educational Inspector had a right to supervise schools and call for from Local Authorities or School Boards any return, statement, accounts related to matters connecting primary education and to ask the Local Authority to consider any objections which appear to exist. The Director had a power of suspending execution of orders of the School Boards which were in excess of the powers conferred on them.

(9) When the Provincial Government was informed that a School Board had made default in performing any duty, after full enquiry it was to direct the School Board, in writing, to do it within a fixed period, and if this was not performed within the period, the Provincial Government might appoint some person to do it and debit the expenses to the School Boards.

(10) The Provincial Government might make inquiry into the affairs of the School Board regarding matters connected with primary education.

(11) If in the opinion of the Provincial Government, a School Board was not competent to perform its duties, the Government was to dissolve or supersede the School Board.

City of Bombay Primary Education Act, 1920³

The provisions made under this Act, were almost the same as those made under the Bombay Primary Education Act of 1923, with the following changes:—

(1) The School Committee was to consist of 16 members. Twelve of them were to be municipal councillors and out of the remaining four, two were to be women and two other persons who were residents of the City of Bombay.

(2) In order to introduce compulsion in the City of Bombay the Corporation was to satisfy the Governor-in-Council of the adequacy of of provision in the municipal and other schools, for free and compulsory primary education for boys and girls between the age of six and eleven.

The Punjab Primary Education Act⁴

The main provisions made by the Punjab Primary Education Act of 1919 may be briefly stated as under:—

3. Bombay Act No. XV of 1920.

4. The Punjab Act No. VII of 1919.

(1) Every Local Authority was to prepare a statement containing the school accommodation, equipment and education of the staff that would be necessary for the introduction of compulsory education in its area. It was also to contain a statement showing the amount of expenditure that would be necessary for the introduction of compulsory education, and the portion of it which the Local Authority was willing to bear.

(2) After the proposals made by the Local Authority were sanctioned, compulsion would be enforced for boys only between 6 and 11 years of age. But this limit could be changed to 7 to 12 years of age by the previous sanction of the Government.

(3) The Government might exempt a particular community from the operation of the Act.

(4) To enforce attendance there was to be an attendance committee and it was to act on behalf of the Local Authority.

(5) No fees were to be charged by the Local Authority. In the case of schools under private management, the Local Authority was to pay, from their funds, an amount equal to the fees of boys attending private schools, to their managers.

(6) In order to meet the additional expenditure the Local Authority was to levy a tax in its own area. But the Government might by a previous notice ask the Local Authority to reduce or cancel such a tax.

United Provinces Primary Education Act⁵

United Provinces Primary Education Act of 1919 may be summarised as follows:—

(1) The Act was applicable to all municipalities, in which compulsory primary education was to be introduced in the case of boys between 6 and 11 years of age. This might be extended later on to girls, on making an application by the municipal board to Government.

(2) No fees were to be charged where primary education was compulsory.

(3) In order to enforce the provisions made under the Act, the municipal boards were to appoint school committees. The committees were to look to the attendance of children and were to see that no children of the school-going age were employed elsewhere.

(4) The Municipal Boards were to levy a tax to meet the additional expenditure and the amount realised from such a cess was to be entirely spent on primary education only.

5. U.P. Act No. VII of 1919.

(5) The Government might exempt any community from the operation of the Act.

(6) The Government was to make rules, prescribing the range of instruction in primary schools, determining generally what should be considered to be adequate provision for compulsory primary education free of charge and defining the conditions on which the Government would bear a share of the cost of providing primary education.

The United Provinces Primary Education Act of 1919, made provision for compulsory education in urban areas only. In order to meet the requirements of rural areas the *United Provinces District Board Primary Education Act*⁶ was passed in 1936. The main provisions made by the Act were as follows:—

(1) The Act was made applicable to all areas under the jurisdiction of the District Boards.

(2) A Board, by a vote of not less than one-half of the total members that constituted the Board should pass a resolution for the introduction of compulsory education. This resolution would be sent to the Government for sanction. The Government then would sanction such a resolution, only when it was satisfied that the board was capable of making adequate provision of recognised schools for the introduction of free compulsory primary education.

(3) Primary education was to be made compulsory, in the case of boys only, but the Government might exempt any particular community from the enforcement of the Act.

(4) The District Boards were to appoint school committees to enforce the provisions of the Act regarding attendance and the employment of children. Parents who would not send their children to school were liable to a fine upto five rupees, unless they had some reasonable excuse. Persons who employed children of the school-going age were liable to a fine upto twenty-five rupees.

(5) The fines collected were to be credited to the Board's fund.

(6) Primary education was to be free, where it was compulsory.

(7) The Government might make rules for carrying out the purposes of the Act.

(8) The Boards might distribute slates, text-books, etc. free of charge among the pupils of poor parents.

The Central Provinces Primary Education Act.⁷

The Central Provinces Primary Education Act of 1920 made the following provisions:—

6. U.P. Act No. I of 1926.

7. The Central Provinces Act No. III of 1920.

(1) The Act extended to the whole province.

(2) A Local Authority after getting sanction from the Government was to introduce compulsory primary education, in the first instance for boys, and later on for girls, and the age of compulsion might vary between 6 and 14.

(3) A Local Authority was to prepare a register of the pupils of the school-going age and was to revise it from time to time. Such a register was to be open to the public for inspection.

(4) A Local Authority was to be the educational authority in the area but in order to carry out the provisions of the Act, the Government was to make rules regarding (a) day, hours and time of attendance in the primary schools, (b) conditions regarding school equipment, staff and accommodation and the financial provision, and (c) Constitution regarding school attendance authority.

The Act did not make provision for the levy of an educational cess, as such a provision already existed in the Central Provinces before the passing of the Act of 1920.

The Bengal Primary Education Act, 1919⁸

The main provisions made under the Act were as follows:—

(1) The Act was to extend to municipalities only.

(2) Within one year of the commencement of the Act, each municipality was to make a survey regarding its educational needs and was to submit to the Government its report on the following points:—

(a) The number of children between six and ten years of age;

(b) The number of existing schools, the staff and pupils;

(c) Accommodation, equipment and the staff necessary for making elementary education compulsory;

(d) The present expenditure and the expenditure that would be made if primary education was made compulsory;

(e) Income from the cess that might be levied in future; and

(f) Grant required from Government in area.

(3) Compulsory primary education was to be introduced for boys only.

(4) The municipal commissioners were to appoint a school committee and were to make rules regarding the number of members of the committee, their duty and the steps that might be taken to secure attendance.

8. Bengal Act No. IV of 1919.

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