

Government of Madras.

Financial (1881) Department.

Mis
ORDINARY PRINTED.

G.O., No. 2040

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DATED 21-X-1881

[Despatch Abstract.]

Decentralization :— Communicating to the Board of Rev, the Acct. Genl & the Examr of P.W. Accts letter from the L.G.D. on the subject of the further extension of Local Self-Govt.

BA

PERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Order
NUMBER OF COPIES.
Letter

GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

21st October 1881 No. 2040.

Decentralisation.

Read the following paper:—

From S. JACOB, Esq., Officiating Under Secretary to the Government of India, Department of Finance and Commerce (Accounts and Finance), to the Chief Secretary to Government, dated Simla, 10th October 1881, No. 3515 [Current No. 2881].

I am directed to submit, for the consideration of His Excellency the Governor in Council, the following remarks, in continuation of paragraph 11 of the Resolution of the Government of India in this Department No. 3353, dated the 30th ultimo, on the subject of the further extension of Local Self Government.

2. The Provincial expenditure, which, at the present time, be transferred with greatest advantage to local control, appears in the accounts under the heads of Medical, Education, and Public Works, but the Government of India is anxious that no artificial restriction should be imposed on the transfers; and if, in the opinion of His Excellency in Council, there should be no items of expenditure under Minor Departments, Miscellaneous, or any other head, the accounts which can, without loss of efficiency, be transferred to Local Bodies, the Governor-General in Council will be glad to consider favorably any recommendation to that effect which His Excellency may wish to make.

3. His Excellency in Council specially considers that the case of each minor head of Provincial expenditure under Education or Medical Services should be separately considered, and that the reasons for or against transferring it to local management under Minor Departments and Miscellaneous should be distinctly stated. The various heads of expenditure under Minor Departments and Miscellaneous need not be considered in detail; but the Governor-General in Council will be glad to be favored with an expression of the views of His Excellency the Governor in Council as regards any items under these heads which it might *prima facie* seem practicable to transfer to local management and control, even though it may not be deemed expedient to make the transfer at present. All expenditure now charged as Local, but not locally administered, should also be considered in detail, and the reasons stated which render it inexpedient, if the case is so, to transfer it to local control. It should also be considered whether any, and if so, further expenditure on Sanitation, Drainage, Water-supply, and Public Works, now be made Local.

4. His Excellency in Council observes that at present the total annual amount spent on Police by Municipalities in British India amounts to about 27½ lakhs of rupees. The only function which the Municipalities discharge in regard to Police is the provision of funds for the purpose of meeting the whole or a portion of the cost of the Municipal Police Force. They practically exercise no control over the Police, and cannot, therefore, be expected to take any special interest in the efficiency of the force, or to look with sympathy on a provision of the law which treats them as a machinery for raising taxes to be spent on a department over which they have no control, and in the efficient and economical expenditure of which they have but little direct interest and no immediate responsibility. The Governor-General in Council would, therefore, be glad to see Municipal Bodies relieved altogether of the charge for Police, an equal amount of expenditure on Education, Medical Sanitary, and, if possible, Public Works of local interest, being transferred to them with full control as may be practically expedient over the details of such expenditure.

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5. It is not the intention of the Government of India that the proposed transfer of the control of expenditure of a specially local character to Local Bodies should involve any addition to existing local burdens, and it will, therefore, be necessary to arrange for the simultaneous transfer of receipts sufficient to meet any net balance of additional expenditure which, in any instance, may arise. The nature of the receipts to be transferred requires careful consideration. They should, where possible, be of such a character as to afford a reasonable prospect that by careful administration, with all the advantages due to local sympathy, experience, and watchfulness, they will so increase as to afford the means of meeting any additional expenditure which may be rendered necessary by the growing wants of each locality. In cases where a larger augmentation may be needed than is yielded by receipts of a specially local character, it may perhaps be found possible to assign to Local Bodies the receipts from Pounds, or a share of Assessed Taxes collected within the area of their jurisdiction. All receipts connected with any head of expenditure transferred to local control would, of course, be also transferred at the same time. For instance, all fees paid in schools under local control would be treated as local receipts. The Governor-General in Council is anxious, however, in this matter, as in all other questions connected with the proposed system of Local Self-Government, which must, to a great extent, be decided on considerations of local expediency, to meet, as far as may be possible, the wishes of the local authorities.

6. The practicability of the transfer of items of Provincial expenditure to local management and control cannot be properly considered apart from the question of the Local Bodies to whom such transfer should be made.

The existing Local Bodies of greatest importance are the Municipalities and District Committees, and the Governor-General in Council will be glad if, in any proposals which His Excellency the Governor in Council makes, advantage be taken, as far as possible, of the existence of these bodies, their powers being, where necessary, extended by means of legislation.

7. In the case of Municipalities all Provinces in British India are now provided with legislative enactments sufficient for their constitution and working. But these enactments are in some of a much more elementary and incomplete character than in others, and it may be advantageous while providing for any changes necessarily entailed by the transfers of receipts and charges now contemplated, for each Province to review all contemporary Indian legislation on the subject, and consider what improvements of a general nature are desirable.

8. With reference to District Committees, I am desired to state that His Excellency in Council is disposed *prima facie* to consider the most desirable and effective policy to be that of concentrating all local administration, other than that embraced by Municipalities, in the hands of one committee for each district, having ancillary subordinate Sub-Committees for each taluk or subdivision (as the case may be). Of the former the Magistrate and Collector would be President, of the latter the Assistant or Deputy in charge of the subdivision would be Chairman, and in each case the Local Body should comprise persons not in the service of Government, and elected or nominated as may seem best, in a proportion not less than from one-half to two-thirds. In districts where more than one Committee now exists for different objects, the possibility of their amalgamation should be considered; where no such Committees have yet been formed, their constitution is evidently desirable.

9. In view of one or other of the purposes which have been alluded to in the preceding paragraphs, it appears probable that in most provinces, though perhaps not in all, legislation will be necessary; and I am therefore to request that, should this be so in the case of Madras, the general outline of the nature of the legislation by which it is proposed to effect the necessary changes may be stated in your reply. Special attention will be required in settling the relations between the various Local Bodies and the officers of the general administration, and in providing for a certain measure of control and inspection on the part of the Government. It would be hopeless to expect any real development of Self-Government, if Local Bodies were subject to check and interference in matters of detail; and the respective powers of Government

and of the various Local Bodies should be clearly and distinctly defined by Statute, so that there may be as little risk of friction and misunderstanding as possible. Within the limits to be laid down in each case, however, the Governor-General in Council is anxious that the fullest possible liberty of action should be given to Local Bodies.

10. The preceding remarks are more or less of general application. In the case of Madras in particular, the distinctive features would appear to be as follows:—

- (a) That the Mofussil Municipal Organisation appears to be fairly complete, and that the charge on Municipalities for Police, though it amounted to less than one lakh of rupees in 1879-80, may be greatly increased at the discretion of the Government of Madras. That the Municipal expenditure on Education, Sanitary and Charitable Establishments during the same year amounted only three lakhs of rupees.
- (b) That Local Fund Boards already exist for the administration of all funds comprised under the Madras Local Fund Act of 1871.
- (c) That a considerable portion of the expenditure on Education is already met from Local Funds, and is locally administered, but that this amount appears to be capable of considerable augmentation, and that the same remarks apply to Medical expenditure. In particular, there appears to be no reason why a large proportion of the total Provincial expenditure on Hospitals and Dispensaries should not now be de-provincialised.
- (d) That the estimate of Provincial and Local expenditure on Public Works is Rs. 15,34,000, and Rs. 38,76,000 and that the bulk of the latter, but no portion of the former, is in charge of District Committees.

11. His Excellency the Governor of Madras will no doubt take into consideration the question of entrusting a still larger portion of the expenditure on Education, Medical Services, &c., to the management of Local Fund Boards, subject to such Provincial supervision as may be deemed necessary, and the Governor-General in Council would be glad if Municipalities could be relieved altogether of the cost of Municipal Police, some more appropriate Educational, Sanitary, or other burden being substituted.

12. In conclusion, I am to add that the Government of India is confident that His Excellency the Governor of Madras fully appreciates the importance of the extension of Local Self-Government; that the proposals now put forward will receive the most careful consideration from the Government of Madras; and that no efforts will be spared to ensure the success of a scheme which will relieve the Provincial authorities from some portion of the ever-growing details of the work of administration, will tend to reconcile the public to the burden of local taxation, and will lead to the more extended employment of the Natives of India in the administration of public affairs, while conferring on them higher powers of control over all expenditure on objects of local importance.

The discussion and settlement of the details of the measures to which this communication refers will impose a considerable burden on the Local Government and its officers; but the Governor-General in Council is so deeply impressed with the importance of allowing no delay that can properly be avoided to occur in their introduction, that he trusts His Excellency the Governor of Madras will find himself in a position to favor the Government of India with an expression of his opinion on the whole question in sufficient time to permit of necessary arrangements being made before the close of the current financial year.

ORDER THEREON, 21st Oct 1881, No. 2040.

Communicated to the Board of Revenue, the Accountant-General, and the Examiner, Public Works Accounts, in confirmation of the previous Resolution (G.O., No. 1975, dated 12th October 1881).

2. The Chief Engineer, Public Works Department, the Director of Public Instruction, and the Surgeon-General with the Government of Madras, to whom copies of the previous Resolution will be communicated, will also submit their remarks on points relating to their several departments.

(see Extract.)

R. DAVIDSON,
Chief Secretary.

To the Board of Revenue.

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|--|-------------------------------------|
| " Accountant-General. | } with copy of previous Resolution. |
| " Examiner of Public Works Account. | |
| " Chief Engineer, Public Works Department. | |
| " Director of Public Instruction. | |
| " Surgeon-General with the Government of Madras, | |

Exd. F. R. Bantleman.

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TAMIL NADU ARCHIVES
GOVERNMENT OF TAMIL NADU
Fiscal DEPARTMENT

G.O. No.	2040	Press.
B.P. No.		Mis.
Dated	21. 10. 1881	197.

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Gobt. of (1881) Madras.
FINANCIAL.

Issued

Recd.

Encl.

G.O., 21st October 1881, No. 2040.

OCTOBER.

Decentralisation.

Communicating letter from Government of India submitting remarks on the subject of the further extension of Local Self-Government.

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No. 3515.

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GOVERNMENT OF INDIA.
DEPARTMENT OF FINANCE AND COMMERCE.
ACCOUNTS AND FINANCE.

2040
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To THE SECRETARY TO THE GOVERNMENT OF MADRAS,
FINANCIAL DEPARTMENT.

Simla, the 10th October 1881.

SIR,

I AM directed to submit, for the consideration of His Excellency the Governor in Council, the following remarks, in continuation of paragraph 11 of the Resolution of the Government of India in this Department, No. 3353, dated the 30th ultimo, on the subject of the further extension of Local Self-Government.

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3. His Excellency in Council specially desires that the case of each minor head of Provincial expenditure under Education or Medical Services should be separately considered, and that the reasons for or against transferring it to local management should be distinctly stated. The various heads under Minor Departments and Miscellaneous need not be considered in detail; but the Governor General in Council will be glad to be favoured with an expression of the views of His Excellency the Governor in Council as regards any items under these heads which it might *prima facie* seem practicable to transfer to local management and control, even though it may not be deemed expedient to make the transfer at present. All expenditure now charged as Local, but not locally administered, should also be considered in detail, and the reasons stated which render it inexpedient, if the case be so, to transfer it to local control. It should also be considered whether any, and what, further expenditure on sanitation, drainage, water-supply and Public Works might now be made Local.

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I have the honour to be,

SIR,

Your most obedient Servant,

Offg. Under-Secy. to the Govt. of India.

Manual (1881/82)
(Provincial Expenditure)

23 OCT 81

From the Govt. of India
Dept. of Fin. & Com.
3515

2/10

7/18 Oct 81

CURRENT No. 2887

No. 3515.

GOVERNMENT OF INDIA.

DEPARTMENT OF FINANCE AND COMMERCE.

ACCOUNTS AND FINANCE.

To
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SIR,

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Stephen Jacob

Offg. Under-Secy. to the Govt. of India.

On the Subject of the
Further Extensions of Local
Self-govt.

submit their remarks
on points relating to
their several departments.

[Signature]
R. M. S.

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To
The B. of Rev. 13

1. Acct. Genl.

1. By Amm. P. W. Accts. 6

1. Ch. Engineer P. W. D.

1. Dir. of Pub. Instr. 6

1. Surg. Genl. with the
Govt. of Madras 6

Despd 24/10/91

with copy of
previous Res.

Despd

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[Signature]
20/10/91

Lf 0-70

Recd. of {188 } M

To

Dated

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Recd.

Nos.

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Recd 24/10

18-12-93

Very Urgent
Govt. of 1188/1 Madras.

Full Origl

DISPOSED OF

21 OCT 91

BY G.O. No. 2040



Decentralisation. Long:
Letter from G.S. submitting
remarks on the subject of
the further extension of
Local Self-Government.