GOVERNMENT OF MADRAS.

FINANCIAL DEPARTMENT.

Read—the following paper :—

Proceedings of the Government of India, Department of Finance and Commerce, Accounts and Finance—Rules and General Matters—dated Simla, 30th June 1882, No. 2078.

Read—again—

Proceedings in this Department (Accounts and Finance) of July 1881, Nos. 1106 to 1109.

Read—also—

Despatch from the Secretary of State, No. 48, dated the 9th February 1882, and the following extract from Resolution in the Home Department, No. 17—747-759 (Public), dated the 18th May 1882 :—

Para. 22.—Another point deserving of notice is the control that should be exercised over the execution of local works. It will not always be possible for a Local Board to entertain a competent Engineer of its own ; and in any case when Government buildings and important works of other kinds are made over for maintenance, there must be some effective guarantee for thoroughness of execution. It will probably be most convenient that, while all subordinate establishments are entirely under the control of the Boards, Government should supply the District Engineer and furnish professional supervision, the Boards defraying in such manner as may be determined by the Local Governments with reference to the amount of work done for each Board the payments to be made to Government on this account. Care must, however, be taken that the Boards are left unfettered in the initiation and direction of operations and that the Engineer is placed in the position of their servant and not of their master. The power of check vested in the District Officer will suffice to remedy any carelessness or improper working on the part of the Boards. If this arrangement is carried out, it will probably be found possible to make over to the charge of the Boards most of the public buildings in the districts, and other works of various kinds which would otherwise have to be kept in the hands of the Government Officers. Double establishments will thus be avoided, and public money saved.

Resolution—

On a reference from the Chief Commissioner, British Burma, the Governor-General in Council has recently had under consideration the question whether the creation and abolition of appointments under Municipal and Local Fund Boards and similar Local Bodies, or the modification in any way of the pay of such appointments, are, or should be, subject to the same restrictions of various kinds, including reference to Her Majesty's Government when the pay of the appointment exceeds a certain amount, as appointments the cost of which is charged against the General Revenues.

2. The rules which govern the procedure to be observed in reporting for the sanction of the Home Government the creation of new offices carrying pay exceeding Rs. 250 a month, and additions to salaries which raise them above Rs. 5,000 a year, are contained in the Despatch of the Secretary of State for India, No. 63, dated the

17th March 1864. But these rules, as they are understood, apply only to charges which fall on what are called "General Revenues" in contradistinction to Local Funds.

3. Provincial Funds form a portion of the General Revenues and are administered by Local Governments just as Imperial Funds are administered by the Government of India; the distinction between them is merely one of account and internal administration; but between Local Funds and General Revenues the distinction is clear, and involves a principle of importance.

4. It is true that the principal Local Funds, both incorporated and excluded (*e.g.*, District Road Cess, Municipal, Port, and Port Trust), are composed in the main of taxes, dues, and fees which do not differ materially in their nature from those taxes, dues, and fees which form a part of the General Revenues; but the essential distinction consists in the special agency and special principles, by, and in accordance with, which Local Funds are administered and in some cases raised.

5. The practice of the Government has been to leave these funds to be administered by Local Bodies, in pursuance of the policy of developing local self-government; only such powers of general control are generally retained as may suffice to authorise interference in cases in which the public interest would otherwise suffer. This policy has been consistently kept in view since Local Bodies were first created. The course of legislation all over the country has accordingly been in the direction of enforcing the responsibility and maintaining the authority of such Bodies. For instance, in some of the Acts relating to the constitution and mode of working of Municipalities and District Committees, no restriction whatever has been placed by the Legislature on the powers of those Bodies for the creation of new appointments; and in others the powers of general control which have been reserved are not such as would allow of the enforcement of those restrictions which apply to such appointments when the cost of these is payable from the General Revenues.

6. The Local Bodies to whom these powers have been entrusted exercise them, as a rule, with discretion; and there is nothing in the method of their administration in the past which would justify the imposition of any special restrictions. Seeing, therefore, that it is desirable to develop local self-government, and that Local Bodies may reasonably be expected to give due weight to the need for economy in the administration of Local Funds, the Governor-General in Council is pleased to rule—

(1*st*) that Local Bodies to whom the administration of Local or Municipal Funds has been committed shall be competent, subject to the general restrictions imposed by the Legislature or to such special reservations as the Government of India may lay down in any case (*e.g.*, that referred to in paragraph 22 of the Resolution in the Home Department, dated the 18th May 1882), or with reference to any particular class of appointments, to create, as well as to abolish, without reference to higher authority all appointments the pay of which is chargeable to such Local or Municipal Funds;

(2*nd*) that as regards Local Funds administered by Local Governments and not by Local Bodies, the existing restrictions regarding appointments payable from Imperial or Provincial Revenues shall continue in force in respect of appointments payable from such funds.

Order—

Ordered that the foregoing Resolution be communicated to the several Departments of the Government of India, the several Local Governments and Administrations, and the several Officers of the Account Department.

Ordered also that it be published in the *Gazette of India*, together with the Resolutions in this Department, Nos. 1622 and 1623, dated the 10th instant.

(Signed) D. BARBOUR,
Offg. Secy. to the Govt. of India.

ORDER—dated 15th July 1882, No. 689, Financial.

Communicated to the President of the Committee appointed in G.O., No. 597, dated 29th June, to the Board of Revenue, and to Presidents of Municipalities.

(True Extract.)

C. G. MASTER,
Chief Secretary.

To the Hon. Mr. Sullivan, President.
" Board of Revenue.
" Presidents of Municipalities.

Exd. C. Howarth

Govt. of {1882} Madras.

FINANCIAL.

Issued

Recd. *Encl.*

G.O., 15th July 1882, No. 689.

JULY.

Local Self-Government.

Communicating Resolution of the Government of India defining the powers of Local Governments and Local Bodies in the matter of the creation of appointments payable from Local Funds.

[*For Heads of Departments.*]

Circular No. XIV Public Works.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

GENERAL.

Simla, July 25, 1882.

The Governments of Madras, Bombay, Bengal, North-Western Provinces and Oudh and the Punjab, in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma, Assam, and Coorg.
The Resident, Hyderabad.
The Agents to the Governor General for Central India, Rajputana, and Biluchistan.
The Accountant General, Public Works Department.
The Inspector General of Military Works.
The Director General of Railways.
The Consulting Engineers to the Government of India for Guaranteed Railways, Calcutta, Lahore, and Lucknow.

The following is forwarded to the Local Governments and Administrations and Officers marginally noted for information.

By order,

W. S. Sampson

Under-Secy. to the Govt. of India.

No. 2078, dated 30th June 1882.

Resolution by the Government of India, Department of Finance and Commerce.

Read again—

Proceedings in this Department (Accounts and Finance) of July 1881, Nos. 1106 to 1109.

Read also—

Despatch from the Secretary of State, No. 48, dated the 9th February 1882, and the following extract from Resolution in the Home Department, No. $\frac{17}{747-759}$ (Public), dated the 18th May 1882:—

Para. 22—Another point deserving of notice is the control that should be exercised over the execution of local works. It will not always be possible for a Local Board to entertain a competent Engineer of its own; and in any case when Government buildings and important works of other kinds are made over for maintenance there must be some effective guarantee for thoroughness of execution. It will probably be most convenient that, while all subordinate establishments are entirely under the control of the Boards, Government should supply the District Engineer and furnish professional supervision, the Boards defraying in such manner as may be determined by the Local Governments with reference to the amount of work done for each Board the payments to be made to Government on this account. Care must, however, be taken that the Boards are left unfettered in the initiation and direction of operations, and that the Engineer is placed in the position of their servant and not of their master. The power of check vested in the District Officer will suffice to remedy any carelessness or improper working on the part of the Boards. If this arrangement is carried out it will probably be found possible to make over to the charge of the Boards most of the public buildings in the districts, and other works of various kinds which would otherwise have to be kept in the hands of the Government Officers. Double establishments will thus be avoided, and public money saved.

RESOLUTION.—On a reference from the Chief Commissioner, British Burma, the Governor General in Council has recently had under consideration the question whether the creation and abolition of appointments under Municipal and Local Fund Boards and similar Local Bodies, or the modification in any way of the pay of such appointments, are, or should be, subject to the same restriction of various kinds, including reference to Her Majesty's Government when the pay of the appointment exceed a certain amount, as appointments the cost of which is charged against the General Revenues.

2. The rules which govern the procedure to be observed in reporting for the sanction of the Home Government the creation of new offices carrying pay exceeding Rs. 250 a month and additions to salaries which raise them above Rs. 5,000 a year are contained in the despatch of the Secretary of State for India No. 63, dated the 17th March 1864. But these rules, as they are understood, apply only to charges which fall on what are called "General Revenues" in contradistinction to Local Funds.

3. Provincial Funds form a portion of the General Revenues and are administered by Local Governments just as Imperial Funds administered by the Government of India; the distinction between them is merely one of account and internal admininistration; but between Local Funds and General Revenues the distinction is clear, and involves a principle of importance.

4. It is true that the principal Local Funds, both incorporated and excluded (*i.e.*, District Road Cess, Municipal, Port, and Port Trust), are composed in the main of taxes, dues, and fees, which do not differ materially in their nature from those taxes, dues, and fees which form a part of the General Revenues; but the essential distinction consists in the special agency and special principle, by, and in accordance with, which Local Funds are administered and in some cases raised.

5. The practice of the Government has been to leave these funds to be administered by Local Bodies, in pursuance of the policy of developing local self-government; only such powers of general control are generally retained as may suffice to authorise interference in cases in which the public interest would otherwise suffer. This policy has been consistently kept in view since Local Bodies were first created. The course of legislation all over the country has accordingly been in the direction of enforcing the responsibility and maintaining the authority of such bodies. For instance, in some of the Acts relating to the constitution and mode of working of Municipalities and District Committees, no restriction whatever has been placed by the Legislature on the powers of those Bodies for the creation of new appointments; and in others the powers of general control which have been reserved are not such as would allow of the enforcement of those restrictions which apply to such appointments when the cost of these is payable from the General Revenues.

6. The Local Bodies to whom these powers have been entrusted exercise them, as a rule, with discretion; and there is nothing in the method of their administration in the past which would justify the imposition of any special restrictions. Seeing, therefore, that it is desirable to develop local self-government, and that Local Bodies may reasonably be expected to give due weight to the need for economy in the administration of Local Funds, the Governor General in Council is pleased to rule—

(*1st*) that Local Bodies to whom the administration of Local or Municipal Funds has been committed shall be competent, subject to the general restrictions imposed by the Legislature, or to such special reservations as the Government of India may lay down in any case (*e.g.*, that referred to in paragraph 22 of the Resolution in the Home Department, dated the 18th May 1882), or with reference to any particular class of appointments, to create, as well as to abolish, without reference to higher authority, all appointments the pay of which is chargeable to such Local or Municipal Funds;

(*2nd*) that as regards Local Funds administered by Local Governments and not by Local Bodies, the existing restrictions regarding appointments payable from Imperial or Provincial Revenues shall continue in force in respect of appointments payable from such funds.

ORDERED, that the foregoing Resolution be communicated to the several Departments of the Government of India, the several Local Governments and Administrations, and the several Officers of the Account Department.

Ordered also, that it be published in the *Gazette of India*, together with the Resolutions in this Department, Nos. 1622 and 1623, dated the 10th instant.

To

The Secretary to the Govt. of Madras

P.W. Department

P.W.C. No 5351

B/No 2118 w d/17 Aug 82

Recorded with reference to orders in the Financial Dept. No: 689 d/ 15th July 1882.

14/8/82

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.

GENERAL.

To

Bo. S.C

Circular No. XIV Public Works.
Dated Simla, July 25, 1882.
Received 10th August/82

No 2118 w d/17-8-82

Defines the powers of Local Governments and Local Bodies in the matter of the creation of appointments payable from Local Funds.

Encld. in Receipt Regr.

Govt. Central Branch Press, Simla—No. 105 P. W. D.—31-7-82.—872.

Oct 30.8

Duly 12/8. Re 17/8 I 28/8

for the order

appointment of a Superintendent of District Works for the Bhagulpur Division on a pay of Rs. 1,100 a month, and the question arose whether in such cases the sanction of the Government of India or of the Secretary of State is necessary, if the salary of the appointment exceeds the prescribed limits.

RESOLUTION.—The Governor General in Council is now pleased to direct, in accordance with instructions received from the Secretary of State, that the rules applying to the creation of appointments paid from the General Revenues shall also be held to apply to appointments created by Local Governments, the salary of which is chargeable to Local Funds not administered by those Governments.

ORDERED, that a copy of this Resolution be sent to the Government of Bengal, with the intimation that the appointment of a Superintendent of Works for the Bhagulpur Division on Rs. 1,100 a month has been sanctioned by the Secretary of State.

Ordered also, that copies be distributed to the several Departments of the Government of India, the several Local Governments, the Comptroller General, and the several Accountants General.

For the Secretary to the Govt of Madras
Public Works Department

Gospure copies

Circular No. VIII P. W.

GOVERNMENT OF INDIA.

PUBLIC WORKS DEPARTMENT.

GENERAL.

Simla, May 23, 1883.

The following is forwarded to Local Governments, Administrations, and Officers marginally noted with remark that it will rest with the local authorities to take early measures to regularise any appointments of the kind that have been previously made.

The Governments of Madras, Bombay, Bengal, North-Western Provinces and Oudh, and the Punjab, in the Public Works Department.
The Chief Commissioners, Central Provinces, British Burma, Assam, and Coorg, in the Public Works Department.
The Resident, Hyderabad.
The Agents to the Governor General for Central India, Rajputana, and Biluchistan.
The Accountant General, Public Works Department.
The Inspector General of Military Works.
The Director General of Railways.
The Consulting Engineer to the Government of India for Guaranteed Railways, Calcutta, Lahore, and Lucknow.

By order,

G Walker

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

No. 672, dated 5th May 1883.

RESOLUTION—By the Department of Finance and Commerce.

READ again—

Resolution in this Department, No. 2078, dated the 30th June 1882, defining the powers of Local Governments and Local Bodies in the matter of the creation of appointments payable from Local Funds.

Read also—

Despatch to the Secretary of State, No. 369, dated the 5th December 1882.
" from the Secretary of State, No. 71, dated the 28th February 1883.

OBSERVATION.—In the Resolution of June 1882, read in the preamble, it was decided that the general rules defining the respective powers of the Local Governments, the Government of India, and the Secretary of State in the matter of creating new appointments paid from the General Revenues, and of sanctioning increases to the salaries of such appointments, were equally applicable in the case of appointments paid from Local Funds, provided that the Local Funds were administered by Local Governments and not by Local Bodies.

2. Appointments paid from Local Funds administered by Local Bodies and not by Local Governments were subjected to no other restrictions than those which might have been imposed by the legislature or by any special orders of the Government of India.

3. A case has recently arisen which is not provided for in these rules. By Section 36 of the Bengal Cess Act (No. IX) of 1880, the Lieutenant-Governor is empowered "on the application of two-thirds of the committees in any division to appoint a Divisional Superintendent of Works." In the exercise of this power, the Lieutenant-Governor sanctioned the

2118w - 7.8.82
803rd/26.9.82

No 16/2 xv & 8 June/83

B

Recorded in
Continuation of 80
No 2118 W dt 17 Aug.
1882
1883

Cs
7/6

P.W.C. No 4719

GOVERNMENT OF INDIA.
PUBLIC WORKS DEPARTMENT.
GENERAL.

To 60 S.C.

Circular No. VIII P. W.

Dated Simla, May 23, 1883.

Received 6/6/83

B No 16/2 xv & 8. 6-83

B

Secy
Money
8/6

Appointments created by Local Governments but paid from Local Funds administered by Local Bodies should be subjected to the same rules as appointments paid from General Revenues.

G. C. B. Press, Simla.—No. 64 P. W. D.—28-5-83.—922.

Vide order
Entd. in Receipt Reg

5357

C.a.w

You will see from
Fo. Fins Dept No 689 dt
15-7-82, the G. of I.
Finance & Commerce Resoln
No 2078 dt 30.6.82 has
been sent to the Committee
appointed to consider
the new scheme of
local self Govt.

Under these circum-
stances it may
perhaps be considered
sufficient for the
present to "Record" Fo Fins
P. W. Circular No XIV of 82,
dtd 26th May 83 S.C.
dealing only with works
& C?

Cs
12/8/82