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Government of Bombay

**A Review
of Local Self-Government
in the Bombay Presidency**

March

1931

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A REVIEW
OF
LOCAL SELF-GOVERNMENT IN THE BOMBAY PRESIDENCY.

March, 1931.

I. INTRODUCTION.

1. In his speech to the Legislative Council on 17th February, 1930, His Excellency the Governor announced that it was the intention to examine the whole administrative machinery of Government in order to ensure that it is being conducted as economically and efficiently as possible, and that it is designed to meet present-day requirements.

This Review summarises the present position of local self-governing bodies in the Presidency in order to estimate how far they have succeeded in attaining the objects for which they were instituted, to indicate the difficulties in the way of the realisation of those objects, to suggest, where possible, means by which these difficulties can be avoided or the machinery otherwise improved, and to obtain views and suggestions from those interested in the problem.

2. Local self-governing bodies include Municipalities, Local Boards, Village Panchayats, Notified Area Committees, Sanitary Boards and Committees, Cantonnments, Port Trusts and the Bombay Improvement Trust. Of these, the last three represent types of specialised administration, the development of which is not likely to furnish useful material for comparison with the former organisations. It is proposed therefore to exclude them from the scope of this review. Similarly the municipal administration of the city of Bombay has always been on an entirely different plane from that of other cities in the Presidency. The problems to which it has given rise are fully dealt with in Mr. R. P. Masani's recent book "Evolution of Local Self-Government in Bombay" and the only references made to it will be for purposes of comparison or illustration.

PRE-BRITISH PERIOD.

3. Several writers on Indian history have been at pains to show that it is incorrect to conclude "that the system of local self-government in India is an exotic grafted on the patriarchal system of Indian administration." Up to the 7th century A.D. there existed in various parts of India elaborate self-governing organisations, the powers of which the rulers of those days upheld and confirmed. In certain cases there is evidence that even the elective principle was well-known if not in common use. But there is no reason to believe that any such organisation ever attempted to combine rural areas for the common good. The village or town community was economically and socially self-contained and self-supporting and was itself responsible only for what was within the limits of its own area. Such through roads as existed were built on that principle, save when the power of an overlord compelled otherwise. In any case when the British assumed territorial sovereignty in India all traces of such popular institutions had disappeared, at least from Western India, with the exception of the Panchayats which existed in the Peshwa's dominions. The utility of these was recognised, but with the centralisation of administration they quickly lost most of their ancient powers and prerogatives and became merely useful for the settlement of caste disputes and similar matters.

POLICY AND DEVELOPMENT UNDER THE BRITISH GOVERNMENT UP TO 1882.

4. **General.**—It was not the intention of the British Government to destroy such local organisations. As early as 1861 Mr. Laing, Financial Member of the Viceroyal Council, stated “it is of the first importance to break through the habit of keeping everything in dependence on Calcutta and to teach people not to look to Government for things which they can do far better themselves”. This principle was reaffirmed in the following Resolution of the Government of India in 1864 :—

“When the people see that they have the management of their own affairs in their own hands, they will feel confident to do things which they would not have accepted from Government. When the field is open, the more advanced members of the community naturally take the lead. The municipal feeling is deeply rooted in them. The village communities, each of which is a little republic, are the most useful of Indian institutions. They maintained the frame-work of society while successive swarms of invaders swept over the country. In the cities also the people cluster in their wards, trade guilds and panchayats and show much capacity for corporate action. Holding the position 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 Government, and to influencing and directing in a general way all the movements of the social machine.”

In 1870, concurrently with the inauguration of provincial responsibility, the desirability of encouraging the growth of local boards was emphasised and in 1882, Lord Ripon set forth in a Resolution “the general mode in which he would wish to see effect being given to the principle of local self-government throughout British India, outside of the Presidency towns.” The principles enunciated by the Government of India were intended to apply to all forms of local self-government whether urban or rural. In tracing the manner in which they were applied in the Bombay Presidency it is, however, preferable to deal separately with each class.

5. **Urban.**—In all countries the development of urban self-government has been an easier problem than that of self-government in rural areas. The unit is fixed automatically and there is less difficulty in making the individual citizen realise that attempts are being made to work for a common goal and in bringing home to him the needs of his neighbours. In India organisation by individual towns and villages was traditional and in Bombay a beginning had already been made before the British Crown assumed responsibility for the administration. The first piece of municipal legislation—a regulation applying to the Island of Bombay only—was passed in 1812. Act XXVI of 1850 provided for the establishment of a municipal agency in any town or suburb on the application of its residents. This agency was that of a magistrate assisted by a committee of members appointed and removable from office by Government. A subsequent Act of 1862 prescribed that the number of ex-officio members of the committee should not exceed one-third of the total number of non-official members. Act VI of 1873 gave the Governor in Council the power to direct that the whole or any part of the non-official Commissioners should be appointed by election; but it was not till 1882 that the elective element was actually introduced in respect of one-half of the total number of members in the ten city municipalities then existing. A further advance was made by Act II of 1884 in response to Lord Ripon's Resolution of May, 1882. By this all municipalities were given the right of electing half their members, and the number of nominated members who could be salaried servants of Government was reduced.

6. **Rural.**—The origin of local self-government in the rural areas is traceable back to 1860 when it was the practice in certain districts to levy a cess of one anna in each rupee of land revenue for local purposes such as the establishment of schools and dispensaries and the construction of roads. This levy was not at first sanctioned by any statutory enactment but after the pronouncement by Mr. Laing already referred to, steps were taken to regularise the procedure. Orders were issued for the establishment of local funds consisting

of (1) the local cess on land ; (2) all toll and ferry receipts not specially excepted ; (3) cattle pound funds ; and (4) such other items as Government might from time to time direct to be added. One-third of the cess was to be used for education and the remaining two-thirds for roads, repairs to village wells and buildings, the planting of roadside trees and other objects of public utility. By Act III of 1869 legislative sanction was given to the establishment of district local funds committees. The members of these committees were at first all appointed by Government, though half of them were non-officials. They were all of them removable from office by Government. There was no provision in the Act for the formation of taluka committees, but actually such committees were established for consultative and advisory purposes. The members of these committees were at first all nominated with the exception of one inamdar who was elected.

SUBSEQUENT DEVELOPMENTS UP TO THE PRESENT TIME.

7. **General.**—The results of the changes initiated at this time were reviewed a generation later by the Central Government in two Resolutions dated April, 1915, and May, 1918. The first of these claimed that substantial progress had been achieved particularly in the towns and laid down broad principles for further advance. The chief of these, as far as municipalities and local boards were concerned, were a reduction in the nominated membership to a number sufficient to “provide for the due representation of minorities and official experience,” the substitution of non-official for official chairmen, the strengthening of the executive and an endorsement of the opinion of the Royal Commission on Decentralisation, 1909, that municipal bodies could attain adequate financial responsibility only by the exercise of greater powers and by having to bear the consequences of their own errors. This Resolution also endorsed the opinion of the Commission that steps should be taken to encourage the establishment of panchayats in villages where the conditions were favourable and laid down certain general principles, which will be referred to in detail later, as most likely to produce the object desired. The Resolution of 1918, which was issued after the announcement in the House of Commons on the 20th of August, 1917, that the policy of His Majesty's Government in respect of the future of India was the gradual development of self-governing institutions with a view to the progressive realisation of responsible Government in India as an integral part of the British Empire, pointed out that “the domain of urban and rural self-government was the great training ground from which political progress and a sense of responsibility have taken their start.” It supplemented the Resolution of 1915 and stated as follows :—

“The object of local self-government being to train people in the management of their own local affairs, political education of this sort must in the main take precedence over all considerations of departmental efficiency. It follows from this that the local bodies should be as representative as possible of the people whose affairs they are called on to administer, that their authority in the matters entrusted to them should be real and not nominal, and that they should not be subjected to unnecessary control but should learn by making mistakes and profiting by them. The control of Government over local bodies is at present exercised both from within and from without and it is mainly by the substitution of outside for inside control and by the reduction of outside control, so far as compatible with safety, that progress in the desired direction will be achieved.”

8. Previous to the reforms local self-government in India belonged to the decentralised type and resembled the French system. The District Officer was an officer of the Government operating in a particular district and as chairman of one or more municipalities and of the district local board he was carrying out the will of Government. He was just as much the agent of Government as when acting as revenue officer or district magistrate and local administration was but one of his activities. Whatever may have been the intention of Lord Ripon in 1882, it is quite clear that by custom or force of habit there was apathy and lack of desire on the part of those elected to local bodies to assume responsibilities, and in the majority of districts local administration remained one of the functions of the District Officer. In many towns the municipality continued to approve of the decisions of the official chairman and where the duties were entrusted to the vice-chairman he merely acted under the orders of the official.

9. The above shows that the foundation of the old system was the position of the District Officer as President of the Municipality and the District Local Board. As head of the district his work extended to every corner of his charge and enabled him to keep in touch without any extra expenditure with the requirements of local board administration. He was not only the presiding member but actually the chief executive officer of the local body and he could and often did utilize his revenue officers for municipal and local board duties.

The most important of the changes effected in 1918 was the appointment of non-official presidents for local bodies. The position was that the non-official should take the place of the district officer as presiding member and also without remuneration and in his spare time be the chief executive officer with the meagre assistance of an under-paid chief officer. On the whole there was as a result a fall in the previous level of efficiency.

10. **Urban.**—The Bombay District Municipal Act of 1901 gave Government power to permit any municipality to elect its own president and to increase the number of elected members by executive order. Under this power in 1908 it was laid down as a general rule that two-thirds of the members of district municipalities should be elected and also that municipalities should, except for special reasons, elect their own presidents. The chief object in retaining the system of appointing a percentage of members by nomination was to secure the representation of minorities, and in 1917 the principle of communal representation through election was introduced. In 1920 a further step in the direction of revising the constitution of municipalities was taken. All municipalities were granted the right to elect their own presidents, the total number of councillors was increased and the number of nominated councillors reduced to one-fifth. (At the same time steps were taken to widen the franchise so that, whereas in 1919 only 167,000 out of a total population of 2,375,000 resident within municipal limits in the Bombay Presidency, excluding Bombay City, were entitled to vote at municipal elections, the number had risen in 1926 to 505,000. Thus the electorate which up to 1920 had represented only 7 per cent. of the municipal population had by 1926 come to represent nearly 20 per cent. At the same time the principle of separate representation for Muhammadans on municipal boards was extended and special Muhammadan wards introduced in almost all municipalities. In 1924 the disqualification of women to serve as municipal councillors was removed. In 1925 the Bombay City Municipalities Act was passed with the object of providing a more elaborate system of administration for the larger municipal towns and also strengthening the executive by the appointment of a chief officer.

11. **Rural.**—As a result of Lord Ripon's Resolution of May, 1882, the Bombay Local Boards Act of 1884 was enacted. It provided that there should be one local board for each district and also one for each taluka as constituted under the Bombay Land Revenue Code, 1879, or for such area consisting of one or more such talukas or portions of talukas as the Governor in Council should deem fit. Municipal districts and cantonments were excluded from the jurisdiction of these boards which were made to consist both of elected and nominated members with the proviso that the number of elected members should not be less than one-half of the whole board exclusive of the president and that not more than one-half of the nominated members should be salaried servants of Government. Provision was made for an electorate for the purpose of electing certain members of the taluka local boards, the principal qualification being the holding of land assessed at Rs. 48 per annum, but there was no direct election to district local boards.

12. Ordinarily the Collector of the district was the ex-officio president of the latter and the sub-divisional officer or mamlatdar of the former, while the vice-president was elected. When the position was reviewed in 1915, it was found that the progress made by the local boards had been disappointingly slow. Government accordingly appointed the Lawrence Committee to report what changes it was desirable to effect in the constitution of these boards "so as to bring about the infusion of a more vital and real spirit into the principle of local self-government". As a result of the recommendations of that Committee, certain changes were introduced. The number of nominated members was reduced to one-half of the number of elected members and in certain selected districts non-official presidents were appointed. In 1918, Mr. J. R. Martin, I.C.S., was placed on special duty to review the position of the local board administration of the Presidency, and as a result of his

recommendations the present Local Boards Act (No. VI of 1923) was subsequently passed. Under this Act the elective element was fixed at a minimum of three-fourths of the total number of members of each board and for the first time direct election to district local boards was allowed. The electoral qualification was reduced to the holding of land assessed at Rs. 32 in the case of district boards except in 3 districts where for special reasons the qualification was fixed at Rs. 16, and Rs. 8 in the case of taluka local boards. As a result of this measure the number of the present electorate is in the former case about 250,000, and in the latter just over a million, or, taking approximately 15 millions as the number of the population concerned, a little over 1½ per cent. in the former case and about 7 per cent. in the latter. It will be apparent that this system of franchise gives no privilege or responsibility to the large number of persons who are not payers of local fund cess. At the same time steps were taken for securing special representation for Muhammadans and for the removal of the disqualification of women from membership of local boards. Salaried servants of Government were declared ineligible for the posts of president and vice-president. The board was made a body corporate with perpetual succession and a common seal, and a standing committee instituted to exercise the powers of the board subject to any prescribed limitations.

13. From time immemorial the people of India have lived in small villages which were compact areas situated in the midst of the fields which provided the means of livelihood to their occupants. Even at the present time large towns are few and great cities rare, post and telegraph offices are many miles apart and much remains to be done in the way of opening new primary schools before the needs of all villages are supplied. The urban population is relatively small and it will generally be found that urban areas have been formed around district or taluka headquarters. The population, therefore, consists of business people, members of the legal profession, landlords and government servants. The number of genuine cultivators, who live in urban areas, is small and literacy is the rule rather than the exception. In rural areas, the resident middle class is almost entirely absent. Illiteracy is the rule rather than the exception. The requirements of the cultivators, who almost entirely inhabit the villages, are few and in the majority of villages such amenities as modern sanitation and a modern system of water supply are not known.

14. The village has for long been a self-contained unit, and in the Presidency excluding Sind the sole authority has been the kulkarni or patel who has definite duties to perform towards Government and carries with him the opinion of the village elders. With the passage of time and the improvement in transport facilities the village has been considerably affected. Rural life has developed and has brought the villagers into direct contact with the towns and has rendered them receptive of new ideas and more anxious to grasp new opportunities. These facts have been more evident during recent years and have naturally taken the form of a demand for schools, co-operative societies and various forms of local self-government.

15. There have been for many years great impediments in the way of the development of local self-government, and one of the most serious of these is perhaps the presence of sectarian animosities. Communal ill-feeling during the past decade has in many cases had serious effects on the efficiency of local bodies. Appointments made not on the merits of the candidates but as the result of Hindu-Moslem or brahmin-non-brahmin party feeling necessarily react on the general standard of the administration. One result of communalism has been the unwillingness of the executive officers to enforce the collection of taxes against prominent members of the dominant caste or party. They are liable to consider themselves free from supervision or danger of punishment even for the most serious faults as long as they are in favour with the party in power; the number of members of municipalities and local boards who are defaulters in respect of local taxation as well as the number of cases of embezzlement and corruption are often the direct consequences of this state of affairs. This is a disturbing feature of present-day local self-government in this Presidency. The last decade has been a training and testing time and it was not to be expected that the path of progress would be smooth. Those bodies which have been successful have gained valuable experience and will have realised the necessity of educating themselves in the art

of self-government. A sense of civic consciousness has yet to be inculcated and developed together with a form of organisation most suited to present-day conditions.

16. At the present time, excluding the City of Bombay, there are in the Presidency 156 municipalities operating under the two different Acts and 27 district and 222 taluka local boards operating under the Local Boards Act of 1923, and it is pertinent to enquire whether the present constitution of these bodies is sufficiently liberal and their powers sufficiently wide to foster a proper sense of responsibility. The policy laid down by the Government of India was, as stated above, that their membership should be representative, their authority real rather than nominal, and such control as was necessary external rather than internal. How far these objects have been achieved can be judged by an examination of the present constitution and powers of the boards, the degree of control exercised by Government and any evidence which may exist as to the growth of public interest in the boards' activities.

II. PRESENT SYSTEM.

URBAN AREAS.

Municipal Boroughs and Municipalities.

17. When local bodies were first constituted about three-quarters of a century ago, all the members were nominated by Government or ex-officio, and could be removed by the same authority. Of recent years it may fairly be claimed that a great advance has been made in the liberalisation of the constitution of such bodies. In the case of Municipalities at the present time four-fifths of the number of members are elected while the number of official members averages little more than one for each body. It is frequently argued that there is no justification for official or nominated members on municipalities, that they are not responsible to the electorate and that they tend to produce factions which would not otherwise exist. The official members are on the other hand brought into touch with local problems from a different point of view, and they are helped considerably on this account in their ordinary duties. The Government of India in considering the report of the Decentralization Committee in 1915 were of opinion that nomination was justified on the ground that it provided for the representation of minorities and official experience.

As regards minorities, it is now the general practice for their representation to be provided by means of special communal wards on the same lines as is adopted in the case of the Provincial and Central Legislatures. It must be remembered, of course, that the system of communal wards can only be applied when such minorities are substantial and that there are in every town certain classes or interests which cannot hope to secure representation in the ordinary wards. The system of nomination of non-officials is available to rectify such electoral anomalies. It is doubtful if the present system is sufficiently representative as persons of position, experience and education, who would be desirable as members on Municipalities, are often unwilling to submit to the trouble, expense and inconvenience of an election. As an alternative, it has been suggested that the English method of co-opted "aldermen" might be adopted. Under this system the ordinary elected councillors of a municipal borough elect "aldermen" to the extent of one-third of their number. The aldermen are not necessarily councillors, but must be qualified as such. They remain in office for twice the period allotted to the ordinary councillors, half retiring triennially. Though this system has admittedly been successful in England, a modification of it has not been altogether satisfactory in India. The number of co-opted councillors in the case of the Bombay Corporation is less than one-tenth of the total number of councillors and the term of their office is no longer than that of the elected councillors. It has been

unfortunate that the persons co-opted have not as a whole been specially qualified and the seats have been canvassed for on party or communal lines. If development follows on European precedents, the system of nomination may disappear entirely, and in this connection it has been suggested that if the selection of co-opted members were restricted to ex-members of municipalities or local bodies who have to their credit service of a minimum number of years or retired chief officers or technical officers of municipalities, the abuses which now vitiate the system of co-option might be minimised. If, however, it can be shown that the elected members at the present time furnish a body fairly representative of the population of the town there is no immediate need for a further change, as, in any case, the system of nomination applies only to a small minority of seats. The electorate in municipal areas now represents something like 20 per cent. of the population resident in those areas, which may not be considered much too low when it is remembered that the general percentage of literacy in the Presidency is only about 15 per cent.

18. The Bombay Municipal Boroughs Act, 1925, governs *Municipal Boroughs* and defines the circumstances under which it can be extended to or withdrawn from boroughs. It also lays down that a municipal borough shall consist of elected and nominated councillors with a proviso that not less than four-fifths of the whole number shall be elected and not more than one-half of the nominated councillors shall be Government servants. It should be noted that the appointment and powers of a chief officer have been defined in Chapter II of the Act.

19. The Bombay District Municipal Act, 1901, governs *Municipalities*. Chapter XIII of the Act defines the areas in which a City Municipality can be declared and also the provisions for the appointment of a chief officer or a municipal commissioner. The Act lays down that every Municipality shall consist of elected and nominated councillors in certain proportions, viz. elected councillors shall comprise not less than one-half of the whole number inclusive of the president and not more than one-half of the nominated councillors shall be Government servants.

The number of councillors is to be determined by Government and the term of office of councillors is laid down as three years. An important difference between Municipal Boroughs and Municipalities is that nominated councillors of the former are appointed by Government whereas the Commissioner appoints nominated councillors of municipalities.

20. **Taxation.**—The Scheduled Taxes Rules authorise the Legislative Council to make any law imposing or authorising any local authority to impose for their own purposes any of the undermentioned taxes:—

- (i) a toll;
- (ii) a tax on land or land values;
- (iii) a tax on buildings;
- (iv) a tax on vehicles or boats;
- (v) a tax on animals;
- (vi) a tax on amenities and domestic servants;
- (vii) an octroi;
- (viii) a terminal tax;
- (ix) a tax on trades and professions and callings;
- (x) a tax on private markets; and
- (xi) a tax imposed in return for service rendered such as :
 - (a) a water rate;
 - (b) a lighting rate;
 - (c) a conservancy, sanitary or sewage rate;
 - (d) a drainage tax; and
 - (e) fees for the use of markets and other conveniences.

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In addition to the above, a local authority can impose a tax when the right to do so is conferred upon it by any law which is in force. For example, a municipal borough can impose a special educational tax.

21. The powers of municipal boroughs to impose taxation are contained in Chapter 7 of the Bombay Municipal Boroughs Act, 1925. Any proposal to impose a tax must, after having been approved by the municipality under section 76, be submitted to Government for sanction. The procedure to be adopted when it is proposed to impose a rate on property is complicated and is probably partly the reason why there are always considerable arrears under this head. Similar powers of taxation are given to municipalities under the District Municipal Act, 1901.

The main sources from which municipal boroughs obtain their income are octroi, terminal tax, taxes on houses and lands and the general sanitary tax. One source of taxation which does not seem to have been considered as fully as it may be is a tax on professions and trades. During the year 1928-29 only 38 municipalities levied this tax and in the majority of cases the revenue derived from it was considerably less than Rs. 1,000. This may be accounted for by the fact that no definite set of rules has yet been drawn up for the guidance of local authorities or because it is regarded as an unpopular tax which does not justify the trouble and cost involved in collection.

22. It has been said that there is an increasing realisation on the part of the public of the importance of public health and a demand for such amenities as water supply, drainage, conservancy and lighting. There are, however, still only 15 municipalities which have levied a lighting tax, though all municipalities spend a considerable amount under this head. This points to the fact that most of the municipalities prefer to raise the revenue to meet the expenditure more economically by merging the lighting tax in the general tax on houses and lands. The average incidence of taxation per head of population at present is Rs. 6-12 and that of income Rs. 9-8. A serious feature of municipal administration at the present time is the difficulty in collecting taxes and arrears. In many places municipal councillors themselves are defaulters, and the key to the whole situation appears to lie with the electorate.

23. **Powers and Duties.**—The powers of municipalities are considerable and include the power to charge fees, to fix a special rate in lieu of special sanitary cess, to compound taxes on vehicles or animals, to acquire property for the purpose of laying out or widening public streets, to regulate buildings and to require sufficient drainage of houses. Under the existing Act the functions of municipalities have been largely extended and are specified as being either (1) obligatory or (2) optional. Under the former are included all matters which are essential to the health, safety, convenience and well-being of the population of the town or district, matters in respect of which every resident has a right to expect that adequate provision shall be made in return for the rates, taxes and regulations imposed upon him. Under the latter are placed matters which are legitimate objects of expenditure from local revenues but which are not absolutely essential in all municipal districts. The local bodies of this Presidency have no reason to complain that the sphere of their activities has been unduly curtailed. Their objection is rather that their financial resources are inadequate to provide for their obligatory duties. In nearly every country of the world, different principles of decentralisation have been adopted. Thus in England education is definitely a function of the local authorities subject to the Board of Education and a similar system prevails in the United States of America, whereas not only in France and Spain but also in Australia, New Zealand and South Africa education is a central subject. In this Presidency since 1925 primary education has been transferred to the control of those municipalities which have been declared to be local authorities. The ordinary functions of local bodies are adequate to provide ample interest to the members of those bodies, as, excepting law and justice and the revenue administration, there is practically no subject of administration in which local bodies are precluded from taking some control. Occasionally complaints are made that excise should have been retained entirely as a local self-government subject, but while the present financial settlement stands, it is obviously impossible for the Provincial Government to give the local bodies more than an advisory interest in the administration of that department.

24. Reference has been made above to the fact that the whole responsibility for primary education has, in this Presidency, been transferred to the local authorities. This was done under the Primary Education Act of 1923 which provides for the establishment of each municipality considered by Government suitable for the purpose, as the local authority for educational purposes. Each such local authority is to entrust the management of its schools to a school board consisting of from 7 to 16 persons elected by its members but not necessarily themselves members of the local authority. These school boards are intended to exercise all the powers and perform the duties of the local authority in respect of primary education, but to do so subject to the general control of that authority. The working of the system has been fully discussed in a "Review of Education in the Bombay Presidency" which was published by Government in June 1930 (paras. 34-36). The executive officer of the school board is called the Administrative Officer and is appointed by the local authority subject to the approval of Government. The object of appointing to the school board persons who are not members of the local authority is to secure the services on the board of persons specially experienced in education, representatives of minorities and backward classes, and representatives of municipalities which are not themselves local authorities for the purpose of primary education. The control of the local authority is supposed to be general only. But unfortunately, in spite of elaborate rules having been approved defining the powers of the administrative officer, the school board and the local authority, it is a common occurrence for the latter to seek to interfere in minor details of administration, with the result that friction arises with serious effects on the education imparted in the schools.

25. It may, therefore, be necessary to define the spheres of the two bodies more precisely in order that here, as in other cases, the local authority shall be content with laying down general principles and shall be precluded from interference in the details of administration. On the other hand, in the Bombay Municipality, where the relationship between the corporation and the schools committee is somewhat similar to that existing between the local authority and the school board, this position has normally been assented to by the corporation in the interests of discipline and efficiency; and there is no reason why even without legislative provision local authorities should not adopt a similar convention. In matters of public health, the municipal staff have been aided and controlled by the General Board and it is only in a few cases that these duties have not been satisfactorily performed. There has been a certain hesitancy about the opening and maintenance of public dispensaries owing to the feeling in certain areas that Ayurvedic dispensaries should be opened instead of the ordinary hospital or dispensary. Grant-in-aid dispensaries are generally in charge of Subordinate Medical Service Officers lent by Government and are inspected by the Civil Surgeon at least once a year. Government give annual grants for the maintenance of dispensaries on condition that the building, furniture and equipment are maintained in good condition and repair to the satisfaction of the Surgeon General, and subject to the requirements of the locality and the due observance of the provisions contained in the Dispensary Rules. Grants-in-aid to dispensaries in municipal areas are however not usual as it is the duty of municipalities to make reasonable provision for the establishment and maintenance of public hospitals and dispensaries and for public medical relief. Some Municipalities have taken advantage of the Town Planning Act, 1915, for relieving congested areas by town planning schemes. The services of the Consulting Surveyor have been placed at their disposal free of charge and schemes which have been completed are reported to have been successful. He is however not permitted to tender advice or assistance until he has received the approval of the Commissioner. As regards Public Health Schemes the local bodies are taking advantage fully of the service of the Superintending Engineer, Public Health, for preparing and supervising the execution of their water supply and drainage projects and obtaining his expert advice, all such services being given to them free of cost.

The following statement shows the position of Municipalities vis-à-vis the Government Departments :—

Duty.	By what agency executed.	Financial assistance given by Government.	Other assistance given by Government.
(a) OBLIGATORY.			
<p>1. Lighting, cleansing and watering public streets and places.</p> <p>2. Cleansing sewers, removing noxious vegetation and abating public nuisances.</p> <p>3. Extinguishing fires and protecting life and property when fires occur.</p> <p>4. Constructing, altering and maintaining public streets, etc., markets, slaughter houses, drains, sewers, etc.</p> <p>5. Obtaining a sufficient supply of drinking water.</p>	<p>By the municipal staff aided and controlled by the general board and the Committees appointed by it.</p>	<p>In order to enable Municipalities to undertake sanitary measures affecting the general public health a scheme for the appointment of qualified Medical Officers, Health and Sanitary Inspectors has been formulated. According to this scheme, Government give a grant equal to two-thirds of the pay of Health Officer and half of the pay and allowances of Sanitary Inspectors engaged by a Municipality.</p> <p>For the financing of sanitary schemes undertaken by local bodies, Government render assistance by grants-in-aid if the provincial finances permit in the following cases :—</p> <p>(1) To Municipalities governed by the Bombay District Municipal Act, 1901, a grant-in-aid subject to a limit of 50 per cent. of the total estimated cost of the undertaking.</p> <p>(2) To Municipal Boroughs, governed by the Bombay Municipal Boroughs Act, 1925, a grant-in-aid from 24 per cent. to 33 per cent. of the estimated cost of the scheme.</p> <p>In certain special cases where owing to conditions beyond the control of the local body, it is not possible for it to undertake the schemes unless greater concessions are granted, Government give grants-in-aid up to 50 per cent. of the estimated cost.</p> <p>(3) A grant-in-aid equal to full establishment and tools and plant charges is given to a local body, where the local body finds all the money for a sanitary scheme except the percentage charges and the work is entrusted to Government agency for execution. Such schemes have preference over schemes financed in accordance with the policy laid down in (1) and (2).</p> <p>(4) In addition to the above Government give grants-in-aid to local bodies in the case of other works executed by the Department and for which establishment, tools and plant charges are levied :—</p> <p>(i) in the case of works for which no grant-in-aid is paid to the local body, a rebate of 16½ per cent. is granted.</p> <p>(ii) in the case of grant-in-aid works, i.e. works for which Government bear a proportion of the cost, a rebate of 13 per cent. is granted on the share of the cost borne by the local body.</p> <p>(5) The Sanitary Board also makes grants up to Rs. 10,000 towards minor sanitary schemes.</p>	<p>Government also render assistance for sanitary projects by granting loans at low rates of interest. The period for the repayment of loans is extended by Government up to 50 years according to the life of the project. Aid by loans is also given to the extent that the state of Provincial finances permits.</p> <p>The Superintending Engineer, Public Health, assists local bodies in preparing and checking the different projects for water works and drainage, preparing estimates and also giving technical advice <i>without charges to the local bodies</i> after the request of the local body has been sanctioned by the Sanitary Board. He also carries out the construction of such public health projects as the local bodies concerned desire to entrust to him for execution.</p>
6. Public Vaccination.		<p>No exact proportion is laid down in which the expenditure is divided between Municipalities and Government. But the latter have undertaken to bear the cost of revision of pay of vaccinators and to make a contribution of Rs. 5 per mensem per candidate vaccinator provided the local body gives to the candidate vaccinator a pay of Rs. 20—1—25 per mensem.</p>	<p>No other direct aid is given but no recovery is made on account of leave and pension contribution in the case of these vaccinators.</p>

Duty.	By what agency executed.	Financial assistance given by Government.	Other assistance given by Government.
(a) OBLIGATORY			
7. Establishing and maintaining public hospitals and dispensaries and providing public medical relief.	Through the agency of dispensaries which are generally in charge of Subordinate Medical Service Officers lent by Government.	Government give annual grants for maintenance and non-recurring grants for the construction of new dispensary buildings. The amount of the annual grant is not to exceed one-half the net cost of maintenance of a dispensary as approved by the Commissioner and Surgeon General and arrived at after deducting private donations or endowments from the total expenditure, or one-third of the actual expenditure of a dispensary whichever is less. The grant for the construction of a dispensary building is not to exceed 50 per cent. of the net cost arrived at after deducting the amounts of private donations received by the local body concerned. The amount of the annual grant is subject to revision every five years.	The cost of maintenance is to include a contribution of Rs. 200 per mensem on account of a B.M.S. Officer or Rs. 90 per mensem on account of a S.M.S. Officer, as the case may be if it is intended to place the dispensary in charge of a Government Medical Officer. The balance of the Medical Officer's pay and allowances and the leave and pension contribution on their account is borne by Government. The first supply of all necessary surgical and other instruments for a dispensary is issued free from the Government Medical Stores. Medicines and medical stores are supplied at cost price plus 10 per cent. for departmental charges.
8. Establishing and maintaining primary schools.	There are two kinds of Municipalities, viz. (1) those that have been declared to be local authorities and allowed to manage their own schools and (2) those that have not been declared to be local authorities. In the case of the former the Municipal Schools are managed by the School Board of the Local Authority Municipality, while in the case of the latter they are managed by the School Board of the District Local Board under whose jurisdiction the non-local authority Municipality falls.	In the case of a local authority municipality the Government grant is limited to one-half of the approved expenditure of the Municipality on primary education. In the case of non-local authority municipalities, Government give to the District Local Boards which manage the schools of such municipalities a grant equal to two-thirds of the expenditure on such schools.	
9. Providing for any other measures likely to promote the public safety, health convenience or education.	By their own staff	Nil.	The services of the Consulting Surveyor to Government and his department are placed at the disposal of local bodies undertaking town-planning and development schemes free of charge.
(b) OPTIONAL			
1. Furthering educational objects other than primary education.	By their own staff	Many of the institutions get from Government annual recurring maintenance grants and non-recurring building and equipment, etc., grants along with some other non-Government institutions. These are given at the rates and on the conditions specified in the Grant-in-aid Code.	No other aid in particular, except loan of services of Government servants when required and found feasible.
2. Maintenance of Veterinary Dispensaries.	The total number of dispensaries in charge of District Local Boards or Municipalities is 105 in the Presidency and 18 in Sind. Generally the standard aimed at is one veterinary dispensary for each taluka. Under No. 28 of Veterinary Dispensary Rules (appended to Government Resolution No. 7315-24, dated 25th May 1927), the affairs of each veterinary dispensary are supervised by a Veterinary Dispensary Committee appointed by the Municipality. A separate committee is appointed for each dispensary.	Government make an annual grant-in-aid to each Veterinary Dispensary ordinarily not exceeding one-half the total cost of the maintenance by the Municipality.	When buildings are to be constructed the Government contribution varies between $\frac{1}{2}$ and $\frac{1}{3}$ the total cost of the building. Government also provide for the pay and travelling allowance of Veterinary Assistant Surgeons in charge of veterinary dispensaries.

27. **Expenditure.**—In the matter of finance municipalities have received considerable powers to levy taxes in order to discharge their duties to the public. The taxes available for municipalities are more numerous than those available for local boards and, though the imposition of fresh taxation is naturally an unpopular measure, it may be noted that the incidence of municipal taxation per head of population rose from Rs. 1-8-10 in 1901-02 to Rs. 6-12-0 in 1929-30. It may also be noted that in the case of municipalities and local boards the grants from Provincial revenues for various purposes have been on a more generous scale than in other parts of India. For example, those for primary education have risen from Rs. 33 lakhs in 1914-15 to Rs. 133 lakhs in 1929-30, which represents an increase of 300 per cent. The amounts of other grants have also been largely increased though not in the same proportion. In other respects local bodies have a considerable degree of financial autonomy. It is true that if they require a loan they have to obtain the sanction of Government, but this is almost the universal rule in all countries. It has been the invariable rule in this Presidency that any large expenditure is met by a grant-in-aid from Government to cover establishment and tools and plant charges when works are executed by Government agency and by the raising of a loan. The following statement indicates the amount of grants which have been given to municipalities for special purposes together with the total revenue of all municipalities. Regarding expenditure it will be seen that the greatest amount is spent on public health but these amounts, of course, include capital expenditure on water supply schemes and drainage schemes. The expenditure on education amounts to 21 per cent. of the total revenue. Under the head public safety come charges for lighting and the prevention of fire. The expenditure on lighting for the whole Presidency amounts to no less than Rs. 12,67,000, which shows that municipalities are paying increasing attention to the health and safety of their areas.

	EXPENDITURE (in thousands).							INCOME (in thousands).				
	General Administration.	Public safety.	Public Health (includes Capital expenditure on Water Supply and Drainage Schemes).	Public Works.	Education.	Miscellaneous (contri- butions for general purposes shown in brackets).	Total	Rates and Taxes.	Municipal property, etc., apart from taxation.	Grants.	Miscellaneous (realisa- tions under special Acts shown in brackets).	Total.
Northern Division.	6,48	4,43	26,00	5,49	14,93	4,87	62,20	47,43	8,55	7,64	58	64,20
Central Division.	6,22	3,06	29,60	10,21	15,06	5,11	69,26	43,26	11,21	9,19	2,06	66,62
Southern Division.	3,38	1,51	8,56	2,82	7,09	74 (12)	24,20	18,93	3,18	2,57	55 (12)	25,35
Bombay Sub-urban District.	92	72	5,76	71	1,12	44 (11)	9,78	6,73	1,63	61	83 (2)	9,87
Sind	7,26	7,08	27,70	7,69	10,72	8,79 (22)	69,46	47,01	11,56	3,59	3,16 (51)	65,33

28. **Staff.**—Municipalities at present possess a large degree of freedom in respect of their establishments. In the smaller municipalities the sanction of Government or the Commissioner is necessary in the case of certain posts on the staff, but once the sanction is received municipalities ordinarily have full liberty as to the selection of the personnel and can dismiss old and experienced members of their staff and substitute new recruits, a procedure which they have in some cases adopted in towns where communal feeling runs high. It will, therefore, be seen that the protection of municipal servants from the vagaries of the bodies who employ them is a question of importance. At present, the establishments are at the mercy of the party in power, and this fact has had a deleterious effect on their work. The staff in the employ of municipalities, and other local bodies, have no assurance that their services are permanent. There have been cases in which the executive officers have been harassed by

members on personal grounds and have been unable to perform their duties impartially. Even in the case of Government servants lent to local bodies instances have occurred where their position has been made so difficult that they have been obliged to resign. It is well known that a body of men is liable, in its corporate capacity, to do acts which a large majority of individual members would consider improper, and it is arguable that at the present time the local bodies are entrusted with powers and duties which, under the stimulus of communal bias, they are often unfitted to exercise. This question has received the consideration of prominent non-officials in this Presidency, as will be seen by the following extract from a paper read in 1926 by Rao Bahadur Chitale at the Conference of Local Self-Governing Bodies :—

“In all democratic Institutions it is necessary to protect the rights of the staff from political or personal influence, so as to give it the stability and security which is vital to the successful working of any administration. Such safeguards are specially needed where civic life on true democratic lines is immature and is yet to take proper shape with a due sense of responsibility.”

29. The Act governing the establishment of town municipalities provides for the framing of rules regulating the service conditions of the staff, and, subject to these rules, empower the president to dispose of all questions relating to the service of the said officers and servants. In this respect, he occupies a position corresponding to that of the Municipal Commissioner in Bombay. Unfortunately, the smaller municipalities frequently interfere even in the petty details of this branch of the administration, and it would appear desirable that the powers of the president and the chief executive officer (where such an officer exists) should be made absolute except in cases of dismissal where an appeal should lie to the main body, and in the case of superior members of the staff punishment other than by censure should be on the vote of the general body. This is the arrangement actually embodied in the provisions of the Bombay City Municipalities Act XVIII of 1925. It not only preserves discipline but also protects the staff from the feeling that they are entirely dependent on the goodwill of members. The chief executive officer is a permanent officer and, where such a post exists, it is desirable that the powers should vest in him rather than an elected president; but, even if the responsibility be on the president, it is believed that he would generally hesitate to do in his personal capacity an act of injustice which he might support as leader of a party. Similarly the power to make appointments to minor posts should vest in the chief officer or the president, as the case may be, and should not be subject to the vote of the board. In such cases there is reason to fear that even at the present time the choice is liable to be guided by communal feelings rather than by consideration of efficiency. This was specially considered in 1918 when the matter was examined by a committee which recommended the formation of a provincial Local Self-Government service under the control of a Standing Committee of the Legislative Council. Financial and other difficulties have prevented the realization of the scheme, though it has been considered as recently as February, 1930, at a meeting of local self-governing bodies, held in Bombay. The fact that this scheme has been put forward by a non-official body shows that the necessity for strengthening the executive is coming to be realised, and the administrative benefits secured by such an arrangement as at present exists in the Bombay Municipality, i.e. the appointment of the chief executive officer by Government, appreciated. This method has been tried in other municipal centres, but has not proved successful chiefly because the municipalities resented the imposition upon them by Government of an officer not of their own choice. It is possible that, if such an appointment were made by selection by the local body out of a panel of three or five nominated by a Standing Committee of the Legislative Council or by Government it would be more acceptable than an appointment made direct by Government. Another alternative would be a system under which Government would keep a list of 'recommended officers' comprising those among the present chief officers considered to be satisfactory and new recruits of a certain fixed standard. The latter would have to pass an examination in Municipal law, procedure and accounts and Government might pay a certain proportion of the salary of the post on condition that the officer appointed was selected from this list.

30. The alternatives outlined above are however open to objection as being repugnant to the accepted principles of local self-government and likely to lead to administrative difficulties. The need for a satisfactory system of recruitment is imperative but it is quite possible that the Standing Committee of the Legislative Council will not be free from the communal bias and other failings which at present disfigure the proceedings of local bodies in respect of appointments. It is therefore considered that a simpler and more satisfactory scheme would be the creation of a Municipal Service Commission which would make the final selection of executive officers. A proposal to form in the first instance as an experimental measure a single service of local board engineers controlled by the Minister with the assistance of an advisory board drawn mainly from those members of the Legislative Council who represent local bodies is at present under consideration. In the case of the Bombay Municipality the approval of Government is still necessary to the appointment of the principal officers other than the Commissioner. Government, however, possess no such power in the case of other municipalities except as regards the appointments of administrative officers of school boards, and if the scheme outlined above for a local self-government service cannot be devised it will probably be desirable for Government to take powers of this nature in the case of all local bodies.

Notified Area Committees.

31. Notified Area Committees have been established in this Presidency under the provisions of Chapter XIV of the Bombay District Municipal Act, 1901. They are municipalities in miniature intended to meet the needs of areas intermediate in size and importance between the village and the town of the ordinary municipal standard, i.e. with a population of not less than 2,000. Legally, they can only be constituted in towns which are the headquarters of a taluka or are within a distance of one mile from a railway station. All the members of notified area committees are appointed by Government and the chairman is generally a Government official.

32. **Powers and Duties.**—These Committees are authorised to levy house tax, sanitary cess, octroi and toll tax. In certain cases, notified area committees have been constituted only for the purpose of exercising control over building in growing areas and in these cases no taxation is levied. As the official element is still retained in these committees there is no delay or difficulty in the collection of the taxes imposed.

The duties correspond to those of a small municipality and include the provision and maintenance of roads, lighting and sanitation, the construction of public buildings, etc. They are not entitled to the refund of a portion of the local fund cess collected within their area by the local boards as are municipalities.

Criticisms and Suggestions.

33. *Municipal Boroughs and Municipalities.*—One of the chief obstacles in the way of speedy development of local self-government in India has been the indifference of the people as a whole towards public life. One of the reasons for the institution of elective local bodies was to break down this conservatism and to provide a training ground where the public might become accustomed to the working of the democratic system. Though this indifference still largely persists, it is an encouraging sign that in the case of municipal elections it has of recent years been not uncommon for as much as 55 per cent. of the electorate to record its vote; while cases have occurred where as many as 76 per cent. of the voters have visited the polls. This high percentage is perhaps not surprising in municipal areas where the electors, on the whole, take a greater interest in local affairs than the people who live in the rural areas. It is, however, true that in the case of smaller municipalities, lack of interest on the part of their members is still common. Meetings are frequently adjourned for want of a quorum and practical enquiries by members into the details of administration are infrequent. It can hardly be contended that the present constitution of local bodies gives inadequate scope for the growth of interest and personal responsibility. Several municipalities have been fortunate in having as their presidents men of experience and common sense who have devoted themselves to the duties of their office and have succeeded in carrying on the administration as successfully as was normally the case under an official president.

34. The inefficiency of municipalities has been partially attributed to the influence which municipal councillors have exerted over the staff and the frequent changes occasioned by party feeling. It is, therefore, suggested that there should be a certain curtailment of the powers of local bodies over their staff, that the powers of a president or chief officer should be made absolute regarding staff matters except in cases of dismissal and that the relations between the president and the chief officer should be clearly defined by statute. It is also a well-known fact that a trained and contented staff works far more efficiently and it is of the greatest importance in the present stage of India's progress to ensure that local bodies have an experienced and well-disciplined staff; for this reason the suggestion has been made that a local self-government service should be established, which would provide a steady stream of trained recruits for local bodies. There has been of late considerable discussion regarding the powers of Government to make appointments of superior members of the staff of a municipality, and it has been suggested that the appointment of the chief officer should be made by selection by a Municipal Service Commission nominated by Government.

35. The District Municipal Act, 1901, is in some respects out of date and its revision in the light of the experience obtained in the last 30 years is at present under consideration. The real object is not to make fundamental changes in the Act but to bring it into line with present conditions and to remove difficulties. The Statutory Commission have viewed with some doubt the transfer of power to non-official hands, i.e. the abolition of the official chairman or president, and for this reason the Report states that on the whole efficiency has suffered. One reason for this has been traced to the inability to realise the importance of having a competent and well-paid official analogous to the English Town Clerk and another reason which has been assigned is that the income of municipalities is not sufficient to meet their needs. It has already been pointed out that local bodies have not yet exploited all sources of possible income, are still in some cases reluctant to impose local taxes and even when they are imposed do not exercise strict control over the staffs for the collection of the taxes.

36. The reason for this decrease in efficiency may be ascribed to the need for control by Government over local self-government authorities. The official president or chairman who could be the eyes and ears of the Minister and who could give a guiding hand is removed and the Minister is deprived of considerable control. It would therefore seem necessary to give to the Minister greater control over these bodies than is possible at present. The transfer of power to non-official hands is admitted to be an essential stage in the evolution of local self-government and the need at present is for enlightened control and guidance by Government. This should take the form of systematic inspection and audit of the accounts especially where grants-in-aid have been given. Such control is considered necessary and desirable even in the most advanced countries in the world. For example, the policy in England is for the Minister of Health to appoint inspectors for systematic inspection and auditors for audit examination of the operations of local bodies as regards national services and works towards which Government have given grants.

37. *Notified Area Committees.*—Shortly after the passing of the Village Panchayats Act in 1920, steps were taken, at the suggestion of Government, to replace the existing notified area committees, wherever possible, by panchayats. As a result of this measure, there are at present only 15 fully constituted notified area committees in the Presidency, no less than 8 being in the Bombay Suburban District (see "A Note on the Co-ordination of Administration of Greater Bombay" published by Government, October 1930) while at least 13 out of the 15 committees are qualified, by their population, for municipal status. It will thus be seen that notified area committees are not of great importance from the point of view of local self-government, though they form a valuable resource as a trustworthy agency for carrying on the local administration when, owing to party feeling or other causes, any purely elective institution is unable to function. It has been therefore suggested that those committees, which are qualified by population, should be converted into municipalities and those which are not so qualified should become Panchayats especially if the powers of the latter are enlarged. This latter question is being considered by Government in conjunction with the Village Panchayats Act which is at present in course of amendment.

RURAL AREAS.

District and Taluka Local Boards.

38. District local boards and taluka local boards are governed by the Bombay Local Boards Act, 1923, which has superseded the Sind Local Funds Act, 1865, the Bombay Local Funds Act, 1869, and the Bombay Local Boards Act, 1884. This Act authorises the establishment by Government of a district local board in each District as constituted under the Bombay Land Revenue Code, 1879, and allows Government discretion to establish taluka local boards for such areas within the district as it shall deem fit. The constitution of local boards consists of elected and nominated members, the former being not more than three-fourths of the whole board and of the latter not more than one-half are to be Government servants.

39. Previous to the resolution of Lord Ripon on local self-government in 1882 all the members of district and taluka local boards were nominated by Government or *ex-officio*, and could be removed by the same authority. The passing of the Bombay Local Boards Act of 1884 made legal the appointment of taluka local boards which previously, if they had existed, had been purely advisory bodies. Since Lord Ripon's historic announcement a great deal of progress has been made in the liberalization of the constitution of rural local bodies as will be seen from the fact that three-fourths of the number of their members are now elected while the number of official members averages little more than one for each body. Therefore, supposing that the nominated members voted consistently in accordance with what they considered to be the wishes of Government, it is obvious that they could not in any way control the policy of the board. The official influence of the Collector in a district local board was of value to Government, because as chairman of a local authority he was the agent of the provincial Government. With the cessation of his official connection with local bodies, the Minister for Local Self-Government was in effect deprived of the only direct method available of guiding and exercising some supervision and control over the local bodies.

40. The Royal Commission on Decentralisation in dealing with the subject of the comparative merits of district and taluka local boards expressed the opinion that while it was undesirable to eliminate the district local board as the direct instrument of local self-government endeavours should be made to constitute "sub-district" boards as the principal agencies of the local board administration. Dealing with the same subject, the Lawrence Committee stated "As between the district and the taluka local board we hold very strongly that the former be given the preference. These boards already attract to themselves men of higher status, of better education, of wider knowledge of the world and of public affairs than can ordinarily be found within the limits of a taluka. There is a general consensus of opinion that the progress of local self-government is bound up with the development of the district board". This Committee did not actually recommend the abolition of taluka local boards, and there are some grounds for thinking that such boards with a closer acquaintance with the needs of localities can in certain areas be entrusted with useful functions. The annual reports establish a clear presumption that they have duties to perform and that there is scope for those members of the community who have the good of their district or taluka at heart. The weakness of many taluka local boards is that they have practically no finances and the major portion of what little they have has to go in the payment of establishment charges. There is a feeling that taluka local boards have not had a fair chance in the past and that till the remedies have been applied to them, which have been suggested for district boards, i.e. increased funds, a better staff and a freer constitution, it is not fair to condemn them. Their supporters contend that they will be useful agencies in connection with panchayats, and there is a feeling that the centralization of administration in the district local board would mean the predominant influence of members resident at or near headquarters and the consequent neglect of the interests of outlying parts.

41. Actually in framing the Local Boards Act of 1923, powers were taken to omit taluka local boards, should it be so desired, while the establishment of a district local board was made compulsory in every district. In applying the Act, no exception has been made, and a taluka local board has been constituted for every one of the 222 talukas in the Presidency. It is a fact that

in some districts, taluka local boards are doing good work, but in many cases they are semi-moribund bodies which provide an excuse for the maintenance of an unnecessary staff and their finances and sphere of activities are too restricted to allow of their members taking a genuine interest in their activities. It appears reasonable to argue that the existence of taluka local boards has been one of the principal reasons why panchayats have hitherto achieved so little success in this Presidency. If, however, district local boards are to be retained and taluka local boards generally abolished, it might be reasonable to allow an increase in the number of members of the district board and to provide for the constitution of taluka committees of that board if necessary as well as for a standing committee invested with considerable powers.

42. In his report, Mr. Martin suggested that a district of eight talukas might have a district local board with a membership of 60, of whom 40 would be elected and 20 nominated; that thus the taluka representation on the board might be five to seven members, to whom the Mamlatdar might be added as *ex-officio* member, and that the full board would meet only two or three times in the year, but the standing committee of 12 members once a month, or as often as required. It is considered that a board of 60 would be unwieldy and that the number should not ordinarily exceed 40. Even this would allow taluka representation to the extent of three or four members, and this should be adequate to form a taluka committee. An organization on these lines would, it is believed, form as efficient an agency for carrying out the work of Rural Self-Government as it is possible at present to devise in the circumstances of this Presidency.

43. Taxation.—It has already been shown that local bodies have, at the present time, a substantial degree of autonomy in connection with taxation, though their resources in this direction are limited. In 1925 a committee of the Legislative Council presided over by Sir Ghulam Husain Hidayatallah, was appointed to consider and report on the question of financial assistance to district local boards and any possible means of enabling them to increase their resources by local taxation. This committee unanimously recommended that the Government grant to all local boards should be fixed at the rate of two-thirds of the local board expenditure on all subjects other than education, and that, as far as increased taxation was concerned, the only possible additional sources were (1) a terminal tax and (2) a tax on trades, professions and callings. The committee recognised that there were particular difficulties in collecting a terminal tax in local board areas and that it was not a form of taxation which was suitable or desirable in all such areas. They therefore recommended that the district local boards should be advised to adopt a tax on trades, professions and callings as a means of improving their resources. Another Committee, also presided over by Sir Ghulam Husain Hidayatallah in 1925-26, recommended the transfer of the medical, vaccination and veterinary staff to the local boards subject to the same increase in the Government grants. The grants made by Government to local boards in this Presidency are already on a generous scale and, for the present at least, it is financially impossible for Government to consider any increase in them. As to taxation by the boards themselves, it is to be noted that seventeen out of the twenty-seven district local boards have already sanctioned some increase in the local fund cess, leviable under section 93 of the Act, though only in nine districts is the maximum rate of two annas levied. Thus ten districts still have an opportunity of doubling their revenue from this source while eight more are in a position to enhance it in varying degrees. The revenue from local fund cess is, however, subject to the objection that it falls mainly on the agriculturist and it is certainly desirable that non-agriculturists living in rural areas should contribute to the finances of local bodies.

44. The tax on trades and professions in such areas is therefore justifiable in principle and in order to assist local boards to levy this tax, Government appointed a special officer in November, 1930, to study the working of the tax and to find out a simple and workable method of levying it. His report is expected to be ready in March, 1931. Similar taxes are already in force in the Madras Presidency and produce a fair income. As to other taxes, it is to be noted that the Ratnagiri District Local Board has already sanctioned the imposition of an octroi duty on various commodities imported into the district. This tax is estimated to produce a revenue of Rs. 1½ lakhs a year and may, in the particular circumstances of this

district, be successful. But it would be hardly likely to be so in the case of other districts. Under section 79 of the Local Boards Act, a district local board has to pay to every municipality within its local area two-thirds of the revenue derived from the cess on agricultural lands within the municipal district. Under section 30 of the Village Panchayats Act, a district local board or taluka local board is given power to assign a portion of its local fund to panchayats; but this is in no way compulsory and in many cases no such assignments are at present made. Section 35 of a draft bill to amend the Village Panchayats Act prepared by Mr. V. N. Gupte, B.A., LL.B., and approved by a sub-committee of the Provincial Council of the Local Self-Government Institute, lays down that the taluka and district local boards shall contribute to the funds of every panchayat an amount equivalent to one-eighth of the amount raised by the panchayat, provided that the taluka local board and the district local board shall not be required to pay more than Rs. 80 and Rs. 100 per year respectively. It would appear to be more reasonable to prescribe that it should pay a fixed proportion of the funds raised by it in each village where a village organisation exists. It must be remembered that it is compulsory for the local boards to spend one-third of the local fund cess on education, and therefore two-thirds only remain.

45. It is however perhaps worth while considering whether it would not be advisable to enhance the finances of the district local boards by empowering them to impose a general house tax, if they so desire, in all the non-municipal areas within their jurisdiction, compelling them at the same time to refund not less than half the receipts in the case of any village in which a panchayat has been established, as tradesmen, artisans, and professional men in local board areas at present contribute nothing towards the cost of the local facilities which they enjoy. Where there was no panchayat, they would be entitled to retain for their own purposes the full amount recovered. This, it is believed, would make up for the deficiency caused in their receipts by the proposed assignment of a portion of the local fund cess. This scheme has certain attractive features, as it would not only provide an alternative source of revenue to the district local boards, but would also stimulate the growth of panchayats. The formation of a panchayat would under these circumstances mean that the village would be certain to recover for its own purposes at least half of the amount collected, whereas if no panchayat were formed, it would have to pay the tax without receiving any benefit over and above the general amenities supplied by the district local board. An alternative which has been suggested is the imposition of tolls on roads in such places where they would cause the least inconvenience to the travelling public. To many this may be considered to be a retrograde step but until the financial position of the Government and all local bodies has improved it is perhaps the least objectionable method of increasing revenue.

46. Powers and Duties.—The duties of district and taluka local boards under the present Act have been classified as—

- (a) obligatory; and
- (b) optional.

The former includes the construction and maintenance of communications, hospitals, dispensaries, markets and other public buildings, public tanks and the supply of water from them and all other amenities which the residents of the areas have a right to expect in proportion to the rates and taxes paid by them. The optional functions include matters which are not absolutely essential but which are legitimate objects of expenditure from local revenues.

Taluka local boards are, except in educational matters, subject to the control of the district local boards and, if the latter so desire, they can be the agents of the district local boards in respect of road works, buildings, services and institutions. As regards education the expenditure from the local fund is assigned by the district local board but the detailed administration is vested in the school board.

The obligatory duties of district and taluka local boards have been on the whole performed satisfactorily. The construction and repair of public tanks, wells and water works have been carried out with fair efficiency though it has been reported that sufficient attention has not, in a few cases, been paid to the necessity for working water supply installations on a businesslike basis.

47. The following statement shows the position of Local Boards *vis-à-vis* the Government Departments :—

Duty.	By what agency executed.	Financial assistance given by Government.	Other assistance given by Government.
(a) OBLIGATORY.			
<p>(1) (i) The construction of roads and other means of communication and the maintenance and repair of all roads and other means of communication vesting in them [section 50 (a) of the Bombay Local Boards Act].</p> <p>(ii) The construction and repair of markets, dharmashalas and other public buildings [section 50 (b) of the Bombay Local Boards Act].</p>	<p>By the Public Works Department or the District Local Board Engineers whose appointments have been approved by Government [vide sections 45 (1) (2), 45(A) and 89 (1) (b) of the Act and paragraph 1 of Government Resolution No. 4453, dated 19th August 1924].</p>	<p>Government pay to the Board a grant equal to 1/3rd of the salary of its Engineer whose appointment is approved by Government. In addition to the above statutory grant, grants are paid to District Local Boards for (a) local public works, and (b) for works executed through the Public Works Department agency. These are discretionary grants.</p>	<p>Under Section 40 (3) of the Act it is open to the local boards to require the presence of any officer of the Public Works Department not lower in rank than an overseer at their meetings.</p>
<p>(2) (i) The construction and repair of hospitals and dispensaries and the visiting, management and maintenance of such institutions [vide section 50 (b) of the Act].</p>	<p>The construction and repairs are carried out by the Public Works Department or the District Local Board Engineers. The dispensaries are generally in charge of S.M.S. Officers lent by Government.</p>	<p>Government give annual grants for maintenance and non-recurring grants for the construction of new dispensary buildings. The amount of the annual grant is not to exceed one-half the net cost of maintenance of a dispensary as approved by the Surgeon-General and arrived at after deducting private donations or endowments from the total expenditure, or 1/3rd of the actual expenditure of a dispensary, whichever is less. The grant for the construction of a dispensary building is not to exceed 50 per cent. of the net cost arrived at after deducting the amounts of private donations received by the local body concerned. The amount of the annual grant is subject to revision every five years.</p>	<p>The cost of maintenance is to include a contribution of Ra. 200 per mensem on account of a B.M.S. Officer or, Ra. 90 per mensem on account of a S.M.S. Officer, as the case may be. The balance of the Medical Officer's pay and allowances and the leave and pension contribution on their account is borne by Government.</p> <p>The first supply of all necessary surgical and other instruments for a dispensary is issued free from the Government Medical Stores.</p> <p>Medicines and medical stores are supplied at cost price plus 10 per cent. for departmental charges.</p>
<p>(ii) the payment at such rates and subject to such conditions as the Government from time to time by general or special order may direct of the expense of maintenance and treatment in any institution which the Government declares by notification to be suitable for such purpose, either within or without the district and other necessary expenses, or persons undergoing anti-rabic treatment as indigent persons according to the rules applicable to such institutions, and proceeding to and returning from such institutions [vide section 50 (4) of the Act].</p>	<p>Government have established some centres for affording anti-rabic treatment and have issued orders that the actual travelling expenses of indigent persons coming from local board areas for such treatment to the nearest institution opened by Government and notified to be suitable for such purpose and their maintenance and treatment charges shall be paid by local boards at the rates and on the considerations already prescribed by Government or such other rates as may be prescribed from time to time.</p>	<p>None.</p>	<p>None.</p>

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Duty.	By what agency executed.	Financial assistance given by Government.	Other assistance given by Government.
(a) OBLIGATORY—contd.			
(3) The construction and repair of public tanks, wells and water works, the supply of water from them and from other sources, and construction and maintenance of works for the preservation of water for drinking and cooking purposes from pollution. [Section 50 (c) Bombay Local Boards Act, 1923].	By the Public Works Department or the District Local Board Engineers, whose appointments have been approved by Government [vide sections 45 (1) (2), 45A and 89 (1) (b) of the Act and paragraph 1 of Government Resolution No. 4463, dated 10th August 1924].	Government give grants for village water supply but these grants are discretionary.	Under section 40 (3) of the Act it is open to the local board to require the presence of any officer of the Public Works Department not lower in rank than overseer at their meeting.
(4) Primary education	The duty is carried out through school boards appointed under the provisions of the Bombay Primary Education Act, 1923.	The annual recurring grant given by Government is equal to the recurring grant paid by them to the Board in the year previous to that in which control of primary education was transferred to the Board plus two-thirds of all new approved expenditure incurred subsequent to the transfer of control. Non-recurring grants are also paid under rules 114-116 of the Primary Education Rules.	Government give to the Boards a grant equal to the full cost of the supervising and inspecting staff taken over by them on datum line conditions. Government have also given a recurring grant equal to one-twelfth of the local assets of the District Local Board in the datum line year towards meeting the cost of non-recurring expenditure and have decided to give a grant to the Boards on the basis of the expenditure incurred by Government on contingencies, stationery, travelling allowance of the inspecting staff, etc., prior to the transfer of control of primary education to the Boards and on account of grants-in-aid to approved Primary Schools.
(5) Public vaccination and sanitary works and measures necessary for the public health.	The chief executive for carrying out these duties is the Public Health Committee, which a District Local Board may appoint consisting of such members of the Board as the Board may elect. The said members may co-opt the Civil Surgeon of the District or any other medical or sanitary officer of Government or a legally qualified medical practitioner. District Local Boards also employ Health Officers and Vaccinators for carrying out these duties.	Where a District Local Board appoints a Health Officer and such appointment is approved by Government, two-thirds of the salary of such officer is paid by Government. Grants on account of Sanitary Inspectors are based on one-half of their salary. Government give grants on account of pay of vaccinators; in regard to candidate vaccinators Government make a contribution of Rs. 5 per mensem per candidate; provided the local body pays Rs. 15 per mensem. Government also make a contribution of Rs. 5 per mensem per vaccinator maintaining a pony or other conveyance.	During epidemics, etc., Government give quinine tablets, serum, etc., free of cost to District Local Boards.
(b) OPTIONAL.			
(1) The establishment and maintenance of relief and local relief works in times of famine or scarcity.		Special grants are made in times of famine or scarcity.	
(2) Provision for educational objects other than those relating to primary education.	The work of the schools is generally carried out by the staff of Local Boards.	Most of the institutions get recurring and non-recurring grants from Government along with similar institutions under other management at the rates and on the conditions specified in the Grant-in-aid Code.	No other aid in particular, except loan of services of Government servants when required and found feasible.

Duty.	By what agency executed.	Financial assistance given by Government.	Other assistance given by Government.
(b) OPTIONAL—concl'd.			
(3) Any other local works or measures likely to promote the health, safety, comfort, or convenience of the public.	The works are being maintained by the Boards through their agency.	Government give the requisite amounts for the maintenance and repairs plus Establishment charges.	
(4) With the previous concurrence of the Collector, any public reception ceremony, entertainment or exhibition.	Collectors have been instructed to sanction expenditure on public receptions unless in exceptional cases they consider that the expenditure is open to objection.	Nil.	

48. Expenditure.—The finances of *District Local Boards* are continually coming to the notice of Government and on enquiry it has been frequently found that their inability to finance certain necessary improvements or schemes is due to the large amount of taxes which are in arrears and not, as has been suggested, to the poverty of these bodies. District local boards are helped considerably by Government as will be seen from the following statement of expenditure in relation to income for the year 1929-30 :—

	EXPENDITURE (in thousands).							INCOME (in thousands).						
	Administration.	Police.	Education.	Medical.	Public Works.	Miscellaneous.	Total.	Land Revenue.	Local Rates.	Police.	Education.	Medical and Public Works.	Miscellaneous.	Total.
Northern Division.	1.46	19	23.67	2.56	11.35	2.75	41.98	64	11.60	80	21.18	7.90	2.23	44.41
Central Division.	2.11	75	47.26	3.64	16.75	1.71	72.22	43	18.96	2.21	40.03	10.79	1.83	74.25
Southern Division.	1.53	26	32.55	2.67	10.30	.95	48.37	18	11.05	61	29.92	7.63	.90	50.29
Bombay Suburban District.	12	2	85	17	99	4	2.19	11	28	3	80	65	19	2.06
Sind	2.30	1.05	12.66	3.56	10.47	4.16	34.20	2.40	8.61	1.40	11.02	6.07	2.16	31.66

With the exception of Sind, all the divisions, received more than 50 per cent. of their income from Government though the total receipts on account of local rates increased from Rs. 48 to Rs. 50 lakhs in all divisions, which was due mainly to the recovery of past arrears of local fund cess. It has to be admitted that there are many admirable schemes which the finances of a district local board do not allow of their undertaking, and it has been suggested that it might be possible to make greater advances for small capital works, such as wells and buildings which, when once completed, do not require much expenditure for upkeep. Such a system has been applied with success in Bombay City to "Capital" roads, so as to enable the complete reconstruction of such roads. This suggestion that the money should be borrowed by a 30 years loan to build wells does not seem feasible, as there would be no revenue ordinarily from a local board well and this would mean mortgaging the future revenue of a local board to meet immediate needs.

49. From the above statement it will be seen that while the cost of administration is normal in the Presidency, excluding Sind, more is spent on education than on any other subject. In the Central Division no less than 64 per cent. of the total expenditure comes under this head. As regards expenditure on civil works all local boards have manifested considerable energy in building schools

and dispensaries so far as their funds have permitted, while the expenditure on communications still exceeds the Government grant.

50. It has already been stated in this review that *Taluka Local Boards* spend little, and that what little they spend is on establishment charges. They have, however, to depend almost entirely on district local boards for their income, the average of which is less than Rs. 10,000 a year and many boards have an income of less than Rs. 1,000. Taluka local boards are thus practically without independent resources, separate spheres of duty or large responsibilities and, though it is not the intention to discuss this point here, it seems apparent that these powers could only be given to them at the expense of the district local boards.

51. The following statement shows the expenditure during 1929-30, in relation to income, of taluka local boards in each division :—

	EXPENDITURE (in thousands).			Opening Balance.	INCOME (in thousands).					Closing balance.
	Civil Works.	Other Heads.	Total.		Received from D. L. Boards.	Land Revenue and other sources.	Police.	Civil Works.	Total excluding opening balance.	
Northern Division.	4.01	2.59	6.60	4.20	1.30	2.83	61	1.49	6.23	3.83
Central Division.	4.08	1.91	5.99	2.80	1.40	1.87	138	55	5.80	2.61
Southern Division.	2.58	86	3.44	1.67	2.02	72	36	27	3.37	1.60
Sind	3.58	1.71	5.29	1.63	1.83	1.69	90	79	5.21	1.55

The apparently small amount received from district local boards in the Northern Division is accounted for by the fact that no less than Rs. 1,49,000 were received on account of civil works. On the expenditure side, it will be seen that the greater part of the income of taluka local boards is expended on civil works.

52. **Staff.**—Before the passing of the Local Boards Act of 1923, the Collector, as the official Chairman of the District Local Board, had not been entirely dependent on the board's own staff because in him was combined the authority of the highest revenue officer of the district, and in consequence he had at his command a large number of officers who could assist in the discharge of the local board duties. With the passing of the Act of 1923 and the appointment of a non-official president, Government lost considerable control over these bodies. Instead of a contented staff, with some prospects of permanency, the advent of a non-official chairman meant some changes of staff according to the party in power, in security of tenure and a consequent decrease in efficiency. The official, as chairman or president of the district local board, was continually able to supervise the various works in progress as his duties took him to all parts of the district. The elected president is without pay and is expected to attend to the affairs of the local board at such times as he can spare from his own work. There have been instances of efficient presidents, but this is not the universal experience. The key to the whole situation appears to be the need for a competent and well-paid chief officer in whom is vested considerable control over the staff, which will ensure an increase in efficiency and some security of tenure.

Criticisms and Suggestions.

53. The interest evinced in elections to district and taluka local boards has been much less keen than in the case of municipal elections, and it has been quite common for elections to be uncontested and seats to be filled by nomination. In the Belgaum District, in 1922-23 contests occurred in only 27 out of 40 groups, while in the elections to certain Muhammadan constituencies there has been a marked lack of interest on the part of voters.

In the case of both the district and taluka local boards the percentage of the population represented by the electorate is very small, and it has been suggested that there is some justification for a further lowering of the franchise especially in view of the recent recommendations of the Statutory Commission. But if the public do not take more interest in this form of administration than they have in the past, there would appear to be no strong case for any appreciable extension of the vote. It is but natural that the interest evinced should be less in rural than in municipal areas, as the electors are on the whole less intelligent and less immediately affected by questions of local self-government. Besides this, in a great majority of cases they have to go much further to record their votes than they do in towns.

54. The income of local boards has been for some time insufficient for their needs in a majority of cases and it is suggested that the *District Local Boards* should be empowered to impose a general house-tax in all non-municipal areas, and that they should be compelled to refund not less than half the receipts in the case of any village in which there is a village panchayat. In order to improve the finances it is also suggested that a tax might be levied on trades and professions as any increase in the local fund cess is not altogether desirable because it falls on the agriculturists alone.

As regards staff the same principle applies to district local boards as to municipalities, i.e. the need for a properly trained staff and an assurance of permanent service as well as non-interference of the general body in ordinary routine details of administration. It is suggested that the local body should be content with laying down the general principles and should be precluded from interfering with details of administration.

55. There has been a strong feeling for some time that there is no justification for the retention of *Taluka Local Boards*, while on the other hand, it has been argued that they have not had a fair chance in the past owing to the fact that they have had a negligible amount of money to spend during the year. Their complete abolition, however, might lead to administrative difficulties, as a single large district local board with taluka representation and taluka committees might not prove workable. In dealing with this subject the Lawrence Committee wrote "We are cordially in favour of the creation of Village Panchayats" and Mr. Martin in his report discussed the same question at length. He held conferences of revenue officers in each division and while very few of the officers consulted were of opinion that taluka local boards were doing useful work, all the Collectors in the Central Division agreed that they were useless. Non-official opinion was at that time on the whole opposed to the abolition of taluka local boards. The argument hinges on the success of village panchayats; it seems quite clear that both taluka local boards and village panchayats cannot achieve any measure of success as anything like an extended system of panchayats will leave taluka local boards nothing to do. It is therefore proposed that the passing of the Bill to amend the Village Panchayats Act, 1920, should be expedited and that village panchayats should be created for groups of villages so as to admit of taluka local boards being abolished except in cases where the district local board can show special reasons for the need of them.

Village Sanitary Boards and Committees and Village Panchayats.

56. *Village Sanitary Boards and Committees* are governed by Parts II and III of the Bombay Village Sanitation Act of 1889 and can be formed in villages to which Part II of the Act has been applied by the Collector of the district or Part III of the Act by Government. A Board or Committee is to consist of 3 or more adult male residents who have been chosen with their own consent by the Collector, of whom the police patel shall be one. The powers of establishing and cancelling Sanitary Boards vest in the Commissioner. While the Collector can remove any member of a Committee the Commissioner alone is empowered to remove a member of a Sanitary Board. The constitution of such committees was the first attempt in this Presidency to resuscitate the village as a local self-governing unit. The object of these committees is confined to the improvement of the sanitary conditions of the villages and though the Act allows a sanitary committee or board to be established for a group of villages as well as for single villages, it is believed that in no case has a committee or board been established for more than one village.

The number of sanitary committees that existed in the Presidency in 1920-21 was a little over 700, while at the present time it is about 350. These committees no doubt perform useful services, but the scope of their activities is so limited as to preclude them from becoming valuable educative agencies.

57. *Village Panchayats* are governed by the Bombay Village Panchayats Act, 1920, which gives either to the Collector or the District Local Board authority to take steps, with the assent of the other for the constitution of a village panchayat in any particular village, and lays down that the number of members shall not be less than 5 and that one of the members shall be the revenue patel *ex-officio*. A panchayat has to elect a surpanch in whom is vested the entire executive power. Every adult male resident of a village is qualified to vote at the election of members of panchayats, who hold office for three years. The establishment of sanitary committees having failed to provide any inducement to the ordinary villagers, the Government of India took up the question of the formation of panchayats and in their Resolutions of 1915 and 1918 laid down certain general principles indicating the lines on which advance was most likely to be successful. The most important of these principles were :—

(i) that the area under a panchayat should normally be a village and not a group of villages, unless the villages are so closely connected together that they can be treated as one ; and

(ii) that the panchayats were to be controlled by the administrative district staff and not by other local bodies.

It cannot be said that any success has attended the experiments in this Presidency. No panchayats have been established in Sind or the Bombay Suburban District, and where they have been established in other Districts, they cannot be said to be working satisfactorily. The number in the Central Division decreased from 259 in 1922-23 to 136 in 1929-30. So little success was achieved that in 1926 Government appointed a committee of the Legislative Council to report on the question. This report is still under the consideration of Government and the amendments to the Act will be based on the recommendations of this committee.

58. *Taxation : Village Sanitary Boards and Committees* have no power under the Act to impose taxation on the inhabitants of the village. They may by a voluntary subscription raise any sum of money for necessary works or measures in the village, but if the amount required is not so available it may be recovered by a rate charged on the inhabitants of the village and assessed by the Collector in consultation with the sanitary committee. The aggregate amount to be so charged in any year on the inhabitants is not to exceed one-half of the aggregate amount leviable in that year as local fund cess. Normally, however, they receive grants to the extent of 3/12ths of their expenditure from provincial funds and 4/12th from local board funds. The remainder they are expected to provide locally.

59. *Village Panchayats*.—Section 26 of the Village Panchayats Act makes it compulsory for every panchayat to levy a house tax, subject to the maximum rate fixed by Government. They are also empowered to levy any tax from the owners or occupiers of houses or lands and they can impose an octroi. In addition to these, they receive grants from the district local boards and realise fines from prosecutions and other miscellaneous sources. The house tax has been for long a cause for complaint from village panchayats owing to its being compulsory, and it has been said that this excessive association with taxation has undoubtedly been the cause of the unpopularity of panchayats.

60. *Powers and Duties* : As the name implies, *Village Sanitary Boards and Committees* are responsible for the improvement of the sanitary condition of the villages. They have powers to make rules, subject to the approval of the Collector, for :

- (a) regulating their proceedings ;
- (b) the provision of an adequate supply of drinking water ;
- (c) the cleansing of streets and open spaces ;
- (d) the removal of accumulation of offensive and noxious matter ; and
- (e) the prevention of nuisances.

All offences against the rules are cognisable by the committee and they are entitled to such voluntary labour as they can recruit and the services of such village servants as may be placed at their disposal by the Collector. Their activities have been limited in scope, which has precluded them from becoming valuable educational agencies, and there has been no general desire on their part for conversion into village panchayats, presumably in view of the compulsory house tax which such conversion would involve. Under the present Act, sanitary boards and committees are not entitled to hold property, and they suffer from a further disability in that the amount of the grant which Government give is dependent on the voluntary contributions which are raised in the village. As it will be seen the amount of such contributions will depend on the energies of the members of the committee and it is not to be doubted that these committees are not increasing owing to the fact that they have no powers to levy taxes or hold property of any kind.

61. *Village Panchayats* have powers to supervise village schools, labour employed by school boards on works within the village and to manage cattle pounds. They are also entitled, subject to the control of the district local board, to appoint a staff of servants to carry out their duties. The duties of *Village Panchayats* may be summarised as under :—

- (a) supply of water for domestic use ;
- (b) the cleansing of public roads, drains, tanks and wells ;
- (c) the construction, maintenance and repair of minor roads, drains and bridges ;
- (d) sanitation, conservancy and the prevention or abatement of nuisances ;
- (e) the preservation and improvement of public health ;
- (f) maintenance and regulation of use of public buildings vesting in the Panchayat ; and
- (g) the lighting of the village.

62. **Expenditure.**—The expenditure which can be incurred by *Village Sanitary Boards and Committees* is definitely limited to the amounts received either from the district local board or Government or from the rate which they have the power to charge on the inhabitants, together with the voluntary subscriptions and the amount of fines recovered. The main items of expenditure are for supplying drinking water, cleansing the streets and open spaces and removing offensive matter from the streets of the village. The sanitary committee can, out of any unappropriated balance standing to its credit, make such contributions as it shall deem expedient to the cost of any work under construction by a local board.

A Sanitary Board has four main items of expenditure :—

- (a) salaries of the Sanitary Inspector and other officers ;
- (b) provision of stationery and other requisites for the use of the board and their officers ;
- (c) fulfilling a contract entered into by it ; and
- (d) construction of necessary works and buildings.

63. *Village Panchayats* can always rely on the compulsory house tax for income in addition to which they receive grants from the district local boards and realise fines from prosecutions. Their expenditure, however, is usually comparatively little as the construction, maintenance and repair of roads, drains and bridges is often left to the taluka or district local board. The most important item of expenditure is the supply of water for domestic use and the lighting of the village.

Criticisms and Suggestions.

64. *Sanitary Boards and Committees.*—One important defect in the working of these bodies is that their accounts are not audited and there is no means of verifying that the grants made by Government and local bodies are properly used. There is also the complaint that their scope is too limited in that they have no powers to hold property or to levy taxes. Proposals for the necessary legislation vesting such powers to some extent in sanitary committees are at present under consideration. It seems reasonable that they should be given the latter powers and that arrangements should be made for the auditing of their accounts in order to enable Government and district local boards to see that their money is being spent on the purposes for which it is intended. They will

also be enabled to undertake some larger works of importance, and it is certain that the villagers themselves would be interested in the completion of these works.

65. *Village Panchayats*.—The reason for the unpopularity of village panchayats during the last few years is to a great extent accounted for by the defects in the Act as it stands at present. An amending Bill has already been drafted by a private member and Government are preparing a Bill which may be ready for the Legislative Council this year. It has been suggested that the most suitable villages where village panchayats should be formed would be those in which Co-operative Societies exist. It has also been proposed that village panchayats should be formed of more than one class, i.e. their powers should be graded, elementary powers being given at the outset and so soon as the panchayats show that they are able to undertake more responsibilities, then other powers, for example, criminal and civil jurisdiction, might be given them. There is one danger with regard to village panchayats, and that is that their capacity is liable to be overtaxed by giving them more responsibilities than they can bear. It would appear politic to give them minimum powers at first and then by gradually increasing powers and eliminating failures, build up by easy stages a system that will endure.

66. As regards the draft Bill, it has been proposed to amend section 26 of the present Act, removing the compulsion to levy a house tax. Another amendment is to give the district local board power to increase any of the taxes available to the panchayats. Section 35 of the bill lays down that the taluka and district local boards shall contribute to the funds of every panchayat an amount equivalent to one-eighth of the amount raised by the panchayat, provided that the boards shall not be required to pay more than Rs. 80 and Rs. 100 per year respectively. It would appear more reasonable to prescribe that a district local board should pay a fixed proportion of the funds raised by it in each village where a village organisation exists, and it is suggested that an amount equivalent to from one-fourth to one-half of the cess should be compulsorily payable to the village panchayats in proportion to the extent to which they relieve the local board. A further suggestion is that village panchayats should have some right of election to the district local boards and that panchayats should be created for a group of villages. The latter is already provided for in section 3 (1) of the Act, but it has not as yet been adopted. This system of union boards has been worked with success in Bengal where village panchayats for a single village are the exception rather than the rule.

III. CONTROL.

67. *Statutory*.—In this Presidency, statutory control is exercised in two ways. Firstly, by the powers conferred on the officers of Government and secondly by the powers reserved by Government itself. As regards the first, in addition to such control as is provided by the fact that their sanction is required in certain cases, such as increase in establishment and new taxation, the Collector of a district or the Divisional Commissioner has, both under the Municipal and Local Boards Acts, the following powers:—

- (a) inspection and supervision;
- (b) suspension of the execution of orders; and
- (c) extraordinary powers in the case of an emergency.

Under the Local Boards Act, the President of each local board has to forward to the Collector a copy of every budget estimate and a statement of every re-appropriation as finally approved. The Commissioner is empowered to prevent extravagance in establishments entertained by a local body at the expense of the local body.

68. As regards village sanitary boards and committees, the Collector exercises considerable control over these bodies, as the personnel is chosen by the Collector and the chairman is nominated by him. Rules require the approval of the Collector who can also suspend the operation of any such rule. The Collector's approval is required to the employment of servants and to the entering into any contract by these committees. Under the Village Panchayats Act of 1920, the

Collector is empowered, after holding an inquiry if he thinks fit, to recover as an arrear of land revenue the taxes or fines which a panchayat fails to recover under the powers given to it. The Commissioner is empowered to decide appeals against the enhancement of the income of a panchayat which the district local board may wish to make and the district local board can take no action until the appeal has been decided.

69. From the above it may appear at first sight that the powers of control exercised by Government and its officers over the acts and proceedings of local bodies in India are unnecessarily extensive, especially when compared with the great measure of autonomy allowed under the English or the American systems. In England there is a central control in certain matters other than in those relating to finance. For example, the bye-laws of any local authority must be confirmed by a Government department and town-planning schemes must have the approval of the Minister of Health. The financial control may be either by restrictions as to the resources from which they may obtain their revenues, by requiring approval by the superior authority of the estimates, budgets or other decisions relating to financial matters before they become effective or by an audit of the accounts by a superior authority. The systems of France, Germany and other continental nations give very extensive powers of control to the local representatives of the central Government as well as to that Government itself. Thus in France, the Council of a Commune can be suspended by the prefect for one month or dissolved by the decree of the president. Until a new election is held, the functions of the council are exercised by a nominated delegation. If the mayor refuses or neglects to perform any of the acts prescribed for him by the law, the prefect can proceed to do them in person or by deputy. He can suspend the mayor for a term not exceeding a month. These powers are not infrequently exercised even at the present time in France; though it must be admitted that the general tendency in civilised countries is towards a greater freedom from control by the State in the case of towns, combined with a more complete control by the State over all local authorities or rather a greater monopolisation by the State of the government of its whole area outside the cities.

70. The principle laid down by the Government of India in their Resolution of 1918 was that "except in cases of really grave mismanagement, local bodies should be permitted to make mistakes and learn by them rather than be subjected to interference either from within or from outside". Where the powers of subordinate legislation, accompanied by penalties as in the case of bye-laws or of imposing taxation whose incidence may be harsh and inequitable, or of raising loans and pledging the credit and future revenues of local bodies, are granted, it is obvious that supervision by the State is necessary; and where grants are made from public funds, it is both the duty and the right of Government to see that the money is properly spent. The real test for the necessity of control is whether occasion actually arises for the utilization of the powers of control or not. If no such occasion arises, there may be a *prima facie* case for abolition; where they are in frequent use and the facts of each case are made public at the time when the powers are exercised and thereby every opportunity is given for public criticism, it is unreasonable to suggest that the powers are arbitrary or unnecessary.

71. The special powers reserved by Government are:—

- (a) to provide for the performance of duties in the event of default by a local body (Section 127 of the Local Boards Act; Section 178 of Act III of 1901 and Section 218 of Act XVIII of 1925);
- (b) to enquire into the affairs of local bodies (Section 128 of the Local Boards Act; section 217 of Act XVIII of 1925); and
- (c) dissolution and supersession (Section 129 of the Local Boards Act; Section 179 of Act III of 1901; Section 219 of Act XVIII of 1925).

Frequent cases have occurred during the past decade in which Government has found it necessary to exercise powers under these sections.

72. Government control over panchayats is practically the same as in the case of local boards; for instance, if a panchayat exceeds or abuses its powers or makes persistent default Government can supersede it and all powers and duties shall during the period of supersession be performed by the persons appointed by the district local board.

73. **Audit.**—The system of control by Government by means of audit was first introduced in 1907 in the case of municipalities and local boards. Prior to that date, there had been no regular audit of their accounts which were examined in the office of the Accountant General mainly for the purpose of preparing consolidated returns showing receipts, disbursements, etc., for submission to Government. When the local audit was first introduced, it was conducted only in the case of those municipalities which agreed to pay the cost thereof, but it was subsequently decided that the audit of the accounts of all local bodies should be conducted on the spot and the results of the experiment have proved the necessity for that action. Audit has brought to light a large number not only of financial irregularities of various kinds but also of cases of embezzlement mainly due to lack of supervision and control by the boards over their staff. It has become apparent for some time that local bodies, frequently fail to rectify the irregularities pointed out and in spite of warnings and repeated instructions they evade taking proper action on the audit notes. The Revenue Officers have been specially requested to see that necessary action is taken, but in spite of this, there has been evidence to show not only that in matters of administration the supervision exercised by the boards over their staff is inadequate but also that there is a disregard in financial matters of the rules of economy.

74. Mr. Martin suggested the application to the local audit of this Presidency of the principles of disallowance and surcharge which have been in force in England. These principles are stated as follows in section 247 (7) of the English Public Health Act :—

“ Any auditor acting in pursuance of this section shall disallow every item of account contrary to law, and surcharge the same on the person making or authorising the making of the illegal payment, and shall charge against any person accounting the amount of any deficiency or loss incurred by the negligence or misconduct of that person, etc.”

These principles were not embodied in the Local Board Act of 1923, presumably because at that time there was no opportunity of making them applicable to municipalities as well. This has now been done by means of a special bill which was passed into law during the Legislative Council Session of July, 1930. The experience of the past years shows that there is ample justification for the passing of such an Act. In England where the standard of public morality cannot be held to be lower than in India, there have been as many as 2,000 such surcharges in a year. The number of cases of embezzlement and misappropriation in connection with local funds detected by audit in the Presidency has averaged about 50 in each of the last five years. It is hoped that, with the passing of this bill, respect for public property and public funds will be cultivated, and that the educative effect of this measure will be of great value. It has to be noted that at present local audit does not extend to the funds of such minor organisations as sanitary committees and there is no regular means of verifying that the grants made by Government and district local boards to such committees are properly used. Steps are under consideration to remedy this deficiency, which is as necessary for the smaller local governing bodies as for municipalities and district local boards.

75. **Administrative.**—This method of control can be exercised in two ways :—

- (a) by the regulation of grants ; and
- (b) by advice and supervision.

As regards the former, the Statutory Commission, 1930, has observed that there is inevitably some difficulty in getting bodies composed of land-holders to impose a tax or increase a tax on themselves. In England, the system of grants-in-aid has done much to stimulate the development of particular services though such grants are generally made conditional on the imposition of adequate taxation and the acceptance of a considerable measure of central control by the local authorities themselves. In this Presidency grants-in-aid are frequently given unconditionally so that authorities have become too dependent on the Government grants. It has been suggested that local bodies would have difficulty in framing a consistent policy if their grants are liable to be stopped or altered without long notice though it cannot be denied that the way to ensure efficiency is to control the system of grants-in-aid.

76. It has already been stated that the control sections of the Acts governing municipalities and local boards give power to the Collector to supervise the actions of local bodies and to give advice. In addition to the advice and supervision exercised by the Collector, most of the functions of local bodies involve some degree of expert knowledge; for instance, maintenance of water works and drainage, roads and buildings, public health and vaccination, primary education, town planning and rating, hospitals and dispensaries, and veterinary hospitals. As regards maintenance of water works and drainage schemes and roads and buildings, the Superintending Engineer, Public Health, and Executive Engineers are always available for advice and supervision. For vaccination purposes, several Revenue Districts are placed in charge of an Assistant Director of Public Health, who is responsible to the Director of Public Health for superintending this branch of municipal work. Dispensaries and hospitals are visited periodically by the Divisional Commissioner, the Surgeon General, the Collector and the Civil Surgeon. Any difficulties with regard to primary education can always be referred to the Director of Public Instruction. It will thus be seen that expert officers are available to advise on most of these aspects.

In England, in public health matters control is exercised by the County Council, through its medical officer, over both urban and rural authorities. That officer keeps himself in touch with the sanitary work of each local authority by obtaining reports and by actual inspection. It is not obligatory on any one to obtain his advice, but often his advice is solicited and even his consent obtained in regard to sanitary projects so that he may raise no objection afterwards. If this system could be adopted it would be the means of maintaining a higher standard of local administration. If not, it is proposed that some of the powers of supervision and control should be exercised by Government through its officers.

IV. GENERAL CONCLUSIONS.

77. There is no reason to suppose that the general principles on which *Municipal Administration* in this Presidency is organised require any radical revision. The Municipal Boroughs Act was thoroughly revised as recently as 1925. The revision of the District Municipal Act, 1901, is under consideration, but the object in view is not so much to make fundamental changes as to bring the Act into line with present day conditions and remove any anomalies or difficulties that have come to notice during the last thirty years. The electorates are taking a slowly increasing interest in municipal affairs. Any measures that would tend to attract more public interest to this branch of the administration deserve encouragement. A sufficient number of men of standing, are usually forthcoming as candidates at elections. Though there is room for improvement in most phases of municipal administration it is nevertheless true to say that municipalities are discharging the functions entrusted to them by the Legislature and that their work is, on the whole, not much below the standard which the bulk of the public at present desire. The growing demands for better roads, water supply, lighting, drainage, education and public health administration prevent the Councils from stagnating, but the advance is naturally limited by the willingness of the public to tax themselves in order to provide the amenities they require. Certain of the largest towns naturally develop special problems of their own and may, in the course of time, require special municipal Acts somewhat on the lines of the City of Bombay Municipal Act. Karachi is an example of this and the Bill for constituting a municipal corporation in that City is now under the consideration of Government. The other municipal Acts are undergoing constant amendments as need arises at the instance of the non-official members of the Legislature as well as of Government, but the general principles on which they are framed have not been challenged.

78. Similarly in rural areas the institution of *District Local Boards* has proved on the whole not unsuccessful. The recent substitution of non-official for official chairmen has had far-reaching consequences of which the implications have not

yet been fully realised. It is true that the electorate still take insufficient interest in the affairs of these boards, but with the spread of education and possibly with an extension of the franchise a gradual improvement in this respect may be looked for. The Act has been thoroughly overhauled as recently as 1923 and on the whole is working satisfactorily.

It is with respect to the minor local bodies in rural areas that the policy of Government has not yet achieved success. The work of many *Taluka Local Boards* leaves much to be desired. They spend little, they have as a rule no executive staff of their own, they do not attract sufficient members of the necessary status and ability, their area is not large enough to afford scope to ambitious men and not small enough to ensure their direct personal interest in the proceedings. No completely satisfactory alternative has yet been arrived at. Sanitary Boards and Committees, while useful in a few petty matters, are too rudimentary. Panchayats are more hopeful but are not yet an established success. The Village Panchayats Act needs complete revision in light of the experience gained during the last decade and a Bill is now under the consideration of Government.

79. It is, however, probable that legislation alone will not meet the case. If the system is to succeed some means must be found of giving the panchayats help and guidance during the early stages and of putting them on a sound financial footing. At the present stage it seems desirable to encourage experiments and to allow as much elasticity as possible in the organisation of the ultimate unit of rural local self-government so as not only to allow of varying local conditions but also to afford the local leaders an opportunity of service without overtaxing their capacity or requiring them to undertake duties which they cannot yet be reasonably expected to discharge.

80. The public demand for the provision of additional amenities can only be met by an expansion in the revenues of local bodies. The rate of local taxation per head is steadily rising but the public will have to shoulder additional burdens if local bodies are to respond to all the demands made upon them. There is no reason to suppose that the sources of revenue open to *Municipalities* are insufficient provided that they are adequately exploited and efficiently administered. There is a general tendency to prefer indirect to direct taxation and a less justifiable tendency to deal somewhat tenderly with the interests of the higher classes. This tendency may become less marked as the franchise is extended and as more members of the backward classes enter the boards. In the case of *Local Boards* the sources of revenue are less elastic. The bulk of their income is derived from the agricultural classes while the shopkeeping and professional classes get off very lightly. There is a good case for introducing a trades and professions tax in rural areas and as already stated, Government are considering a scheme which will help those local bodies who desire to introduce such a tax to formulate practicable proposals. *Minor Local Bodies* in rural areas have scarcely reached the stage when they can be expected to tax themselves for public purposes. Their finances are, in most cases, not yet on a satisfactory footing and this is a point that requires further consideration.

81. The present haphazard system of recruitment and the insecurity of tenure is having a grave effect on the efficiency of local administration. The problem of securing a properly trained and qualified staff, of regulating pay on suitable scales and of affording the members of the staff sufficient security to enable them to disregard interference by individual members of local bodies without at the same time removing them from their effective control in the event of slackness or disobedience is one that has not yet been solved. Some radical change is desirable but the difficulties are great and the matter needs further consideration in consultation with the local bodies concerned before any satisfactory solution can be suggested.

82. As the electorate becomes more alive to its interests a gradual increase in their internal control over their representatives may be expected with a consequent reduction in the need for utilising the forms of external control which now exist. The formulation of the broad lines of general policy must however rest with the Minister. In most phases of local administration he has at present sufficient means at his disposal to ensure that his general policy is observed so long as local bodies realise that they are integral factors in the general system of the Administration of the Presidency and co-operate with

Government in carrying out their duties. But where they deliberately oppose Government policy and seek to obstruct the administration for reasons not directly connected with the particular branches of it in which they are primarily interested it is not always possible for the Minister to exercise his necessary guiding and co-ordinating function in virtue of the statutory and administrative powers which Government possess. Whether Government have to utilise their existing powers of control or to assume additional powers depends mainly on the local bodies themselves. The general policy of Government is to do all they can to help local bodies in the discharge of their duties and to afford them such administrative and financial assistance as their means permit.

83. The various questions, which have been discussed in this Review, may be summarised as follows :—

(1) Is the system of nomination of members to municipalities justified, and is it desirable to experiment with the system of co-option in selected municipalities? (Paragraph 17.)

(2) If the nominated element in local bodies is retained, is the English system of aldermen suitable? (Paragraph 17.)

(3) The powers of the President and/or the Chief Executive Officer of municipalities to be made absolute, except in cases of dismissal and superior members of the staff? (Paragraphs 29 and 34.)

(4) The method by which the appointment of the Chief Executive Officer should be made. (Paragraph 29.)

(5) The necessity for the formation of a Local Self-Government Service. (Paragraphs 29 and 34.)

(6) The advisability of the creation of a Municipal Service Commission to assist in the selection of Chief Executive Officers. (Paragraphs 30 and 34.)

(7) The desirability of a single service of Local Board Engineers. (Paragraph 30.)

(8) The necessity of the revision of the District Municipal Act, 1901. (Paragraph 35.)

(9) The necessity for further control over local self-governing bodies by Government. (Paragraphs 36 and 75.)

(10) The conversion of Notified Area Committees into Municipalities or Panchayats. (Paragraph 37.)

(11) Should Taluka Local Boards be abolished? If so, should the powers and constitution of District Local Boards be amended to allow of Taluka representation, or should Sub-District Boards be constituted? (Paragraphs 40 and 42.)

(12) What proportion of the funds raised by District Local Boards should be paid to a village where a Village Panchayat or other organisation exists? (Paragraph 43.)

(13) The consideration of the Special Officer's report on the possibility of a tax on trades and professions. (Paragraph 44.)

(14) The possibility of empowering District Local Boards to impose a general house tax in non-municipal areas. (Paragraphs 45 and 54.)

(15) If Taluka Local Boards are not abolished, the advisability of giving them separate spheres of duty. (Paragraph 50.)

(16) The necessity for well-paid Chief Officers for District Local Boards. (Paragraph 52.)

(17) Is a further lowering of the franchise justifiable for District and Taluka Local Boards? (Paragraph 53.)

(18) The necessity for the amendment of the Village Panchayats Act. (Paragraphs 55 and 57.)

(19) If Village Sanitary Boards and Committees are retained the advisability of increasing their powers should be considered. (Paragraphs 63 and 64.)