



Proceedings
of the
Conference held at Poona on
the 6th and 7th August 1935,
to consider the question of a
consolidated tax on motor vehicles

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**Proceedings of a Conference held at the Council Hall, Poona,
on Tuesday, the 6th August 1935, to consider the question
of a consolidated tax on motor vehicles.**

Present :

- The Honourable Khan Bahadur D. B. Cooper (*Chairman*).
The Honourable Mr. C. W. A. Turner, C.S.I., C.I.E., I.C.S.,
Member of Council.
Mr. C. G. Freke, I.C.S., Secretary to Government, Finance
Department.
Mr. H. F. Knight, I.C.S., Secretary to Government, Home
Department.
Mr. H. K. Kirpalani, I.C.S., Secretary to Government,
General Department.
Mr. C. M. Lane, C.S.I., Secretary to Government, Public
Works Department.
Mr. H. V. R. Iengar, I.C.S., Deputy Secretary to Government,
Finance Department.
Mr. Hoosenally M. Rahimtoola, M.L.C.
Rao Bahadur R. S. Asavale, M.L.C.
Rao Bahadur G. K. Chitale, M.L.C.
Mr. R. R. Bakhale, M.L.C.
Mr. B. S. Kamat, M.L.C.
Mr. M. M. Karbhari, M.L.C.
Rao Bahadur S. N. Angadi, M.L.C.
Rao Bahadur R. V. Vandekar, M.L.C.
Mr. N. N. Patil, M.L.C.
Mr. G. S. Gangoli, M.L.C.
Mr. W. G. Lely, M.L.C.
Mr. T. Sinclair Kennedy, M.L.C.
Mr. J. Humphrey, M.L.C.
Mr. H. E. Ormerod.
Mr. Shaikh Abdul Aziz, M.L.C.
Rao Bahadur N. E. Navle, M.L.C.
Sardar Rao Bahadur B. R. Naik, M.L.C.
Rao Bahadur R. R. Kale, M.L.C.
Mr. Pestanshah N. Vakil, M.L.C.
Dr. M. K. Dixit, M.L.C.
Rao Bahadur G. V. Pradhan, M.L.C.
Mr. V. N. Jog.

The Chairman : Gentlemen, we are gathered here today in order to discuss policy and frame proposals for a motor vehicle taxation Bill which Government desire to move at the next session of the Legislative Council. We have the great advantage that the subject is not a new one. It has been before the public for a long while past. The first time it was discussed was at the conference held in October 1933 in this very hall. A Bill (Bill No. VI of 1935) was introduced in the last February-March session of the Legislative Council. The discussion on the first reading of the Bill lasted nearly four days, the proceedings of which have been printed in the Legislative Council Debates, dated 18th to 23rd March 1935. The debate on the first reading of the Bill must still be fresh in your minds and the points raised by members representing different interests and localities were many and diverse. And for that very reason we have met here today to discuss informally and more fully as to how best we could meet the various objections raised during the debate.

Coming back to the debate on the first reading, I would draw your attention to three of the most important objections raised on that occasion :—

(1) That different municipalities in the presidency charged different rates, very high in some cases and very low in other cases, as taxes on motor vehicles, according to the wishes of each municipality, and when attempts were made to bring them all on an uniform basis under one schedule it was found difficult to meet the wishes of all those who were affected by the change ;

(2) That whereas tolls on all forms of vehicles were going to be abolished on provincial roads, tolls on all vehicles other than motor vehicles remained as they were on local bodies' roads ;

(3) That the motor vehicle tax was an increasing source of revenue for the local bodies and the Bill introduced by Government sought to seal this source of revenue permanently ; and in return the local bodies were not promised anything more than a ten per cent. increase under section 10 (1) of the Bill.

I must candidly admit that it is really very difficult to frame a Bill the provisions of which may give entire satisfaction to each and every section of the Legislative Council coming from various districts, who criticised the Bill each from a different angle. Government did their utmost to frame a Bill with a view to satisfy a large majority. And the

Legislative Council ultimately accepted the fundamental principle of the Bill, viz., that there should be a consolidation of the taxation of motor vehicles, and passed the first reading. But when it came to the second reading, the Bill was hastily thrown out on the plea that the data supplied were insufficient and the time allotted for its consideration very limited for a proper consideration of the measure.

With a view to meet these objections, I have now placed before you the data required in the form of the three statements, A, B and C.

Statement A gives in detail the revenue amounting to Rs. 56 lakhs realised in 1934-35 by Government, municipalities and local boards in the Presidency proper, excluding Sind, under the Indian Motor Vehicles Act and tolls on all vehicles and other taxes.

Statement B indicates the revenue which Government hoped to realise under the Bill placed before the Legislative Council in March last. It will be seen that according to our estimates we hoped to realise 46 lakhs. But I am bound to say that this was no more than an estimate. Nothing but practical experience of the working of the new system will show what revenue will be realised and exactly what expenditure will be involved in its operation. Our proposal that the fees should be payable either annually or quarterly at the option of the owner was designed to make it easier for those who have to pay the higher rates, but at the same time it is bound to involve loss of revenue owing to vehicles being laid up, particularly those laid up during the monsoon quarter. In statement B is shown a detailed distribution of all motor vehicles in the presidency, according to the latest reports, with full details of them in accordance with the schedule which was attached to the Bill.

Statement C shows the distribution of light and heavy motor vehicles in the various districts of the presidency and Bombay City.

Gentlemen, I desire to make it clear that this legislation is not designed merely to remove the inconvenience of private car owners who dislike having to stop every few miles to pay tolls. The purpose of the Bill is very much broader. Everyone here will agree that one of the most important functions of Government, and in that term I include both the provincial Government and the local self-governing bodies, is to develop

the national welfare. The surest way to develop trade and prosperity is to increase the share of the selling price of goods which reaches the agriculturist. Part of any policy designed to achieve this end must be the removal of hindrances to the development of rapid and cheap communications. And this is the reason why all advanced countries have replaced tolls and local levies by consolidated motor vehicle taxation on a broad basis.

It is not our intention for one moment to take away from local bodies their sources of revenue. It is solely our aim to remove handicaps on the development of communication and so to improve the prices realised by agriculturists for their goods, while at the same time enabling the local bodies to maintain and develop their road systems.

Gentlemen, I shall not at this stage attempt to go into any further details. Full data have been placed before you in the statements and I shall now ask members to express their views as to the best way of achieving the purpose which we all have in view.

Sardar Rao Bahadur Naik : Mr. Chairman, you have pointed out only three of the objections raised by members of the Council when the Bill was before the Council. There was also a fourth point, a very important point, namely, that according to section 10 of the Bill, those local bodies which had not imposed tolls in deference to the policy laid down by Government, would not get any share. Some local bodies were about to impose tolls, but Government asked them not to impose them. Government even asked the Collectors to prevent these local bodies from imposing tolls, because this Bill was then under consideration. In fairness to such local bodies, that point also should be taken into consideration.

The Chairman : I have no objection to taking the views of the members of the conference on that point also.

Rao Bahadur Chitale : Mr. Chairman, since we discussed this Bill in the February-March session of the Council, it appears that this kind of legislation has been successfully undertaken in Mysore and the United Provinces. The Mysore legislation appears to have had a full measure of support from the public. If we can get a copy of it, it will help us materially.

The Chairman : I do not think we have got a copy of the Mysore Act.

Rao Bahadur Chitale : I would suggest the Secretary getting a copy of it. I think in that legislation all kinds of objections to a consolidated tax on motor vehicles have been met successfully. For instance, they have constituted an advisory board for each district and a central board for the State. They have also adopted certain good principles which we can copy. One point is that they do not want to kill the business in motor traffic. That is a good principle. If that trade is killed, it will give rise to a good deal of unemployment. Another point is that the tolls are not entirely abolished. The abolition of tolls also will lead to a lot of unemployment. I have taken figures for three or four districts, and going by those figures, I estimate that there are some 15,000 to 20,000 men employed in the various nakas of the presidency. These people have been in this business for a very long time, and the Council will be making a mistake if by this legislation they throw all these people out of employment. The Mysore Act has made a compromise in this direction also. Another point is that they make a distinction between motors registered in the State and motors registered outside the State, and those motors which do not pay any registration fee to the State are charged toll fees when they enter the State roads at the frontier. I am speaking from memory : I am subject to correction. In order to keep the tax light on motor lorries and buses, they have not abolished the tolls on bullock carts, as they seem to have accepted the view that the toll fees fall ultimately on the consumer and not on the agriculturist. The result is that the tax on motor vehicles is lighter there than what is proposed in this presidency.

As regards the United Provinces, one point to note is that they had not in their province as many tolls as we have. Some of their districts had tolls, and others had no tolls. Toll fees were not their main income. When the Bill was in the select committee, the U. P. Government accepted a motion to reduce the scales proposed in the schedule by 45 per cent. That is one criterion by which our schedule also should be dealt with.

Rao Bahadur Kale : Mr. Chairman, I am glad to know from you that the purpose of this legislation is broader than the removal of inconvenience to motorists, and that it is one of the aims of the provincial Government to develop this business in motor traffic. We would welcome any measure which is calculated to achieve that end. Motor traffic has come to stay in our country, and the taxation of motor vehicles is one of the problems which it has given rise to. I am sure

there will be no opposition to any taxation that falls fairly on all the interests concerned, the bus-owners, the passengers and Government.

First of all, I wish to say a few words with regard to the principle of uniformity and simplicity. The principle is very good in itself, but in this presidency we have diversity in the conditions of roads. This was one of the main points raised in the Council. The country has to be divided into two areas, the town areas and the country areas. In cities like Bombay, Poona and Ahmedabad, where we have very good roads, and consequently less wear and tear of tyres, the bus-owners will not mind paying a comparatively heavier tax. But in areas outside the city limits, where the condition of roads is simply pitiable, if you propose to levy the same rates as are applicable to vehicles moving about in cities, then they will complain, and complain rightly. What I would therefore suggest is the introduction of the system of route-licences, which exists in some countries. Private cars should be treated differently from public vehicles. Private car owners should be taxed as at present; they should pay whatever they are paying now. But public vehicles should be treated in a different way. They should be brought under a system of route-licences. Licences should be issued having regard to the condition of the road. In this way, competition on the roads will be limited, the taxi owners will not have to face ruinous competition, and the road surfaces also will be submitted to less strain. At the same time as benefit accrues to the bus owner, less injury will be done to the road. If you have a uniform tax and every bus is allowed to run on any road, the competition on the good roads will be greater and the bus owners cannot make a profit and pay the tax.

Another point I would suggest is that the municipalities should be allowed to levy a wheel tax as at present. The reason is this. Those municipalities which want to improve their roads should be at liberty to levy a wheel tax.

The Chairman : You mean a wheel-tax for the local area ?

Rao Bahadur Kale : In municipal areas. The wheel-tax has been in existence in the municipal areas ever since the creation of the municipalities. The roads are within municipal limits; they have to keep them in proper order. Some may keep them in good order, but others may not. Therefore, the municipalities should be at liberty to levy a wheel tax or not.

Tolls should be abolished. I think the view that tolls should go is sound. If tolls are abolished there is one point to be considered. The condition of the mofussil roads is simply scandalous. We have to take account of that fact, and distribute a part of this provincial taxation to the districts on the basis of the traffic passing through the roads of the district, on the condition that the amount so distributed will be utilised on the improvement of the roads. If that is done, the taxation proposed will meet with less opposition from the public. People will be prepared to give money if in return they get some improvement in the condition of the roads.

The Chairman : You are speaking of the provincial tax ?

Rao Bahadur Kale : Yes ; the proceeds of the provincial tax on motor vehicles—not the petrol tax, which is different.

The Chairman : Instead of giving them grants according to their present income, we should give them grants according to the mileage of roads maintained by them ?

Rao Bahadur Kale : Yes.

The Chairman : Whatever may be their present income ?

Rao Bahadur Kale : Yes, because they are expected to improve their roads.

The Chairman : Some boards are spending the money ; others are not spending. How are you going to compensate those boards who are taking great care of their roads ?

Rao Bahadur Kale : We shall have to establish a system of inspection, and the condition of the road will govern the amount of the grant.

The Chairman : According to you, they will have to be paid a grant in proportion to the length of the roads they maintain ?

Rao Bahadur Kale : Of course, but the inspection will be there, and the condition of the road will be looked into.

This route-licences system that I spoke of is in vogue in Great Britain and other countries. But there the roads are more or less in the same condition throughout the country, but in this presidency we have a disparity between the roads in the towns and the roads in the country side, which necessitates a variation in the incidence of taxation. Uniformity and simplicity are of course desirable, but they predicate uniformity in road conditions. When there is such a disparity in the state of the roads, how can you expect the people to pay the same amount of tax, irrespective of the

condition of the roads over which they have to ply the vehicles ? That is the inequality and the injustice which is being felt. That was what was stated in the last debate. The principle of uniformity may be good, but having regard to the conditions of the roads, it has to be modified.

The Chairman : Have you any concrete proposal ?

Rao Bahadur Kale : Mr. Bakhale and I discussed this problem, and Mr. Bakhale might be in a position to put forward any concrete suggestions. We had no idea as to the agenda of to-day, and we were not in a position to know exactly what was wanted, but if you want, we may be able to make some more suggestions in a day or two.

The Chairman : What he means to say is "Do not pay the local bodies according to the income which they are deriving to-day, but according to the length of the roads they are maintaining."

Rao Bahadur Kale : The condition of the roads also should be considered.

Mr. Vakil : If it is not presumption on my part, may I begin by putting a query ? One of the principles of the Bill was the abolition of tolls. There may be other principles involved, meaning to say, the consolidation of all the different charges to which motor car owners are subject at the present day. But one of the main principles was the abolition of tolls. We have accepted the principle, and we have paid more than lip-service to it. It is only when we get down to brass tacks that we realise the difficulties of the problem. Previous speakers have drawn our attention to the diversity of conditions in the different parts of the presidency. Therefore, our main object must be to secure a very simple form of taxation. The resources of Government are very great ; they have the men, the brains, the money, and everything. May I ask whether Government have explored all the avenues of securing a simple tax, meaning to say, for instance—I merely repeat what I stated on a previous occasion—can you assure this conference that there are insuperable difficulties in the way of putting a cess on, say, petrol ? Petrol is a thing which is necessary for the driving of motor cars. Without exception, all motor cars are driven by petrol. I know that there is a petrol tax, but just in the same way as the Bombay Government are collecting a local cess on land revenue—land revenue is a provincial form of taxation, but for the benefit of the district local boards they are collecting a cess of one anna, an anna and a half, and

2 annas on every rupee of land revenue—is there no mode of collecting some kind of cess on the petrol consumed in the Presidency ?

The Chairman : The Government of India will not allow any interference with the taxation of petrol.

Rao Bahadur Chitale : Not even a surcharge ?

The Chairman : No.

Mr. Bakhale : Is it your fear, or have you ascertained it from the Government of India ?

The Chairman : We have ascertained it.

Mr. Vakil : Then I have only one or two remarks to make. I am also one of those who accept the advisability of abolishing tolls and of consolidating the charges. But two or three difficulties have been pointed out. In my speech on the occasion of the discussion of the last Bill, I have pointed out concrete instances of the objectionable nature of the proposals, and something must be done to meet those objections. The bus traffic plying within purely municipal limits will be practically annihilated ; it will be crushed out of existence, and it is not necessary to give you figures ; they are on paper. But that is a very serious objection indeed. They have never to cross a toll bar, and if anything like the form of taxation mentioned in the last Bill is maintained, surely a death blow would be dealt to the bus traffic plying within municipal limits. Secondly, it is an expanding source of revenue for many municipalities. I am expecting by today's mail certain figures, but I say, subject to correction, that the income of the Ahmedabad municipality is expanding very materially from year to year, and if anything like the same method is to be adopted, the Ahmedabad municipality as well as several other municipalities—

The Chairman : What do you mean by “the same method” ?

Mr. Vakil : That is, the average of the last three or five years plus 10 per cent. If this form of allocation is not improved upon, there will be very severe opposition from all the major municipalities, because the wheel tax is really an expanding source of revenue. The increase of motor traffic in Ahmedabad city is simply phenomenal. Even the number of motor cars plying in the district is an eye-opener to me. It stands to reason that many other municipalities are in the same position. The principle of the tax may be good. It is only when you come to consider its incidence that you are confronted with the real difficulties, and a large mass of those who will be

called upon to pay will seriously object to the new form of taxation. The wearer knows where the shoe pinches, and if the incidence in many cases is increases of 25 per cent., 30 per cent., 40 per cent., 100 per cent. and even more than that, then you must—

The Chairman : Do you mean to say that the schedule should be amended ?

Mr. Vakil : It must be substantially amended.

The Chairman : How are you going to make good the revenue that will be lost ?

Mr. Vakil : That is why we are gathered together here.

The Chairman : First of all, you have to take into consideration what is the revenue due to Government, what is the revenue due to the local bodies, and if that revenue is to be made good, how is it to be made good. Unless and until you prepare a schedule on that basis, you will never be able to collect the revenue that you are likely to lose.

Mr. Vakil : It presumes that somebody at present is paying more than he should. If you say "How is the deficit going to be made good?" it means that somebody under the new order of things will escape payment or somebody at present is unjustly taxed. Otherwise, this situation will never arise, viz., how is the gap to be filled up ?

The Chairman : The figures are placed before you, and you have to judge from the figures.

Mr. Vakil : It was brought out in the course of the debate on the last bill (Motor Vehicles Act Amendment Bill) that the fee which was Rs. 2 at first was increased to Rs. 32. It is a very great leap from Rs. 2 to Rs. 32. The amount involved is Rs. 30.

The Chairman : It was never Rs. 2. It was increased from Rs. 8 to Rs. 32.

Mr. Vakil : It was increased from Rs. 8 to Rs. 32, but there was no re-registration fee. The amount involved is Rs. 24. We pay Rs. 72 a year for wheel tax, Rs. 32 for registration, that is Rs. 104 in all. Under the new dispensation we shall have to pay Rs. 130, that is to say, Rs. 26 more. When the fee was increased from Rs. 8 to Rs. 32 there was very great opposition. So far as the private motor car owners are concerned, you practically repeat the same thing. When it was increased from Rs. 8 to Rs. 32, in which Rs. 24 was involved, there was opposition. We shall again be called upon to pay Rs. 26 more.

What is the extra amenity—this is the argument on behalf of a particular class of motor owners—that they will expect from the consolidation of the different charges ?

Mr. Bakhale : Relief from the nuisance of tolls.

Mr. Vakil : But, as I pointed out only a minute ago, by far the larger number have never to cross a toll bar ; they do not pay anything in the shape of tolls. If the tax is to be made acceptable, all these details will have to be very carefully worked out.

Mr. Kamat : I should like to permit myself one preliminary remark on a point which is perhaps obvious, but what is implicit I should like to make explicit, viz., whatever conclusions we reach here should be taken as provisional conclusions, without committing us to anything final. The subject is so complicated that we should reserve to ourselves the freedom to revise our conclusions if a better scheme occurs to us later on. We very much appreciate that we have been supplied this afternoon with some further data on the problem in the form of statements A, B and C, although it has been done at the eleventh hour. I should like to suggest in this connection that it will be a great convenience to members if, similarly, they are supplied with the Bills which have been passed by the sister provinces on the same subject, or, at any rate, the salient points, viz., the schedules in those Bills, so that we can compare what other provinces have done, circumstances being equal.

The Chairman : What do you mean by “ circumstances being equal ” ?

Mr. Kamat : That each man will have to find out for himself, if that is his own judgment.

Rao Bahadur Chitale referred to the United Provinces legislation on the subject, which has been recently passed. If I might refer to one or two features of the United Provinces motor taxation legislation, one feature of it is the classification of roads or routes—route A, route B, and route C. In this presidency I do not know what exactly the classification of roads is ; probably it is provincial roads and district local board roads.

The Chairman : There is no classification as far as tolls are concerned.

Mr. Kamat : Then they have fixed their schedules of taxation on the basis of the roads. For instance, let us take any particular class of vehicle, say, a motor lorry. For

a motor lorry, whatever may be the basic tax, for every additional seat in a motor lorry they provide that, if it is intended to be used on A class route, the additional seat will cost Rs. 11,—I am giving an illustration of the differential scale,—if it is intended to be used on a B class route it will be Rs. 8 and if it is intended to be used on a C class route, each additional seat will be taxed Rs. 5. You will therefore see that there is a differential scale from Rs. 11 to Rs. 5 per additional seat according to the class of the route which the vehicle is to use.

Mr. Lane : Do you mean that a motor lorry is licensed for that particular route ?

Mr. Kamat : Certainly. That is the meaning of the schedule as far as I can make out.

Sardar Rao Bahadur Naik : In the district local board roads we have the classification of metalled, unmetalled and fair weather roads.

The Chairman : There is no classification for the purpose of levy of tolls.

Mr. Kamat : For purposes of motor taxation there is no classification.

Sardar Rao Bahadur Naik : For the purpose of distributing Government grants, they ask the local boards to supply them with information as to the metalled, unmetalled and fair weather roads.

Mr. Kamat : This is one feature of the United Provinces Bill which is worth consideration.

The second feature is the principle of earmarking the proceeds of this tax for road purposes only, for the improvement and maintenance of roads, both under the local bodies and the provincial Government. Under clause 15 of the United Provinces Bill they specifically lay down that the proceeds of the tax shall constitute a separate fund to be designated the Road Fund, and that it shall be applied by the local Government to the following objects, viz., (1) expenses for the collection of the tax ; (2) payment of contributions to local bodies by way of compensation for the revenue they have lost ; (3) payment of grants to local bodies for the improvement of roads and communications ;—this is something over and above compensation—and (4) the construction, maintenance and improvement of roads under the provincial Government. But the whole of the proceeds are earmarked for purposes of

road improvement and road construction. Now, Rao Bahadur Kale pointed out the need for increased communications in the presidency, and you, Sir, at the outset of your remarks pointed out that the purpose of the proposed Bill is broader in the sense that it is meant for national welfare. I take it you mean it is for the encouragement of the agricultural industry—not of the motor bus industry but the agricultural industry. Am I right?

The Chairman: Yes, quite right. But unless the bus industry improves the agricultural industry will not be encouraged.

Mr. Kamat: Unless there are good communications, we need not talk of the hindrances to those communications. First there must be expenses on communications for the village people, before we talk of the hindrances of either tolls or other taxes. Therefore, under the United Provinces scheme it has been specifically laid down that the proceeds of the tax will be devoted to the construction of communications and their improvement, both under the provincial Government and the local bodies. I do not know whether this Government is prepared to accept the principle of earmarking the proceeds of this tax for that definite purpose and to create a special Road Fund which shall be devoted entirely for the purposes which I have just mentioned. These two features of the U. P. Bill seem to me worth consideration, subject to any changes or any system prevailing in this Presidency.

As regards the exact scale to be proposed, we are not prepared to-day to give you any alternative scheme. Probably, when we come to discuss the schedules, changes may be proposed, subject to the reservation that in the light of subsequent schemes, if brought to our notice, we should be free to make any alterations in our views.

Rao Bahadur Narle: A very valuable suggestion has been made by Rao Bahadur Kale. He complained that at present more number of buses is running on a road than is required by the public. Because of this state of affairs, we find that on provincial and other roads more buses are actually running and damage the roads. They are also a nuisance to the public as they run the buses very irregularly, they barter away the passengers and detain them, there being practically no control over the timings for starting the cars and reaching a destination.

Rao Bahadur Kale suggested that the number of buses should be limited. I go a step further, and suggest a monopoly

system—farming out of roads. I do not know whether that is obtaining anywhere else at present, either in British India or in any Indian State. If a monopoly for a particular road is given, and the number of buses to be run is fixed, and the timings for starting and reaching particular destinations are fixed, then the public which is suffering at present very heavily would get some relief.

About the schedule and other matters, as the discussion goes on, we might make suggestions. The main suggestion which I wish to make is that at least as an experimental measure Government might adopt the monopoly system of roads.

The Chairman : You propose that in addition to the consolidation of the various taxes, instead of giving full liberty to run any number of buses, there should be a restriction laid down.

Mr. Gangoli : It is taxation and limitation also.

Rao Bahadur Anjardi : I have followed the discussion and there are various principles laid down for us to consider. One view is that, so far as wheel tax is concerned, it should be left untouched, so that the municipalities should enjoy it as they have been doing up to now, that it should not be included with the consolidation. Supposing that it is so, then what it comes to is this. Looking to the figures, the net revenue from all sources is put down at 56 lakhs. The Bombay municipality is getting Rs. 8,17,000, and from other vehicles and animals Rs. 3,65,000; and other municipalities, Rs. 3,61,000. We need not concern ourselves with tolls. The only point raised was that the municipalities should have the right, as now, of collecting wheel tax for themselves. That means we must deduct nearly Rs. 16 lakhs from the revenue of Rs. 56 lakhs, which is I think including the other source, viz., other vehicles and animals. The net revenue from other sources in the case of Government and local bodies and municipalities and all that is about Rs. 17,99,000, nearly 18 lakhs. Just now it was pointed out that the revenue which is expected to be realised out of this Bill is about Rs. 46 lakhs. So far as the position of Government is concerned, they do not want any toll even on animals and other vehicles. As regards the local bodies, of course they might enjoy the right, but that in itself looks like a pernicious principle. For this reason, that while Government will have the credit of not taking tolls from agriculturists, the local bodies will be placed in the very awkward position of having to carry on the

imposition of a toll in the case of agriculturists. That is a position which no local board could contemplate with equanimity. Government will free themselves from all the odium. They will say "We have abolished all tolls so far as the agriculturists are concerned". But to the local boards it is a very big item. We find that so far as these local bodies are concerned, the revenue from motor vehicles is less than the revenue from the other source. Under these circumstances, it only means that the local bodies cannot ignore the second source at all. Unless they want to decrease their income deliberately, the local bodies will find it necessary to avail themselves of it. What I want to say is whether it is really desirable that while on the one hand Government should be ready to exempt the agriculturists from any toll whatsoever, the local bodies should be placed in the awkward position of practically being compelled to continue the tax on agriculturists. That is a very serious thing. The point I am making is whether it is possible to take up that question so far as this Bill is concerned ?

Secondly, as was pointed out, if we leave out the wheel tax, then the revenue would be very much less. Under the Bill Government also committed themselves to the principle of paying something like 10 per cent. more. It was pointed out by Sardar Rao Bahadur Bhimbhai Naik that there are certain boards who have not at all imposed tolls, and there are certain other boards in the case of which proposals for tolls were actually forwarded to Government, but no sanction was given.

Sardar Rao Bahadur Naik : I farmed them out, but I have been stopped by Government.

Rao Bahadur Angadi : What he meant was that in certain cases Government are not permitting new tolls to be imposed. That means that the revenue is blocked so far as the local boards are concerned. Government are only taking into consideration such boards as have in the past imposed tolls, and they are taking the average of 3 or 5 years. As a matter of fact, it is found that the revenue to the local bodies from taxes on motors is far less than the revenue from taxes on other vehicles and animals. That is a miserable position indeed. Can we take up this question also ? Otherwise, it will be very difficult for mofussil members to support the Bill. Of course, it may be said that the local boards should deny to themselves this revenue. But no local board is in a position to deny

to itself big revenue which it is deriving from the second source. That is an important point which I put before the conference for consideration.

The Chairman : What is your proposal ?

Rao Bahadur Angadi : When we are putting forward a consolidated charge, this also should be taken into consideration, and we should see whether any *via media* can be found out. We cannot leave it out altogether. If we want to go in for a consolidated tax, let us go in for it wholeheartedly. Let us not leave the bad choice to the local boards to carry the tax on in the case of agriculturists. Immediately, we shall be pointed out as traitors. While Government are absolving all agriculturists from the payment of any toll whatsoever, the local boards will have to do the odious duty of continuing the tax. From that position we must be free. Now, the net revenue that was expected to be realised under the original Bill of March 1935 was Rs. 46 lakhs. The total Government revenue from tolls and ferries for 1934-35 was, as regards motor vehicles, Rs. 11,68,000, and as regards other vehicles and animals, Rs. 5,84,000. The total revenue of local bodies, so far as tolls, wheel tax, etc., were concerned, was, as regards other vehicles and animals, Rs. 12,15,000 in 1934-35. That is not going to be touched by Government.

The Chairman : The total revenue from tolls on other vehicles and animals is Rs. 18 lakhs.

Rao Bahadur Angadi : But, so far as Government are concerned, that will not be the position. I think I am correct in putting the position in this way. So far as provincial roads are concerned, you will not only abolish tolls on motor vehicles, but there will be no tolls even as regards other vehicles and animals.

Mr. Freke : That was the proposal in the original Bill ; but that does not necessarily mean that it is the proposal now before this conference. That was one of the details in the original Bill which may have been objected to ; it does not necessarily mean that it ties the hands of this conference.

Rao Bahadur Angadi : I want to have the position made clear : is the proposal to abolish tolls in the case of Government, or is it to abolish tolls in the case of local bodies also ?

The Chairman : We have placed the facts before you ; it is for you to decide which procedure to follow. You have to make suggestions whether you want to keep all the tolls on all the vehicles, or whether you want to abolish the

tolls on motor vehicles only, or whether you want to abolish tolls on all vehicles on all roads—Government as well as local board roads—and whether you want the vehicle tax abolished, or whether you want it to remain with the municipalities, and so on. It is for this conference to give a lead in this matter.

Rao Bahadur Angadi : So far as my position is concerned, it is that it will not be a wise policy to leave the local bodies to the odium of having to continue that tax.

The Chairman : Your opinion is that, if the tax on other vehicles is done away with on provincial roads, it should be done away with on local board roads also ?

Rao Bahadur Angadi : Yes.

The Chairman : And if it is maintained on local board roads, it should be maintained on provincial roads as well ?

Rao Bahadur Angadi : To put it that way looks bad enough ; but that is really the position.

Mr. Vakil : Would you rather have tolls on bullock carts, as was adumbrated in the first scheme ?

Rao Bahadur Angadi : I do not wish to put it that way. All that I say is, instead of throwing the responsibility on the local boards—

Mr. Vakil : Will you kindly answer my question ? Would you have tolls on bullock carts, as was adumbrated in the first scheme ?

Rao Bahadur Angadi : I am not in favour of taxing bullock carts. But what I say is that the idea underlying the Bill is landing us in a rather awkward plight, so far as the local bodies are concerned. We must try to get out of that position. Otherwise, it will be very difficult for us to lend our support to the Bill.

The Chairman : I have already said that this was one of the points on which a debate was carried on when the last Bill was under consideration.

Rao Bahadur Angadi : The point that I am trying to make is this. So far as the Bill is concerned, the principles underlying that Bill are already known to this conference. Under the Bill, Government are trying to abolish tolls, and a big point is made that it is in the interests of the agriculturists. Now, if the tolls on bullock carts were abolished, that would indeed be a big point in favour of the agriculturists, and would be appreciated very much. But the awkward situation comes

in when you leave the local boards in such a position that they cannot give up the revenue from the other source, namely, tolls from other vehicles and animals. You will find from the figures supplied to us that the revenue in the case of local boards from the second source is far greater than that from the first. So far as the distribution of compensation to local boards is concerned, only the revenue from tolls on motor vehicles is to be taken into consideration ; the other source is not to be taken into consideration. It only means that you are compelling local bodies to continue the tax on bullock carts, whilst Government are abolishing that tax. Of course, Government by this action are doing a very good service ; but what is the position of the local bodies ? We cannot deny ourselves that important source of revenue, as long as it is not made good from some other source. Either Government should pay us compensation, or we must continue the tax. That is the position.

That is why I am suggesting that even this source which is now available to local bodies should be taken into consideration. It cannot be left out. Otherwise, it will be very difficult for the mofussil members to lend their support to this proposition. And if Government also maintain the position of putting a tax on the agriculturists, that position is also sufficiently awkward. It may not be appreciated, at any rate, by the outside public. It would look as if the motorists wanted to have it all their own way and to leave the agriculturists in the lurch.

Under these circumstances, I maintain that this second source (tolls on other vehicles and animals) which is now available to local bodies should also be taken into consideration so far as this Bill is concerned. Unless that is done, we are not going to support it.

There are also other suggestions thrown out. For instance, there is a suggestion that licences should be issued in the case of buses ; in other words, a monopoly should be given, and so on. The estimated revenue from the consolidated tax, on the assumption that the present state of things is going to continue, is Rs. 40 lakhs. If you are going to restrict the business, as suggested, that will be another consideration which you will have to face. It only means that there is going to be less revenue.

The Chairman : No, no. They say that the schedule may be raised. They do not object to that. They are only enunciating the policy that is to be followed. They have no

objection to the rates being raised, so that there will be no loss to Government.

Rao Bahadur Kale : I should like to make my position clear, so that I may not be misunderstood. I suggested route monopolies. The question of monopolies to companies was brought up by Rao Bahadur Navle.

Rao Bahadur Angadi : The question of enhancing the schedule to make up any loss which Government are likely to suffer is another matter. We find that even the present rates were very much resented by the public outside. I do not, therefore, know whether the proposal to raise them further will receive any support either outside or inside the Council. That is one point which I place before this conference for consideration.

Now, as regards the 10 per cent. extra that Government are proposing to give to local bodies, my question is whether Government will be able to pay that—

The Chairman : I would draw your attention to clause 10 (1) read with clause 10 (3). The 10 per cent. will be paid if there is revenue. If there is no revenue, it will not be paid. That was the proposal under the old Bill. If you are going to distribute your revenue just as you receive it from time to time, then this 10 per cent. will have to be dropped.

Rao Bahadur Angadi : I quite understand that position. What it comes to is this. You want the local bodies not to collect any tax from motor vehicles. The net result will be that probably many of the boards which thought that they would get an expanding source of revenue from the tax on motor vehicles will be denied that source. You are taking into consideration simply a rough estimate about the future. The future increase in the income from this source has also got to be taken into consideration.

As regards those local bodies who had not imposed tolls, what is going to be their position ? Who will come to their rescue ? They still have that source ; and by this Bill you are taking away that source from them. How will they be able to maintain their roads in good condition, unless they get fresh sources of taxation for that purpose ? That is also a serious point to be considered by this conference. If those boards which did not impose tolls in good time are now made to suffer, we will be doing great injustice to them.

The Chairman : What do you propose as a remedy ?

Rao Bahadur Angadi : In these circumstances, what I want to suggest is this. I would draw a distinction between touring cars and buses. If wheel tax is to be abolished under the Bill, that is another question. What I would suggest to this conference is this. I would draw a distinction between cars used in the interior and those used in the cities. Further, I would also draw a distinction between the cars used for private purposes and the cars used for travelling purposes by the travelling agents of certain firms. While a uniform tax is obviously palatable, in practice it may create hardships in certain cases. It appears no doubt to be a very good principle, but we should look to the results. It will be seen that the tax hits quite unevenly the travelling agents, who have to tour all the year round.

The Chairman : Out of the 20,000 cars, how many do you think will come under that category ?

Rao Bahadur Angadi : I do not know. Government should be in a better position to ascertain the number of such cars. Probably, the mercantile associations would be able to give the number of such cars.

Mr. Gangoli : Will there be more than 100 ?

Rao Bahadur Angadi : I do not know that. But I am clear on this point, namely, that a travelling agent, who is canvassing business on behalf of his firm, has got to pay a good deal more than an ordinary private owner. He has to knock about all the year round. For that very reason, he should not escape lightly and throw his burden on others.

As regards the cars in the cities and those in the mofussil areas, the cars in the municipal limits have to pay more. For instance, there may be several private owners living in the interior who have not to pay any wheel tax at all. So far as they are concerned, they should not pay more than Rs. 32, under the existing condition of things. Suppose they are required to go out ; in that case, they may have to pay Rs. 5 or Rs. 6 by way of tolls during any year. I do not think they are required to pay more than that. That is another distinction that I should like to draw.

The Chairman : Are you in favour of retaining the wheel tax separately, and omitting it from the consolidated tax ?

Mr. Kamat : Coupled with the condition that, if the municipalities raise their own wheel tax, they should get no compensation.

The Chairman : What is the opinion of the conference on this point ?

Rao Bahadur Angadi : Unless we are clear about the results, it is very difficult to give a reply to that question.

Rao Bahadur Pradhan : I will make a definite suggestion. My own idea is that the district local boards and the municipalities have been encouraged from time to time to levy their own taxes, in order to enable them to balance their budgets. The present staff that has been engaged by the local bodies for collecting tolls, wheel tax, etc. is not doing the duty of collecting those taxes alone. That staff is also collecting octroi. So that, supposing the tolls and the wheel tax are done away with, the municipalities will still have to maintain the whole establishment for octroi purposes.

The Chairman : You are not in favour of taking the wheel tax into consideration ?

Rao Bahadur Pradhan : My idea is that neither the local boards nor the municipalities should be allowed to come into the scope of this Bill. Municipalities and local boards may levy their taxes as they like ; municipalities and local boards may not levy their taxes, if they so choose. We should confine ourselves to the question of the abolition of tolls.

The Chairman : Tolls everywhere ?

Rao Bahadur Pradhan : So far as Government roads are concerned.

The Chairman : As far as Government roads are concerned, there is no need for this conference to consider that point.

Rao Bahadur Pradhan : Government tolls would be abolished simply by increasing the present registration fees. The revenue from the present registration fees is Rs. 11,49,000. The revenue from tolls, so far as Government are concerned, is Rs. 11,68,000 as regards motor vehicles only. Government can double the present registration fees and abolish tolls on all vehicles, including " other vehicles and animals ", the tolls under which heading amount to Rs. 5,84,000 at present. They can double the registration fees in respect of motor cars. There is going to be an increase in the revenue from this source.

The Chairman : The tolls on bullock carts should be maintained ?

Rao Bahadur Pradhan : If all the figures are to be taken into consideration, including those relating to ferries (ferries,

I understand, are to be retained under any circumstances), it comes to about 2½ times the present registration fees. And so far as local boards and municipalities are concerned, you should not make a mess of the whole thing by including them in the Bill. The levy of tolls should be left to the local bodies concerned. The local bodies should not be touched at all.

The Legal Remembrancer has made a difference in the meaning of wheel tax. According to him, a wheel tax means a tax imposed on a car not only starting within municipal limits, but also plying within those limits. That is the latest interpretation put by the Legal Remembrancer on the meaning of wheel tax. So, the present figure of Rs. 3,61,000 is really not a wheel tax, under the latest interpretation; because, in Nasik, for instance, the cars ply between Nasik and Nasik Road. Nasik Road is not within municipal limits. All the same, every car has got to pay a wheel tax. Under the present interpretation, none of those cars will have to pay the wheel tax. The result will be that the income from wheel tax will be much below Rs. 3,61,000. That is the objection which has been taken by the auditor in his audit report on the Nasik Municipality.

The Chairman : Will you please repeat ?

Rao Bahadur Pradhan : The position is like this. Take Nasik city, for instance. There are cars plying for hire in that city. Now, the auditor and the Legal Remembrancer say that if the car is plying between Nasik city and Nasik station, you can only levy a toll and not a wheel tax, and that if the car plies within the limits of Nasik City only, you can levy a wheel tax. That is the latest interpretation.

The Chairman : If you pay a wheel tax, you are exempt from municipal tolls.

Rao Bahadur Pradhan : But under the interpretation that has now been put upon the rule, you cannot levy a wheel tax at all. That is why I suggest that the municipalities should be left to their own resources. Such municipalities as can do without the wheel tax are welcome to do so. They should not be made to suffer, while other local bodies get compensation.

The Chairman : What are the views of the Bombay Municipality on this question ?

Mr. Rahimtoola : You already know the views of the Bombay Municipality. I need not repeat them here.

The Chairman : We have heard the views in support of the suggestion that wheel tax should not be taken into consideration for the purposes of the consolidated tax.

Mr. Rahimtoola : And that the local bodies should retain their right in that respect, the substitution affecting only registration fees and tolls.

The Chairman : The substitution will extend to provincial roads as well as to local board roads, so far as motor vehicles are concerned.

Mr. Rahimtoola : So far as the wheel tax is concerned, the objection which the Bombay Municipality put forward to the Bill presented during the last session would then disappear.

But there is another point. The tolls were re-imposed in 1933 as a temporary measure, on account of financial difficulties, and the understanding was that they would be continued until there was an improvement in Government's financial position. Now, by this measure, Government will get a permanent source of revenue out of what was a temporary source. Is that so ?

The Chairman : Government think that, unless this source is made permanent, the finances will not be sufficient.

Mr. Rahimtoola : Even if Government's financial position improves ?

The Chairman : That point has been met in accepting the principle of the Bill. We must not go back upon it, if we want to save the time of the conference.

Mr. Jog : Are we to take it that the tolls are to go, and on that assumption proceed with this business ? Or are we free to say that tolls may remain ?

The Chairman : No, no.

Rao Bahadur Angadi : Do I understand that, when we accept the principle, it does mean that we allow it as a permanent measure ?

Mr. Gangoli : I think Mr. Freke said that the original Bill was rejected and that we are starting afresh. Now you say that the principle has been accepted, and the first reading is over !

The Chairman : You may touch the point here and there, but you cannot go back and discuss the whole theory. If we do that, we will never end the discussion.

Mr. Kamat : We should like to know whether Government are prepared to postulate certain issues on the basis of which

we can proceed. The first postulate is, I presume, that there should be no tolls anywhere. Am I right?

The Chairman : Yes. There will be no tolls anywhere on Motor Vehicles.

Mr. Kamat : Secondly, if there is to be a consolidation of taxes, the wheel tax should not be left open to the municipalities.

The Chairman : The second point has not yet been decided by this conference. It is still an open question. So far as I can see, the view of this conference is that municipalities should be left free to levy the wheel tax and that that source of revenue should not be taken into consideration for the purposes of the consolidated tax.

A Member : You have not taken the sense of the conference on that point.

The Chairman : I am trying to ascertain whether that is the view of the majority.

Rao Bahadur Asavale : Take Bombay City, for instance. If the wheel tax is removed in that city, motor vehicles—lorries especially—which do not go out of the city will pay no tax. On what basis will they be taxed?

The Chairman : We are speaking first about the wheel tax. At present wheel tax is levied by municipalities. Various municipalities levy this tax according to their requirements.

Rao Bahadur Vandekar : It is not uniform.

The Chairman : And they should be left free to follow the same procedure, just as they like.

Mr. Gangoli : We are opposed to that.

Mr. Joy : If at all a compound tax is to be levied, my opinion is that every other tax must go ; otherwise, we will be put to trouble. Wheel tax, tolls, everything must go.

The Chairman : You may vote against the proposal.

Mr. Bakhale : It all depends upon the extent of the consolidated tax which you propose to impose. When we say that we want a consolidated tax on motor vehicles, it does not necessarily mean that we are going to consolidate all the taxes on motor vehicles. Take, for example, the customs duties, or the tax on petrol. You are not going to consolidate these taxes under our provincial measure. Take the system that obtains in different provinces at present where they have a consolidated tax on motor vehicles. There they have imposed motor driving licence fees, which are not included in the

consolidated tax. I can point to one or two provinces where the wheel tax is kept separate from the consolidated tax.

The Chairman : You are in favour of keeping the wheel tax separate ?

Mr. Bakhale : I was giving a reply to Mr. Jog that, by a consolidated tax, it does not necessarily mean that all the taxes on earth have got to be consolidated.

The Chairman : Let me put the question to this conference. There is a proposal that the wheel tax should be left out of consideration for the purposes of the consolidated tax on motor vehicles—

Mr. Kamat : Subject to the consolidated tax being a reasonable figure.

The Chairman : Fix the principle first. If you once decide that you do not want to consider the wheel tax, we can go ahead and decide how the rest of the revenue is to be made good.

Rao Bahadur Chitale : I want to understand the position quite clearly. That can be done by giving an individual instance. Now, I have a car. Wheel tax is levied in Ahmednagar, and I pay Rs. 24. I will have to pay that amount even though my car does not leave for the mofussil. And, under your proposals, I will have to pay another tax also which you will impose.

Mr. Kamat : And we must know what that is.

The Chairman : That is for you to decide.

Mr. Kamat : That is why I said " subject to the consolidated tax being a reasonable figure ".

Mr. Freke : We have got to know what revenue is to be replaced, before we can draw up a schedule and put it before you, and you can say whether it is reasonable or whether it requires to be altered. We must know definitely what revenue is to be replaced. If you say that this Rs. 12 lakhs from wheel tax is to be excluded from the calculation, then we immediately get the figure of 56 lakhs down to 44 lakhs. You can deal with each item in turn. You then know precisely what revenue is to be replaced. Until we get that figure, we are talking merely round and round. We must know what revenue has to be replaced before we can begin the consideration of weighting or balancing of the schedule. The total revenue from the schedule has to replace the revenue which we give up. That is generally agreed. Consequently, we must first of all decide

what revenue is to be given up. It is for that reason that the Chairman is placing before you a concrete proposition based on the views put forward before this conference by a good many members, viz., that it would be advisable to leave municipal wheel tax out of consideration in fixing the levy to be recovered under the new consolidated tax.

Mr. Kamat : When they pay the wheel tax to the municipality, will that be excluded from the consolidation ?

The Chairman : Yes.

Mr. Jog : The exclusion of the wheel tax is a very difficult question to decide. You will see that Bombay City will gain Rs. 8,17,000 and the other 20 municipalities only Rs. 3,20,000 in all.

The Chairman : You forget that the Bombay municipality will otherwise have to be compensated for that loss of Rs. 8,17,000.

Mr. Jog : The mofussil people will suffer hardship if in fixing the compound tax you leave out the wheel tax. It is very difficult for us to agree to the exclusion of the wheel tax, unless we know what the compound tax is going to be.

The Chairman : The only question that we are now considering is whether the wheel tax should be taken into this consolidation or not. Statement A shows that 56 lakhs is the loss to be made good by the consolidated tax. Rs. 16,62,000 of this sum is from the wheel tax. The question is whether this amount of 16.62 lakhs should be taken into the consolidated tax or not.

Mr. Freke : Will you please look at Statement A, which is placed before you ? Let us take the revenue on motor vehicles only. That reaches a total of 38 lakhs. If you take 12 lakhs of wheel tax, you have to realise 26 lakhs. The Bill was designed to realise 46 lakhs of rupees. If you have to realise only 26 lakhs, that is roughly speaking 60 per cent. You can, therefore, for the purpose of your present argument, until you come to consider the schedule in detail, estimate that the schedule might be 60 per cent. of its present value. So that on your car the tax would be Rs. 78, in addition to wheel tax, instead of Rs. 130 as proposed in the original Bill. That answers your particular point about the mofussil car owner. He would be better off under the proposal to exclude the wheel tax.

Mr. Jog : I have not followed how you got the figure.

The Chairman : The question to decide is whether the wheel tax is to be excluded.

Mr. Vakil : Are we proceeding on the assumption that tolls on all roads and all vehicles are to be abolished ?

The Chairman : We have not yet decided that point. The point for decision now is whether the wheel tax should be taken into consideration in the consolidation of the taxes.

Rao Bahadur Navle : Is it only for municipalities or for all local bodies ?

The Chairman : Wheel tax is now paid only in Bombay City and other municipalities. There is no wheel tax in district local board areas.

Mr. Gangoli : Wheel tax should be leviable only by the Bombay municipality and not by other municipalities.

Mr. Rahimtoola : Mr. Chairman, I do not realise the implications of this proposition.

The Chairman : The Bombay municipality will be at full liberty to levy the wheel tax as they are doing now.

I want to make one point clear. When they came this afternoon, probably most of the members did not know what they were going to discuss here. There was no agenda and no information supplied to them. It was only after coming here they have come to know my views on the subject. The information which they wanted has also been placed in their hands. Now, we have had a discussion lasting for one hour and a half, and we have come to this point : whether the wheel tax should be taken for consolidation or not. The other points for consideration are whether tolls should be maintained in respect of other vehicles, and, if so, whether only on local board roads or on all roads, both provincial and local board. You must realise that whatever is abolished, the loss must be made good in the schedule. If you do away with tolls on all vehicles, the schedule will have to make good that loss. Now, the information required is at your disposal. We can meet again tomorrow and come to a definite conclusion about these proposals.

We shall meet at 11 o'clock tomorrow.

Mr. Bakhale : There are other points on which we might have a general discussion today. You have altogether ignored the tax on other vehicles and animals.

Mr. Freke : These are the two points for discussion : (1) whether the wheel tax should be included in the consolidated tax or not, and (2) whether tolls on all other vehicles, bullock carts particularly,—should be included in the consolidated tax or not. These are the two propositions which will be before you.

Mr. Bakhale : On the second point there has not been sufficient discussion.

The Chairman : You may express your opinion on that : we shall give you an opportunity to state your views on it.

Rao Bahadur Angadi : As the proposition is now put to us, the position is simplified. We are called upon to consider now whether we should also abolish the toll on other vehicles and animals not only in the case of Government roads but also in the case of local bodies. The second point is whether wheel tax should be kept intact or should be left out. If we have half an hour's recess, we might meet again to-day and finish the business, without having to carry it on till tomorrow.

Sardar Rao Bahadur Naik : I entirely agree with Rao Bahadur Angadi that when we abolish tolls not only for motors but for bullock carts and other vehicles on provincial roads, it shall be incumbent on the district local boards to abolish all the tolls. That point must be taken into consideration. I warn each and every member of this conference that, as soon as the tolls on bullock carts are abolished on provincial roads, there will be a hue and cry from the people to get the tolls abolished on the district local board roads. When you frame the schedule, you should take into consideration the revenue which at present the local boards are deriving from tolls on bullock carts and other vehicles, and not motor vehicles only. That revenue will go out.

Another point was emphasised by Rao Bahadur Kale, Mr. Kamat and Rao Bahadur Angadi, and I made that point clear in the Council also. I want to make it clear again, that if the tolls were abolished on the roads of district local boards, it was done at the instance of Government. This was considered by Government as a vicious form of taxation, and Government appealed to all the local boards to do away with the tolls ; we have got records to prove it. The local boards, with due deference to the wishes of Government, abolished the tolls. In 1933, when Government found that their financial condition was very bad, they wanted to reimpose

tolls, and they also told the local boards that if they (the local boards) chose to do so, they could reimpose tolls. Some of the local bodies, at the risk of having deficit budgets, managed to get revenue from other sources and did not reimpose the tolls, because it was considered—and to-day also it is considered—to be a bad form of taxation. Now, the local boards which have not imposed tolls are prepared to impose them, but Government ask them not to do so. I will give the instance of my own board. I farmed out the tolls, but Government sent me a letter asking me not to do it. So, when you frame the schedule and draft your Bill you must take into consideration the fact that all the local boards including those which have not imposed tolls will have to be compensated for the loss they sustain.

Rao Bahadur Kale's suggestion to classify the roads into A, B and C was good. Every year the district local boards have to send a return to Government stating the mileage of A class, B class and C class roads, because on the strength of that return Government are distributing the grants for roads. On the strength of these returns Government have full information as regards the maintenance cost of the roads in every district, and according to that Government can distribute the proceeds of this tax.

I want to make the point quite clear. It is quite inequitable that those local boards which do not impose tolls should not get anything and only those that impose tolls should get the compensation. When Government say that those local boards which did not impose tolls will not get anything, if they authorise such boards not to allow motor vehicles to ply on their roads, that would be something. But when Government allow motor vehicles to ply on such roads, why should the district local board be prohibited from getting any compensation? After all, what is this tax for? It is for services supplied.

I agree with Mr. Kamat that the proceeds of this tax should be earmarked for repairs to, and maintenance of, roads. The petrol tax is meant for big works like link roads. It has nothing to do with provincial and district local board roads. Therefore, those local boards which did not impose tolls should not be left out.

Rao Bahadur Chitale: If they had tolls, they get compensation. If they did not impose tolls, how can they claim it? But liberty is now given to impose a wheel tax.

The Chairman : The argument of Sardar Rao Bahadur Naik would be a good argument when we come to the question of distributing the amount. And we will have to go through the files of each and every local board, and the correspondence that took place between Government and those boards, and we shall have to find out which local boards were levying what amount of tax.

Sardar Rao Bahadur Naik : We can evolve a formula for awarding compensation. Even though a local body had no tolls in existence, if it has shown considerable improvement of roads, it is entitled to compensation.

The conference adjourned, to meet again at 11 a.m. the next day.

The Conference met at 11 a.m. on Wednesday, the 7th August 1935.

Present :

The Honourable Khan Bahadur D. B. Cooper (*Chairman*).

The Honourable Mr. C. W. A. Turner.

Mr. C. G. Freke.

Mr. H. K. Kirpalani.

Mr. C. M. Lane.

Mr. H. F. Knight.

Mr. H. V. R. Iengar.

Mr. Hoosenally M. Rahimtoola.

Rao Bahadur R. S. Asavale.

Rao Bahadur G. K. Chitale.

Mr. R. R. Bakhale.

Mr. B. S. Kamat.

Mr. M. M. Karbhari.

Rao Bahadur R. V. Vandekar.

Mr. N. N. Patil.

Mr. G. S. Gangoli.

Mr. Shaikh Abdul Aziz.

Sardar Rao Bahadur B. R. Naik.

Mr. Pestanshah N. Vakil.

Dr. M. K. Dixit.

Rao Bahadur R. R. Kale.

Mr. W. G. Lely.

Mr. T. Sinclair Kennedy.

Mr. John Humphrey.

Mr. Ormerod.

Rao Bahadur G. V. Pradhan.

Mr. L. R. Gokhale.

Mr. V. N. Jog.

Dr. Dixit : Mr. Chairman, I want to have one point made clear. Tolls were re-introduced two years ago as a temporary measure. I take it that our deliberations here do not commit us to the position of agreeing to have a temporary measure made permanent.

Rao Bahadur Chitale : In fact, I am going to propose that the Bill should be in force for only three years.

Mr. Bakhale : Mr. Chairman, after the conference adjourned yesterday, some of us met here and informally considered this question in all its aspects. I should like to place before you the views on which we found there was a fair consensus of opinion.

We agree with Government that any measure that we adopt with regard to taxation on motor vehicles should not make Government revenue suffer in any way. At the same time, we are anxious that the tax which you are going to impose should be such as will not put an unnecessary burden in a very unfair manner upon different types of motor vehicles. We are in favour of the taxes on motor vehicles being consolidated ; but it seems to us that it is very difficult to consolidate all the present taxes into one single tax. As a matter of fact, except in one or two provinces in India, no attempt has been made to consolidate all the taxes. For example, take Bihar and Orissa, and now the United Provinces. Although they have got a consolidated tax on motor vehicles, still the registration fee is kept separate.

Mr. Freke : That is the proposal here. Registration fees are to be sufficient to cover the cost of administration. That is done in other provinces.

Mr. Bakhale : I am simply pointing out that consolidation may take place only to a certain extent, and not to the fullest extent. Local authorities in some cases have been given the right to levy taxes on motor vehicles. For example, in the Punjab, in the Central Provinces and in Madras, local authorities are permitted to charge licence fees.

The point that we want to emphasise is that consolidation cannot be effected to the fullest extent. It can only be, under the circumstances, partial. We are in favour of partial consolidation in the manner I will just indicate.

At present, we have got registration fees, re-registration fees, licence fees for motor driving and tolls, so far as the Provincial Government is concerned. Municipalities have the wheel tax *plus* the tolls ; and district local boards have only the tolls. These are the main taxes which we have at present so far as the Local Government as well as the local authorities are concerned. Our view is that we should straightaway divide all motor vehicles into two parts, one, private cars, and the other, commercial cars, as they have done in the United

Provinces Bill. So far as private cars are concerned, we would like the municipalities to retain their present right of levying the wheel tax. That will not give rise for complaints. They have been enjoying this right for the last several years.

Now, so far as the provincial tax is concerned, we would like it to be divided into three parts, viz., registration fees (only nominal, so as to cover the cost of collection), licence fees, which will continue as before (licence fees for drivers, licence fees for owners, and so on), and the third part, which will be really the consolidated tax, and will cover the balance of the registration fees *plus* the re-registration fees *plus* the tolls which are paid at present by private motor cars. I have not worked out the figures. Rao Bahadur Kale has worked them out. But, I believe, if we take the basis of the present figures and divide them in the manner I have suggested your revenues ordinarily should not suffer.

Now I come to commercial vehicles. Here, the question is somewhat difficult. But, here also, we would like the municipalities to retain their power of levying the wheel tax ; and the provincial tax, again, can be divided into three parts, viz. (1) registration fees only to the extent of covering the charges of collection, as in the case of private cars, (2) driving licence fees, which will continue, as in the case of private cars, and (3) the consolidated portion of the tax would be what Rao Bahadur Kale suggested, viz., route licence fees. We are anxious to support Government so that they may be able to collect the portion of the original registration fees, *plus* the re-registration fees and a portion of the tolls on commercial vehicles. We would like all these to be consolidated under this tax on commercial motor vehicles ; but, instead of prescribing lump sums of Rs. 500 or Rs. 700 or Rs. 250, we would like the tax to be scheduled in such a way that the fees will be based on a route mileage basis. Take, for example, a motor bus plying between Satara town and Satara station. It is a small portion of road. The bus plying on that road must be taxed much less than the bus running, for example, between Kolhapur and Poona. The factors that you will take into account in fixing the figures of taxation will be somewhat as follows. First, the factor of distance which the buses cover will have to be taken into consideration to a very large extent ; and, therefore, route licences have been suggested. They obtain in various other countries, including England. Then, in fixing the tax, consideration will have to be paid also to the use of the road made by the commercial

vehicles. You will also have to take into account the convenience of the public and the necessity to the public so far as a particular route is concerned. There are at present many routes which are undeveloped. It is generally the policy of those who conduct the motor vehicle business at present to concentrate only on those roads where the traffic has already begun, because they think that by going into those particular routes they will be able to get something for themselves. But there are other routes which are not developed but which deserve to be developed to a very large extent.

My point is that, if you take the control under this Bill of giving licences on a route basis, you will get some authority under which you can find out whether there is excessive competition on a particular route, and also where the routes are not developed. I do not say for one moment that the control that Government may get in this way should be used very rigorously. That is not my point. My point is that, if you get that power, you should so use it as to discourage excessive competition where it exists to-day and to encourage the development of new routes where motor traffic does not exist at present. If you develop your system of motor taxation in this way, I am pretty certain that, in addition to getting revenue, you will reduce unhealthy competition to a considerable extent and at the same time enable the public to derive the benefit consequent on the opening up of new routes which have been closed up to now.

This system of licensing routes has been recommended by the Transport Advisory Council of the Government of India. I have got a report of theirs, signed by the Secretary to the Government of India in the Industries and Labour Department, Mr. D. J. Mitchell. They say that in order to secure this end (that is, avoiding wasteful competition) motor bus services should be licensed for specified routes only. As I said before, this practice obtains in almost all countries, including Great Britain.

This is, roughly, our scheme. Wheel tax on private cars to be retained by the municipalities; nominal registration fees; driving licence fees to continue as before; the consolidated tax to cover the portion of the original registration fees, *plus* the re-registration fees, *plus* the tolls. This consolidated tax, again, to be on the gradation basis. For instance, a Baby Austin need not be charged as much as a heavy motor vehicle. It is not necessary for me to go into details at this stage; but it is easy to work out the figures. But the point

is that the consolidated portion of the tax should be on a gradation basis, as you have done in the Bill itself. With regard to commercial vehicles, instead of general licences, route licences should be issued. This is, roughly, our scheme. Rao Bahadur Kale has worked it out and will give it to Mr. Freke.

Mr. Freke : Before Mr. Bakhale proceeds further, I should like him to make one point quite clear, viz., what he means by "commercial vehicles". What he has spoken about so far are public passenger-carrying vehicles. Does he include goods-carrying vehicles? I know the classification in the U. P. Bill, but I want to get Mr. Bakhale's point clearly. The treatment in other countries of goods and passenger-carrying vehicles is entirely different.

Mr. Bakhale : I have followed the classification as in the U. P. Bill. By commercial vehicles, I mean passenger-carrying and goods-carrying vehicles.

Now, Mr. Chairman, I come to the question of the abolition of tolls on non-motor vehicles and animals. On that point, unfortunately, we were not unanimous yesterday, nor could it be said that there was a majority on any particular side, because we did not take votes. But I should like to place my personal view before this conference.

I am in favour of the abolition of tolls on all vehicles and on animals. But I decline to agree that the receipts from tolls on non-motor vehicles and animals should be transferred to motor vehicles. It will be a heavy burden, and if we impose that burden beyond a certain limit, the result will be that motor transport will go down. I am not talking theoretically. I have got the figures relating to the Madras Presidency, and they explain this case in a manner which will be absolutely convincing. I will merely quote the figures collected by the Madras Government in the Local Self-Government Department in 1934, when the Madras Legislative Council went into select committee to consider the question of tolls. There is a statement here with me. That statement shows, in respect of each district board and municipal council, the average annual income from tolls and vehicle tax on motor vehicles during the three years ending 31st March 1931, that is, before there was consolidation of taxes, and the average annual compensation actually paid under the Madras Motor Vehicles Tax Act during the three years ending 31st March 1934, and also the amount of loss due to the abolition of tolls. It appears from that

statement that the district boards and the municipal councils were receiving, on an average, Rs. 44,45,000 and Rs. 20,92,000 respectively, three years prior to the abolition of tolls. During the three years subsequent to the abolition of tolls, they were paid on an average only Rs. 17,90,000 and Rs. 11,18,000 respectively; the amount of loss being Rs. 26,55,000 in respect of district boards and Rs. 9,73,000 in respect of municipal councils. There is another statement in my possession showing the effect of the Motor Vehicles Tax Act on the finances—this is important—of municipal councils; not on the transport, but on the municipal councils. From that statement it appears that, if the full compensation due to the municipal councils were paid, only two municipal councils would be working at a deficit. As the full amount due could not be paid, 20 municipal councils had to work at a deficit in 1932-33, the latest year for which actuals are available. The Act has thus adversely affected the finances of municipal councils to a considerable extent. That is the view of the Madras Government. Mr. Freke in his statement has pointed out that, although the budget estimate in Madras from this source was Rs. 66 lakhs, the actual yield was Rs. 40 lakhs. Thus, Madras is, not a guide, but a warning. If you transfer all the receipts from non-motor vehicles and animals to motor transport, my fear is that you will be killing the goose which was laying the golden eggs. Therefore, for heaven's sake, not only in the interests of motor transport, but in the interests of municipal authorities themselves, do not think of taking this risk.

The Honourable Mr. Turner : I should like to ask Mr. Bakhale one question : what authority, according to you, should fix these routes ?

Mr. Bakhale : Government.

The Honourable Mr. Turner : Which department ?

Mr. Bakhale : I do not know that.

The Honourable Mr. Turner : The point is this. From the Home Department point of view, this Bill must be a purely revenue taxation Bill. The administration of routes—fixing of routes, and so on—must be a police matter. That must be kept in mind. You cannot make this Bill into a semi-police Bill. It must be a purely revenue taxation Bill.

Mr. Freke : That is, I think, the basis in other countries.

The Honourable Mr. Turner : I wanted to have that point cleared.

Mr. Lane : It will be a purely executive order of the police. No registration is involved.

Mr. Freke : The difficulty is that we cannot prepare a schedule on that basis at the present time. We have no traffic data on that basis. That is a future development.

The Chairman : We have not yet fixed the routes ; and unless we do that, we cannot work out the figures.

Rao Bahadur Chitale : We are not quite groping in the dark in that respect. For instance, we have got this route licensing system in respect of commercial buses running from Ahmednagar to places outside that district. I am referring to Ahmednagar, because I know the system at first hand. For example, if a bus from Ahmednagar wants to enter the limits of Poona or Sholapur—I know many buses do, especially on the Ekadashi day, because they hope to get some business—it has to pay an additional fee. I know that that system prevails at present. If a bus from Ahmednagar wants to enter Poona, it will have to pay a special fee on the basis of that existing in Poona. I am referring to this because, if Government want data, they can get the necessary information from the various districts.

There is another factor which I would place before this conference. There are certain buses which run direct from H. E. H. the Nizam's dominions to Bombay. As the Honourable Mr. Turner will remember, Kharda is the extreme point in the Ahmednagar district. From Kharda, these buses have fixed a route to Bombay. I know that they have to pay a good deal in tolls. The proposition which is put before you for consideration is this. It will not be fair to have a uniform basis of taxation in respect of buses carrying passengers and those carrying goods. A distinction has to be made on an equitable basis between those people who want a larger share of the trade and those who want only a small one.

I should like to add one more remark. We have got these routes which are altogether differently situated. Therefore I would put before you for consideration one suggestion. We might take all the trunk roads as first class roads. A large amount has been spent, both from the petrol fund as well as from provincial revenues, on the trunk roads. Take, for instance, the Poona-Bangalore road, or the Bombay-Agra road. Such trunk roads will be first class roads. That is the nomenclature in the U. P. Bill also. Then, the other

Public Works Department roads which are not trunk roads will be second class roads. For instance, only those roads which serve a particular district or districts. Then, all district local board and municipal roads will be third class roads. I hope no offence will be taken if I say that the state of these roads is such that they cannot be compared with the provincial roads.

Rao Bahadur Asavale : What about Bombay City roads ?

Rao Bahadur Chitale : That is a kingdom by itself. Let Bombay City manage its own roads. I wish Bombay were separated from this Bill, just as Sind has been. Let them not complicate matters. Bombay people say they have to pay Rs. 132. But, I would point out that the roads in Bombay City are the best roads, all tarred, conveying the impression that the inhabitants were rolling in wealth. The result of such good roads is that the cars wear well. In Ahmednagar District, for instance, the life of even a private car, used very carefully, is not more than 3 years. Bombay people need not meddle in our affairs. Let them tax themselves as they like ; and let them have the best roads.

Apart from that, I want to enunciate one more proposition. All these problems, in my humble opinion, can be better solved by our successors in the next Council, which will come into being within a year or so. This is one of those problems which it is better that our own people should solve from our own point of view.

Mr. Kamat : They will amend the Act as they like.

Rao Bahadur Chitale : As a matter of fact, you will find that if we make this Bill permanent, there is this danger, that under the new Government of India Act, it will be very difficult to amend the Act. My friend thinks that it is very easy. The Governor's powers under the new Act are such that it will not be an easy matter to amend the Act as we like. I will make a present of that to you.

We have been going on under the present system for a long time. Moreover, this tax is not likely to be altogether equitable. As I said yesterday, the most equitable and reasonable way of levying this tax is on the basis of petrol consumption. I hold that view. As a matter of fact, the petrol tax is being imposed by the Government of India as an import duty. But I am not quite sure whether, under the new Government of India Act, after the introduction of provincial autonomy, we will not be entitled to impose that tax within our province on the sales basis.

Mr. Freke : Petrol will be a source of federal revenue.

Rao Bahadur Chitale : Whatever it is, that is my view.

The Chairman : What about tolls on bullock carts ?

Rao Bahadur Chitale : As regards bullock carts, my own personal view is that the tolls must disappear from the scheme of taxation. But I am not afraid of taxing my people if there is a good case for it. I believe that there is a distinction between carts which ply for agricultural purposes and carts which ply for hire. There is a class of gharriwallas who make it a business to ply carts from one station to another. There need not be any sympathy towards that class. Even now they have to pay tolls, and if they are within municipal limits they have to take a licence. A way may be found to bring all such carts under a licensing system, and the fees received may be utilised to compensate the district local boards for their loss in tolls.

The Chairman : You suggest that tolls should be done away with and licences should be introduced for bullock carts plying for hire ?

Rao Bahadur Chitale : Yes.

Mr. Freke : As far as this Bill is concerned, Rao Bahadur Chitale's proposal is that tolls on bullock carts should be left outside its scope ?

Rao Bahadur Chitale : Yes.

The Chairman : That means to say, that tolls should remain ?

Rao Bahadur Chitale : No.

Mr. Freke : It would require a different measure.

Rao Bahadur Chitale : Yes, but it should not be delayed and misunderstanding created thereby.

The Chairman : Even now, the agriculturists are allowed to take their produce from the fields to their houses free of tolls.

Rao Bahadur Chitale : Yes.

The Chairman : Then, they do not come in.

Rao Bahadur Chitale : What I was suggesting was a system of licences for the class of people who ply these carts for hire all the year round for transporting goods from one station to another.

Mr. Kamat : I would like to say a few words regarding the outline of the proposal put forward by Mr. Bakhale. I agree with many of the points which he has put forward. On the

other hand, I am sorry I cannot see eye to eye with him on one or two points,—chiefly, his proposal to exclude the wheel tax of the municipalities from the principle of consolidation. He justifies that by saying that it is done in some other provinces. I personally, think, Sir, that to exclude the wheel tax, that is to say, to allow the municipalities to have their own way in regard to the wheel tax, cuts at the root of the idea of consolidation. For the last two or three years, since Sir Rustom brought forward his scheme, we have been trying to evolve a scheme of consolidation. If we now drop out an important item of something like 12 lakhs of rupees, well, practically it is no consolidation. Then, again, if municipalities are allowed to have their own way with reference to the wheel tax, the incidence of taxation will probably be much higher in the coming year. Supposing people in a certain town are now paying Rs. 30 for a car, there is no knowing that it will not be Rs. 60 in the next year or Rs. 90 in the year next after it.

Mr. Bakhale : Government can regulate it.

Mr. Kamat : Even if it is subject to Government's control, Government would never interfere with the discretion of a municipality and say "You shall not do it".

The Chairman : Even today, Government do not come in their way.

Mr. Kamat : The argument that Government have to approve has hardly any force, because approval is a formal matter. The incidence will go up in certain municipalities and not in others, and we will have varying scales and no uniformity, and we will not be getting a return for the additional tax we pay to the municipality,—return by way of an improvement in the state of the roads.

The Chairman : You mean to say that you want to support the Bill we have proposed ?

Mr. Kamat : It does not follow. I am only questioning the principle of leaving the wheel tax out of the consolidated tax.

The second point raised by Mr. Bakhale is the route-licensing system. There is something in what he says, but I am not convinced that in this country that system will work, principally because it seems to me that it conflicts with the fundamental economic principle. He wants to check unhealthy

competition and encourage undeveloped roads through the instrumentality of licensing. Now, if Government go on confining their licences for certain roads only to certain bus companies, it will practically degenerate into a monopoly. If three or four companies only are licensed, those four will get the money.

The Chairman : Some check or other will have to be put some time or other.

Mr. Kamat : You have that sort of check now. But the scheme of licensing, which is now put forward, will develop into nothing but a monopoly. That conflicts with a principle of economics in this sense. Supposing Government think that the number of cloth shops in the Main Street, Poona, are too many, and there should be cloth shops round about the Council Hall, where there are none now, I do not think they can encourage the opening of cloth shops near the Council Hall by regulating the number of shops in the Main Street. Supposing again, that Poona has got three daily newspapers, and when a fourth one is about to be started Government say " We shall not have any more paper at Poona ; we want one at Satara, where there are none at present ; you may go and start it at Satara ", I do not think a paper will be started at Satara. The growth of such things will depend upon the demand and the facilities available. I am not, therefore, quite sure that this method of licensing will not create a monopoly in some hands. I have my own doubts about it.

As regards tolls on bullock carts and animals, I agree with my friend Rao Bahadur Chitale that there is a—definite class of people who ply carts for hire all the year round. They are not real agriculturists ; they ply their carts for hire as a business. Just as there are professional cartmen in Bombay, in the districts also there are such cartmen. If you can differentiate between agriculturists who carry their produce in carts and professional cartmen, I do not see any objection to putting a small tax on the carts of those professional cartmen.

Rao Bahadur Kale : I only want to say one word with regard to this plea for uniformity. Uniformity of taxation can be applied only when there is uniformity of road conditions. The mofussil people cannot be asked to pay the same tax as people in the cities. Diversity in the prevailing conditions necessitates the leaving of the power of taxation to the local people. You cannot expect the mofussil people to pay the same tax as the city people and use worse roads.

Mr. Lely : I am very much coming round to the view that the proposed measure is so complicated and the difficulties are so many that it might perhaps be the best solution to absolve Government,—I do not know whether the members of the Council sitting here can do it, but for the Council as a whole to absolve Government from their promise to bring a consolidating Bill. There are other reasons also why I am coming round to the view that the Bill should be dropped.

Firstly, the question of permanent against temporary taxation. The point has already been made in two or three places that tolls, when they were introduced, were intended as an emergency measure and their removal was promised when finances permitted. I think we are in danger of going back on that principle if we convert them into some consolidated form of taxation.

Then I also agree with Mr. Kamat when he says that if we leave the wheel tax out of the proposed Bill we are left with very little to consolidate. And I question whether it is worth going on with it if it is not going to be a comprehensive measure. The result of that would presumably be that the actual item that is left for consolidation will be the present collection from tolls, and you will be merely converting that levy into a tax which will be imposed on all motor cars or motor vehicles on a flat rate or a series of flat rates instead of collecting them from vehicles which actually pass the tolls. The result will of course be that all motor car owners, motor lorry owners and motor bus owners will pay more. And I question whether it is worth while simply for the sake of getting rid of the nuisance of the toll.

Then, there is a further point. If country carts are to be exempted altogether from tolls, then the position will be worse still from the point of view of the other users. I know that in the past the representatives of the Bombay Chamber of Commerce have very much stressed the point of freeing the country carts from the liability to pay tolls, but I am not sure on reconsideration that that is an equitable proposition. There is no question that the country cart is the heaviest user of the road—by that I mean the most severe user—and does the greatest damage. And Government have recently introduced, what I consider, a very salutary provision for exempting from tolls all carts fitted with rubber tyres. I think that that is a step in the right direction. And if the taxation of country carts is removed, the incentive to spare the roads by having better carts will disappear.

There is also the general principle. I think, Sir, there is not the same inconvenience involved in the levy of tolls on carts as in the levy of tolls on motor vehicles. Motor owners object to tolls not only because they have to pay their eight annas but also because of the inconvenience that is caused through the pulling up at frequent intervals. The motor car is a swift mover; the country cart is a slow mover. There is no inconvenience to the driver in the case of the country cart. He need not even stop his cart; he can pay the toll as he goes on. Motor cars belong to the new age, and country carts to the old age.

My general conclusion would be that the whole thing appears to be so exceedingly complex, the difficulties so great,—to start with, who is to be taxed, how is he to be taxed, and further how is the money realised to be distributed,—and most of my friends agree with me—that the wisest course for Government, for the present at any rate, is to leave things as they are. We shall then be in the condition of having tolls as an item which we can complain about and still press Government, when finances improve, to remove, as they once promised to do. We shall have also for registration—under the Bill which we passed into law the other day—a maximum schedule, and there again, when finances improve, we shall be in a position to urge Government to reduce their rates.

Mr. Freke : Even under the new Bill, as much pressure can be placed on Government for reducing the scales laid down for the consolidated tax as in respect of the tolls.

Mr. Lely : I do realise it. But I was pointing out that if we left things as they were, we could always press for a reduction of the registration fee of Rs. 32. These are my views, and they represent those of Mr. Ormerod, who represents the Western India Automobile Association. These views are provisional, but that is what we feel.

Rao Bahadur Asavale : Mr. Chairman, as a representative of the City of Bombay I wish to define my attitude towards the Bill that is coming before the next session. First of all, I am of opinion that the abolition of tolls is a good thing, and tolls must be abolished.

The Chairman : On all vehicles and on all roads ?

Rao Bahadur Asavale : Yes.

The Chairman : What about the revenue lost ?

Rao Bahadur Asavale : And the revenue lost should be recouped by any means that Government think fit to adopt.

The Chairman : We are here to discuss that.

Rao Bahadur Asavale : I shall suggest some means. First of all, I shall take the case of Bombay. Government know how Bombay City manages its roads and how Bombay City roads are maintained. The expenditure that the Corporation has to incur is so much that the tax on vehicles is not sufficient to meet it. In compensation for the loss of the toll fees, Government are paying the Bombay Corporation only Rs. 25,000. If the Bombay Corporation were allowed to levy tolls, they could have got an income of not less than one lakh of rupees, because there are many carts coming into the City from the Suburban and other areas. If this one lakh had been allowed to accrue to the Corporation, the Corporation could have maintained their roads in an even better condition than they are to-day.

The Chairman : What is your proposal ?

Rao Bahadur Asavale : I am of opinion that tolls should go. Instead of that we should have a combined tax on motor buses, motor cars, motor lorries—private as well as commercial—and out of that tax the Bombay Corporation should be compensated.

The Chairman : Over and above what is proposed, some additional revenue should be raised and paid to Bombay ?

Rao Bahadur Asavale : I do not want that Government should lose. Government can increase the tax on private and commercial motor vehicles.

The Chairman : So, the buses in the Southern Division should be charged more and the revenue paid to the Bombay municipality ?

Rao Bahadur Asavale : I do not want that Bombay should be given more than what it has lost. Whatever has been lost to Bombay should be given to Bombay.

Mr. Kamat : From the general revenues ?

Rao Bahadur Asavale : From any revenue. General revenues would be better. That is my view.

The intention of Government when introducing the last Bill was to help the agriculturists.

Sardar Rao Bahadur Naik : Do you want to retain the wheel tax, or should it go ?

Rao Bahadur Asavale : I want to abolish all taxes and consolidate them.

The Chairman : The wheel tax also ?

Rao Bahadur Asavale : Yes. All the taxes should be consolidated. There should be only one tax. Some of the motor lorries and buses never go out of the City. They should be taxed proportionately. They do not leave the City limits at all ; they spoil only the City roads ; they do not use the provincial roads or mofussil roads. I am quite sure that Government can find out how many of such cars there are in Bombay. They should be charged only for the use of the City roads and no more. They are not even allowed to go out of the City limits. That is done under the Police Act. Why should they be taxed to the same extent as buses and lorries which make use of all roads ?

Another point is this. If the power of taxing motor cars is to be left with the municipalities, as has been requested by the Corporation, the municipalities should be helped to recover their dues in advance.

As regards the agriculturists, the intention of Government was to help them. In order that that intention may be fulfilled, the tolls must go, and the tax should be shifted to broader shoulders. I do not say that they should be taxed very heavily.

The Chairman : What about the revenue lost ?

Rao Bahadur Asavale : It should be recovered from motor vehicles, because even the tax that falls upon motor buses will automatically be shifted to the agriculturists. They are the only passengers who travel by these buses. The owners of the buses will not have to bear this tax. The tax will fall automatically on the labouring classes and the agriculturists. It is the labouring classes who frequently move out from the City of Bombay to Nagar, Poona, Nasik, etc. The buses also carry vegetable and other articles from these places.

Rao Bahadur Pradhan : That is why you are able to eat something.

Rao Bahadur Asavale : I do not want to tax them heavily. That is why I want that the motor vehicles which do not want to go out of the City should not be taxed heavily.

Mr. Kamat : May I ask for some information. Rao Bahadur Parulekar has written and sent you a note covering many of the points which we have discussed. The point on which he is very keen to have information is : There are certain private

cars which are registered in other provinces. His car, for instance, is registered at Delhi and bears a Delhi number. In such a case, is there exemption from registration in this province ?

Mr. Freke : There would be no exemption under this Bill. The wording used is " used or kept for use in the Bombay Presidency."

Mr. Kamat : Will he then not have to pay registration fee twice ?

Mr. Freke : Yes ; it is reasonable if he is living permanently in this province.

Mr. Kamat : He has paid somewhere else.

Mr. Freke : That can be provided for.

Dr. Dixit : A word about what Mr. Lely and Mr. Kamat have said, namely that by introducing this measure we are making an attempt to substitute a temporary measure by a permanent measure. That is a point I have already emphasised. Secondly, the operation of this Bill, if passed into law, will be so complicated that it had better be left alone for some time to come. But if Government persist in bringing this measure before the Council, I should like that all municipalities should have the privilege of levying a wheel tax within their own limits. The reason is that the municipalities should have the privilege of taxing their own cars and using the money so raised within their own limits.

The Chairman : You mean that the wheel tax should not be consolidated ?

Dr. Dixit : Yes.

Secondly, if the wheel tax is to be increased, it should be increased by the municipalities themselves. The money will be utilised for the benefit of the people of that area and the increase will be by the elected representatives of the people.

The next point is whether the measure should be managed by the Home or the Revenue Department. If Mr. Bakhale's suggestions are adopted, I think the route licences should be fixed by the Revenue Department, and the police should be given the power of control and supervision.

The Chairman : That is not possible.

Dr. Dixit : The exemption of pneumatic tyred carts appears to be an impractical proposition. I do not think pneumatic tyres can stand the kind of roads over which these carts have to travel.

Mr. Jog : I am one of those who support the principle of consolidation of the tax on motor vehicles. But we are to have Provincial Autonomy, and a new Government will come into existence. Sind is to be separated, and our finances may improve. The whole position may be reconsidered then.

The Chairman : We have met here to solve this problem. We will think of the other things afterwards.

Mr. Jog : If there is to be a compound tax, I agree with Mr. Bakhale that route licences must be issued, and the longer the route the greater should be the tax.

With regard to wheel tax, my opinion is that the local bodies should be left to themselves to impose it if they desire to do so.

The Chairman : The local bodies should be left to themselves to impose a wheel tax and also tolls. That means there will be district local board tolls, municipal tolls and municipal wheel taxes.

Mr. Jog : Wheel tax will be in the municipal areas.

The Chairman : What about the tax on vehicles, other than motor cars, to be imposed by local bodies ?

Mr. Jog : With regard to vehicles other than motor vehicles, they will not travel over long routes, and they will have to pay a small amount. I agree with Mr. Bakhale that agricultural produce should be exempt. The carts or vehicles that ply for hire on a commercial basis may be taxed, because they cause great damage to the roads. For the present the commercial carts may be charged.

Rao Bahadur Asavale : If bullock carts other than those of agriculturists are to be taxed, how are you going to find out whether a bullock cart belonging to an agriculturist is used to supplement his income or not ?

The Chairman : When they hire out their carts, they are liable to pay.

Rao Bahadur Asavale : We are doing this to help the agriculturists.

Mr. Jog : My friend has not understood me. The carts which are used by agriculturists for transport of their produce are exempt.

The Chairman : He wants to do away with tolls on bullock carts.

Mr. Vakil : I want to throw out a suggestion. Is it necessary that the Bill should be introduced in the ensuing session ?

The Chairman : That is what we are aiming at.

Mr. Vakil : We are within sight of the next session. An interval of barely six weeks exists between now and the ensuing session.

The Chairman : The Bill is going to be introduced at the next session. That is certain, but before they do it, Government want suggestions from members of the House.

Mr. Vakil : Suggestions of such a novel character have been thrown out that we cannot possibly now foresee the consequences. For instance, there is Mr. Bakhale's ingenious scheme. His schemes are always well thought out and ingenious, but they require time for us to understand their possibilities. In the first place, most of the province, to use a marine phrase, is uncharted. There must be a complete chart of all the routes, if you want to go on the basis of routes. It is very easy to make a suggestion, but it is very difficult to work it out in actual practice. Barring a few districts in the Central and Southern Divisions, the whole of the Northern Division and other districts are absolutely uncharted. Then he wants development of certain districts. That is a possibility for the future. You should consider that scheme with a detailed chart in front of you. We want time to consider where it will lead us to.

Rao Bahadur Chitale : If no chart exists, how are you going to proceed ?

Mr. Vakil : I should suggest that a special session, if necessary, may be convened, as was done in the case of the Special Powers Act. The time is much too short really, and you cannot expect us to put upon the table a ready made scheme, like Minerva from the head of Jupiter. We are ordinary men. We have not come here with ready made schemes. If anything, the Government should have placed concrete proposals for our examination and criticism. You have not done it. You have scrapped even the old Bill. My suggestion is that it is not necessary to rush this Bill.

The Chairman : What has Mr. Gangoli to say about ferries ?

Mr. Gangoli : I think ferries are included in tolls. My views on the entire Bill are somewhat different from those of other members.

The Chairman : You had better speak about ferries.

Mr. Gangoli : Ferries must be included in tolls. When one pays a consolidated tax, why should he pay for ferries also.

The Chairman : The ferry tax is for the actual service rendered on the spot. I do not think that they have any bearing on the present question.

Mr. Gangoli : They have every bearing. You have not seen the ferries.

The Chairman : We all know what ferries are. We have maintained ferries, and we know everything about them.

Mr. Gangoli : In other districts the ferries are already bridged, for instance in Ratnagiri.

The Chairman : Your point is that the tax for ferries should be abolished ?

Mr. Gangoli : Yes, for several reasons. One is that we have really no good roads. There are numerous tolls, and in addition to that there are these ferries.

The Chairman : Let me take the sense of the conference whether they are in favour of abolishing the tax on ferries and adding it on to the tax on motor vehicles.

Members having indicated dissent—

Mr. Gangoli : Then it is not a consolidated tax.

The Honourable Mr. Turner : With regard to the question of ferries, the ferry fee is a definite payment for service rendered. Government has to maintain the ferries. It is payment for service rendered and I do not see how Government could possibly exclude it.

The Chairman : I take it that it is the sense of the conference that the ferry dues should not be taken into consideration while considering the question of consolidation of motor vehicle taxes.

Mr. Gangoli : Then why not exclude Kanara along with Sind ?

The Chairman : That is a different matter.

Sardar Rao Bahadur Naik : Most of the members from the municipal areas want to retain the wheel tax, which is a prospective source of revenue, for vehicles other than motor vehicles, in municipal areas, but they suggest that so far as the local boards are concerned not only should the tolls be done away with but they should not have the power to impose a wheel tax.

The Chairman : There is no wheel tax in local board areas at present.

Sardar Rao Bahadur Naik : That is so, but under the Act they have the power to impose a wheel tax ; even village panchayats have that power. My point is, if you want to take away from the local boards their power to levy a wheel tax, and to abolish tolls in local board areas, and at the same time you want to leave the municipalities the power to levy a wheel tax, when you draft the Bill you should take into consideration the prospective loss to the local board revenues.

The Chairman : Do you mean to say that the district local boards should be left to themselves to levy a wheel tax and also tolls ?

Sardar Rao Bahadur Naik : I do not mean to say that. If you want to consolidate all these taxes, and the wheel tax, the tolls and everything of the kind is to be abolished from the local board and the municipal areas, that would be a different thing. But if you want to leave the power to impose a wheel tax to the municipalities, and deny that power to the local boards, then you must consider compensating the local boards for the loss of prospective revenue.

The Chairman : Compensating for the loss of prospective revenue—add to the motor tax and pay the local boards ? What do you mean ?

Sardar Rao Bahadur Naik : Then give us the same power. You have given certain power for increasing the resources of the local boards, and you are going to take away that power.

The Chairman : You do not mean to say that because they will lose their prospective revenue, therefore a certain sum should be added to this tax now, that it should be recovered and paid to the local boards ?

Sardar Rao Bahadur Naik : If you retain wheel tax for municipalities, it should be retained for local boards also.

Mr. Ormerod : In the first place, I should like to take this opportunity of thanking you for inviting me to be present at this conference. It has been of great interest to hear the various expressions of opinion, but I find myself left very puzzled as to what we are hoping for, because the member opposite to me says that he understands that the purpose of the provincial taxation is to relieve the agriculturists. I do not understand that was its purpose at all. I thought that

the purpose of the provincial tax was to relieve the motorist from the many taxes levied on him at the present moment by different bodies ; also with a view to eliminate the waste which is taking place now as a result of collecting revenue by means of tolls ; and also to prevent evasion which we know is going on in municipalities, whereby the honest man is paying and the dishonest man is not paying and gets away with it. So, we seem to have different ideas.

Personally, I am inclined to associate myself with the views expressed by Mr. Lely just now, but I want to make it quite clear in doing so that it is not an expression of opinion on behalf of the two associations with which I am known to be very closely connected, because I have had no opportunity of discussing matters with them. There have been so many expressions of opinion here and so many varying views that I would not like it to be thought that anything that I say now has anything to do with the two associations which I am very closely connected with. On the one hand one member has pointed out to us that Madras is a warning. Madras abolished tolls and found itself in difficulties. It lost so much revenue that it does not know how to maintain its roads. On the other hand, other members say that tolls must go off bullock carts and other vehicles, except motor vehicles. One says that if it goes off the other vehicles, it must not go on to motor vehicles, while another says that it must go on to motor vehicles. Experience in Madras has shown that you can put it on to motor vehicles if you like, but it does not mean that you can get it from them. If you take the tolls off other vehicles and animals and add them on to the tax on motor vehicles, it does not mean that you are going to get the anticipated revenue, because Madras has already shown that they have lost Rs. 26 lakhs. Their position is very serious and ours is even more serious, because in Madras they have comparatively good roads and the trouble is that they do not like to lose them, whereas in this Presidency we have not got comparatively good roads and we want to find something to get them. So that, I think we ought to move very cautiously now before we come to any decision which is likely to put the Presidency in the position of getting less revenue than it is getting at the moment.

The Chairman : I think we have had enough of discussion since yesterday. As we had declared at the last session, Government will introduce a measure at the next session for the consolidation of taxes on motor vehicles.

During the discussion we had for the last two days we have been thinking of the revenue from tolls on provincial roads, on the local board roads as also in the municipal areas. The revenue which is likely to be lost if tolls are done away with and if the present revenue which we derive under the Indian Motor Vehicles Act is abandoned will be Rs. 26 lakhs. In addition to that there are the wheel taxes collected by the municipalities on motor vehicles as well as on other vehicles. During the discussion we have seen that there is a difference of opinion regarding the abolition of tolls on vehicles other than motor vehicles. Also as regards the recovery of wheel tax by the municipalities, which is being done by them at present, there is a difference of opinion. Some are of opinion that it should be left to the option of the municipalities. Some are of opinion that if this is not taken into consideration at the time of consolidating the taxes on motor vehicles, it would be no consolidation at all, because the municipalities would be recovering a tax from one end and Government will be taxing at the other end; and the municipalities will be left to impose a tax according to their requirements and wishes, and perhaps the tax at present falling on the users of cars is likely to be raised to any amount later on. Having all these difficulties in view, Government thought of consolidating all the taxes together and levying it as one tax on motor vehicles. The local bodies are naturally jealous of their rights, and I have nothing to say about it, but when we are for having a consolidated tax, if we do not take all these taxes into consideration at this stage, it would really be a half-hearted measure. If Government is forced to adopt that measure, Government has no other alternative but to accept it. But before we come to any definite conclusion, we will have to consider this question very carefully—whether the wheel tax should be left out, or whether it should be included for purposes of consolidation. In the same way, regarding the levy of tolls on bullock carts on local board, municipal and provincial roads, it would be very difficult to total up the amount of tolls which are at present levied on bullock carts on provincial and local board roads and charge the whole amount to motor vehicles. It would be very difficult to make the users of motor vehicles bear the whole burden. Government will have to consider the question from that point of view also. After full consideration of this matter, having known the views of the members here, Government will decide and bring forward a measure which perhaps will meet with the approval of the Council—

Government hope that at least a majority of the members will be in favour of it.

As regards legislation in other provinces, there was the question of earmarking all the revenue. In this Presidency, on no occasion have we taken the step of earmarking revenue. But if the members of the Council are keen that this revenue should be earmarked, and if members would be disposed to look upon the measure with a more favourable eye, if there is provision for earmarking, Government will take that into consideration. Government have got before them the Acts of Bengal and Madras. In Bengal, Madras, and I am told, in the United Provinces there is provision for the earmarking of the revenue, and the provisions of those Acts will be considered, and Government will see what basis they could have for earmarking this revenue.

As regards route licences, it is the intention of Government to introduce the Bill at the next session. If we are to adopt this policy of route licences, it will be very difficult at this stage for Government to ascertain, if the route licensing system is introduced, what will be the number of vehicles running on particular routes, how many routes will have to be marked out, on those particular routes what class of vehicles and how many vehicles should be allowed to run, and what should be the charge levied on them, for first class, second class and third class ; and it will be difficult for them to judge the amount that will be realised thereby, Government at the same time undertaking the responsibility of making good the losses which the local bodies will be suffering. Government will have to consider this question very carefully. It is not possible to consider this question within the short time that is left to us before the next session. Whatever we shall be doing for the consolidation of the tax, it will be on the basis which we have been following up till now ; and we will have to tax different vehicles according to the use of the roads which the different vehicles are making at present ; that is, according to the principle of the old Bill—heavy vehicles, lighter vehicles, passenger vehicles and private cars. In course of time the route licensing basis could be worked out, and the Act could be amended later on.

The loss which Madras had suffered is pointed out in this note and referred to by Mr. Bakhale. We say that that is an example before us, and we have to work according to that. Mr. Bakhale points out that we must take a warning and levy our taxes to avoid losses according to the example before us,

and also not tax the vehicles unnecessarily and unduly high. All these points will be taken into consideration and a Bill will be introduced at the next session, and every attempt will be made to give as much facility as possible to the users of motor cars, to the users of the motor buses and to the users of the commercial vehicles, and at the same time make good the revenue which is likely to be lost.

There was a fear expressed by some members that according to the schedule in the last Bill, they expected Government to get much more than they needed. I may inform the conference that in case there is more revenue from this source, as far as the Government share is concerned they will take in proportion to the increase what is due to them, and anything over and above that will be earmarked for distribution to the local bodies. Therefore, if there is an increase of revenue, there need not be any fear entertained on that ground. If it is the opinion that even the increased revenue which Government may get should be earmarked for road purposes only, Government will consider that point also very carefully; and if a schedule is prepared on that basis, I think the Council will be in a position to support Government in the interest of the consolidation of these taxes which Government have in view.

Mr. Vakil : When will the Bill be placed in our hands at the latest ?

The Chairman : The Bill cannot be introduced before six months from the 22nd of March. The Bill will be published after the 18th September. Are there any other points which members of this conference would like to bring to the notice of Government ?

Rao Bahadur Asavale : I would like to know whether motor vehicles from other provinces and the Indian States will be charged.

The Chairman : As far as the States' motor cars are concerned, if they ply for hire in our territory, they are required to take out a licence.

Mr. Kamat : At present they are not.

The Chairman : Take the Kolhapur buses. If they run from Kolhapur to Poona, they have to take out a licence from the Poona and Satara Collectorates. As regards private cars, there was a provision in the old Bill that if a person keeps a car for a certain period he is bound to pay the fees. There was a limit of time, and it was provided that if you kept a car within our territory over and above a certain period, you would be liable to pay the tax.

Mr. Gokhale : It is proposed that all taxes should be consolidated, that Government should collect the tax for the municipalities and local boards and pay over their quota to them. Supposing, instead of that, we exclude the municipalities and local boards and leave them alone, and confine the legislation to the remaining taxes, how will Government be in difficulty ?

The Chairman : What is consolidation then ? That is the point raised by Mr. Lely.

Mr. Gokhale : By consolidation, I mean consolidation for the area that is not under the control either of local boards or of municipalities.

The Chairman : Mr. Lely says that there will then be no consolidation worth the name, and, in that case, he says let the tolls remain.

Mr. Gokhale : What will be Government's difficulty ?

The Chairman : We will explain that at the time we introduce the Bill.

Mr. Gokhale : Another idea I would throw out is that the tax should be for each district. Supposing a car starts from Bombay, passes through Thana and comes to Poona, it will pay a tax in each of the three districts. Will not that arrangement suit just the same as the route-licensing suggested by my honourable friend Mr. Bakhale ?

The Chairman : No. According to you, every time a man wants to start his journey he will have to take a licence for all the districts he passes through.

Mr. Gokhale : That is what he does at present. He takes a licence for three districts. If that is done, what will be lost ?

Mr. Lely : Could you tell me whether it is a fact that Government have since the last session of the Council fallen in love with this idea of a consolidated tax ? I understand the position to be not only that Government had no idea before of the consolidated tax but actually the promise to introduce one was given in order to satisfy the members of the Council in connection with the Bill that was passed at the last session. Government now appear to have changed their point of view rather and to be determined to go on with this Bill even if the Council to whom they promised to introduce the Bill is in favour of dropping it.

The Chairman : I do not suppose that the Council is in favour of dropping it. They want the Bill.

The Conference then dissolved.

**Appendices to the Proceedings of the Conference held in Poona on
the 6th and 7th August 1935 to consider the question
of a consolidated tax on motor vehicles.**

STATEMENT A.

REVENUE IN 1934-35 (in thousands of rupees).

(Presidency proper excluding Sind.)

			Motor Vehicles.	Other vehicles and animals.
			Rs.	Rs.
<i>Government—</i>				
Present net revenue under I. M. V. Act (excluding Sind)	..	..	11,49	....
Tolls and Ferries	..	..	11,68*	5,84*
			<hr/>	<hr/>
Total (Government)	..		23,17	5,84
			<hr/>	<hr/>
<i>Local Bodies—</i>				
<i>Bombay Municipality—</i>				
Wheel tax	..	..	8,17	3,05
<i>Other Municipalities—</i>				
Wheel tax	..	..	3,61	1,79
Tolls	..	..	1,42	3,33
Ferries	..	..	....	2
<i>District Local Boards—</i>				
Tolls	..	..	1,67	3,14
Ferries	..	..	2	82
			<hr/>	<hr/>
Total (Local Bodies)	..		14,89	12,15
			<hr/>	<hr/>
Grand Total	..		38,06	17,99
			<hr/>	<hr/>

Total present revenue from all sources 56 lakhs.

Possible revenue available on schedule in the bill of March
1935, with no reductions 46 lakhs.

* Estimated.

STATEMENT B.

REVENUE EXPECTED UNDER THE M. V. T. BILL OF FEBRUARY 1935.

The figures by which the rates have been multiplied are the figures of the various classes of vehicles registered at present.

				Rs.
I. Motor cycles and tricycles—				
(In weight unladen.)				
(a) Not exceeding 200 lbs.	..	..	Rs. 30 × 442 =	13,260
(b) Exceeding 200 lbs.	..	..	Rs. 40 × 966 =	38,640
				<u>51,900</u>
(c) Side-cars and trailers—				
Possible revenue ..				Rs. 50,000
				Rs.
II. Private passengers-carrying vehicles—				
(a) Weighing not more than 15 cwts.	..	Rs. 100 ×	716	71,600
(b) Weighing more than 15 but not more than 30 cwts.	..	..	Rs. 130 × 11,566 =	15,03,580
(c) Weighing more than 30 but not more than 45 cwts.	..	..	Rs. 160 × 1,587 =	2,53,920
(d) Weighing more than 45 cwts.	..	..	Rs. 200 × 51 =	10,200
				<u>18,39,300</u>
(e) Trailers weighing not more than 20 cwts.	Rs. 40	} Revenue not calculated but will be very small.		
(f) Trailers weighing more than 20 cwts.	.. Rs. 80			
Possible revenue ..				Rs. 18,00,000
				Rs.
III. Public passenger-carrying vehicles—				
(Driver excluded.)				
(a) Seating 4 persons but not more than 6..	..	Rs. 140 ×	1,133 =	1,58,620
(b) " 6 " " " "	..	10..	Rs. 180 × 593 =	1,06,740
(c) " 10 " " " "	..	15..	Rs. 260 × 75 =	19,500
(d) " 15 " " " "	..	20..	Rs. 360 × 564 =	2,03,040
(e) " 20 " " " "	..	25..	Rs. 460 × 2,739 =	12,50,940
(f) " 25 " " " "	..	30..	Rs. 500 × 56 =	31,360
(g) More than 30 persons	..	....	Rs. 600 × 16 =	10,560
				<u>17,89,760</u>
Possible revenue ..				Rs. 17,50,000

STATEMENT B—*contd.*

	Rs.
IV. <i>Vehicles used for the transport of goods— rated on unladen weight basis—</i>	
<i>(i) Fitted with pneumatic tyres—</i>	
(a) Weighing not more than 15 cwts. .. Rs. 200 × 19	= 3,800
(b) Weighing more than 15 but not more than 30 cwts. .. Rs. 330 × 1,192	= 3,93,360
(c) Weighing more than 30 but not more than 50 cwts. .. Rs. 500 × 1,930	= 9,65,000
(d) Weighing more than 50 but not more than 70 cwts. .. Rs. 600 × 27	= 16,200
(e) Weighing more than 70 cwts. .. Rs. 700 × 30	= 21,000
(f) Trailers weighing not more than 20 cwts. .. Rs. 160 × 2	= 320
(g) Trailers weighing more than 20 cwts. Rs. 300 × Nil	=
	13,99,680
<i>(ii) Fitted with other than pneumatic tyres—</i>	
(a) Weighing not more than 15 cwts. .. Rs. 250 × Nil	=
(b) Weighing more than 15 cwt. but not more than 30 cwts. .. Rs. 412 × 10	= 4,120
(c) Weighing more than 30 cwt. but not more than 50 cwts. .. Rs. 625 × 228	= 1,42,500
(d) Weighing more than 50 cwts. but not more than 70 cwts. .. Rs. 750 × 240	= 1,80,000
(e) Weighing more than 70 cwt. .. Rs. 875 × 560	= 4,90,000
(f) Trailers weighing not more than 20 cwts. .. Rs. 200 × Nil	=
(g) Trailers weighing more than 20 cwts. Rs. 375 × 33	= 12,375
	8,28,995
Possible revenue .. 22,00,000.	

Summary—	Rs.
I. Motor cycles and tricycles ..	50,000
II. Private passenger-carrying vehicles.	18,00,000
III. Public passenger-carrying vehicles..	17,50,000
IV. Vehicles used for the transport of goods.	22,00,000
	58,00,000

Deductions—

- 8 lakhs—loss owing to cars laid up (o.g. in monsoon quarter).
 - 2 lakhs—exemptions, particularly of local bodies' vehicles such as fire-engines etc.
 - 2 lakhs—additional expenditure.
-
- 12 lakhs.

Not estimated revenue—Rs. 46 lakhs.

[*Note.*—The Madras Bill was intended to realise 66 lakhs.

Its actual realisation was 40 lakhs.]

STATEMENT C.

STATEMENT SHOWING NUMBER OF VEHICLES IN BOMBAY CITY
AND DISTRICTS (EXCLUDING SIND) ACCORDING TO BOMBAY
POLICE REPORTS.

For the year 1931.

	Cycles.	Vehicles of 2 tons and under.	Vehicles over 2 tons.
Bombay City	496	11,035	1,017
<i>Districts.</i>			
Ahmedabad	78	2,084	6
Panch Mahals	4	107	....
Kaira	2	310	....
Broach	5	140	....
Surat	13	807	2
Thana	13	358	3
Ahmednagar	47	428	3
East Khandesh	39	434	1
West Khandesh	14	412	....
Nasik	41	634	1
Poona	339	2,268	7
Satara	19	428	....
Sholapur	52	502	....
Belgaum	34	783	6
Bijapur	8	232	....
Dharwar	24	506	....
North Kanara	14	171	....
Kolaba	9	247	....
Ratnagiri	9	261	....
Bombay Suburban District..	69	1,173	21
Outside Bombay Presidency excluding Sind.	42	497	....
Total, Districts ..	879	12,782	50
Total Bombay City and Districts (excluding Sind).	1,375	23,817	1,067