Local Self Georgement
Committee, 1939

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LOCAL SELF-GOVERNMENT COMMITTEE 1939

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THE DECISIONS TAKEN BY GOVERNMENT ON THEIR RECOMMENDATIONS

A brief Summary of the Recommendations of the Local Self-Government Committee, Bombay, 1939 and the decisions taken by the Government thereon.

[The paragraphs mentioned in the following pages refer to the paragraphs of the Report of the Local Self-Government Committee, Bombay, 1939].

I. FINANCIAL RECOMMENDATIONS

Paragraph 42: House Tax:

Government should take steps to enhance the existing rate of the house tax under Section 74 of the Bombay District Municipal Act, 1901, or Section 103 of the Bombay Municipal Boroughs Act, 1925, wherever it may be found that a municipality has neglected to raise the rate.

Government Decision: G.R.G.D. No. 4046/33, dated 16-5-41:-

"The recommendation of the Committee should be brought to the notice of the Collectors and they should be asked to advise those local bodies which levy house tax or tax on buildings at very low rates to increase the rate. The Collectors should on the merits of each case, consider the desirability of making proposals to Government for increasing the tax under section 103 of the Bombay Municipal Boroughs Act, 1925, or section 74 of the Bombay District Municipal Act, 1901, whenever the balances of Municipal Funds are found to be insufficient for the purposes mentioned in those sections."

Paragraphs 43 to 46: Terminal Taxes and Octroi Duties:

Local bodies levying terminal tax within their areas should revise the schedules and increase the present rates on several items and introduce a regular system of refunds; those local bodies which have not been levying (either the terminal tax or) octroi duty should consider the advisability of leving octroi as early as possible; in the case of goods in rapid transit by roads, the terminal tax should be abolished but the present octroi rates should be substantially increased and a system of refunds introduced; and by-laws should be made for granting refund in case of goods in rapid transit by roads when taken out of municipal limits within a prescribed period.

Government Decision: G.R.G.D. No. 4110/33, dated 1-10-40:—

"The attention of the officers and local bodies concerned is invited to the recommendations made in paragraphs 43 to 46 of the

Report of the Local Self-Government Committee in regard to the levy of octroi and terminal taxes by local bodies. The Conference of local bodies held at Poona on the 16th and 17th August 1940 was of opinion that local bodies should consider whether it is to their advantage to substitute octroi for terminal tax.

2. It is true that terminal tax is easier to collect and that the change over to octroi involves payment of refunds and opens up the possibility of leakage in collection and consequently involves higher collection charges. On the other hand the terminal tax levies a burden on the rural areas for the benefit of municipal areas which command the communications to the rural areas, and although this burden is not so heavy, yet when the goods have to pass through two or three municipalities levying terminal tax, the cumulative burden on the rural areas is likely to be considerable. In the opinion of Government the difficulties in the way of the levy of octroi dues are not insurmountable. Moreover, the existing levy of terminal tax by municipalities has been temporarily regularised until provision to the contrary is made by the Federal Legislature. The local bodies concerned are, therefore, advised that on account of the legal position created by the Government of India Act, 1935, in regard to the levy of terminal tax, it is in their interests that they should prepare beforehand for the contingency of the abolition by the Government of India of the present levy of terminal tax."

Paragraphs 47, 48, 49, 50, 64, 99, 107 and 111: Primary Educa-

- (1) Government should take early steps to amend Section 59 of the Bombay District Municipal Act, 1901, on the lines of Section 73 of the Bombay Municipal Boroughs Act, 1925, with a view to make the levy of primary education cess compulsory.
- (2) The primary education cess should be made a direct tax along with property tax at a certain percentage on the annual letting value or the capital value as the case may be.
- (3) The liability of Government to pay its share should be fixed on a contract basis under the Bombay Primary Education Act, 1923, by amendment of the Act, if necessary.
- (4) Government should insist upon local bodies that 10 pies in the rupee must be ear-marked for primary education from the local fund cess, the rate of which should be increased.
- (5) Government should adjust its Provincial Budget with a view to provide funds sufficient to bear its own share of expenditure on compulsory primary education.
- (6) Richer municipalities should shoulder a little higher proportion of expenses for the benefit of backward areas.
- (7) Government should levy the local fund cess at $1\frac{1}{2}$ annas as the minimum rate and $2\frac{1}{2}$ annas as the maximum and a statutory provision should be made in the Bombay Local Boards Act, 1923, to the effect that

out of the 18 pies of the minimum rate 10 pies should be ear-marked for primary education.

- (8) Government should amend the Bombay Primary Education Act, 1923, with a view to define in the most unambiguous terms the legal liability of Government and that a proportion of 66\(^2_3\) per cent in the case of local boards and 50 per cent in the case of municipalities should be laid down for voluntary and compulsory expansion schemes.
- (9) Inasmuch as the powers of local authorities under the Bom. P. E. Act have been resumed by Government the expenses incurred so far by Local Boards in the matter of school board elections should hereafter be borne by Government.

Government Decision: G.R.E.D. No. 7278, dated 20-5-41:-

- "Government has considered the recommendations made in paragraphs, 48, 49, 50, 64, 99, 107 and 111 of the Report of the Local Self-Government Committee, 1939, and is pleased to pass the following orders:—
- 2. Paragraphs 48, 49 and 64 of the Report.—The suggestion made in these paragraphs is that statutory provision should be made for ear-marking ten pies for primary education out of the proposed minimum rate of local fund cess of 18 pies in the rupee. Government has already decided in Government Resolution, General Department, No. 9560, dated the 26th November 1940, not to raise, for the present, the minimum compulsory rate of local fund cess to 1½ annas, and it is not therefore possible to accept the suggestion contained in paragraphs 48, 49 and 64 of the Report. It should be considered when Government decides to amend the Bombay Local Boards Act with a view to raising the minimum rate to 1½ annas.
- 3. Paragraphs 50, 99 and 111 of the Report.—The Committee observes that the Bombay Primary Education Act, 1923, is not sufficiently explicit in defining Government's obligation in respect of schemes of voluntary expansion of primary education, with the result that Government does not always bear its due share of ½ or 2/3rd, as the case may be, on such expansion, on the plea that grants on voluntary schemes are discretionary. The Committee accordingly suggests that the Bombay Primary Education Act should be amended so as to determine the legal liability of Government on both compulsory and voluntary schemes in the most unambiguous terms at 2/3rds and ½ of the expenditure, respectively, for local boards and municipalities.

As regards the criticism that the Primary Education Act does not define in clear terms the liabaility of Government in respect of compulsory schemes, there is nothing in any recent legal decisions to necessitate an ammendment of the Act. The position is that Government is bound, under section 13 (1) of the Act, to contribute a specified share of the additional expenditure on any scheme of compulsory education it approves. As regards voluntary grants, it is true that, in all cases not covered by section 13 (1) of the Primary Education Act, the grants made by Government are merely voluntary. It should, however, be remembered that Government is in fact

bearing over 80 per cent of the total admitted expenditure of all local boards taken together as a whole on primary education. Government is fully alive to the necessity of expansion of primary education, but the amount of grant it can make for this purpose must depend on its financial resources and the other demands on those resources. While Government will consider sympathetically all proposals for Government grant on voluntary expansion schemes, it must be free to decide, having regard to its resources and the other demands on those resources, to what extent such proposals should be sanctioned for purposes of Government grant. Government is not in a position to undertake unlimited liability for all future expansion schemes, however desirable they may be. Government, therefore, considers that an amendment of the Primary Education Act on the lines suggested by the Committee is not necessary.

4. Paragraph 107 of the Report.—The Committee recommends that, as Government has now resumed the powers of the local authorities, the expenditure on school board elections, which now falls on the local boards, should be borne by Government. There seems to be considerable misunderstanding in this regard. The amended Primary Edcation Act has not materially changed the situation, particularly in regard to local authorities. Only the power to appoint the Administrative Officers and Supervisors has been taken over by Government and, in the case of school boards, certain powers in regard to the appointment and transfers of teachers have been transferred to the Administrative Officer from the School Board. This cannot be accepted as a sufficient argument for the proposal that Government should bear the cost on account of school board elections. Government is unable, therefore, to accept the recommendation of the Committee in this respect.

× Paragraph 51: Tax on Professions:

Government should instruct their Revenue Officers to advise municipalities to levy tax on such professions as may be fit to be levied in each area inasmuch as professional classes should be made to pay their share of the expenses of local administration.

No action taken by Government. .

Raragraphs 52 & 53: Tax on Transfer of Properties:

Government should give municipalities a share in stamp duties and registration fees on transfer of immovable properties by adding a percentage on the stamp duty for the benefit of local bodies within whose area the properties transferred are situated and by levying a special fee when transfer documents are presented for registration or by allowing local bodies to levy fees on transfer documents presented to them for registration in the records of local bodies, this being made compulsory and the rate of such fees being from ½% to 1% on value of property transferred or alternately, Government should assign to local bodies concerned 25% of the stamp duty recovered on transfers of property.

Rejected by Government.

Paragraph 54: Non-Agricultural Assessment:

Government should reduce non-agricultural assessment on building plots within municipal limits or hand over to municipalities the whole or a substantial portion to the extent of 75% of the non-agricultural assessment recovered by them and that local boards should get 10% more on what they are at present getting on that assessment.

No action taken by Government.

Paragraphs 55 & 56: Taxes on Marriages, Adoptions and Feasts:-

In case of municipalities and district local boards a flat rate should be levied on all marriages and feasts except in the case of those bodies which can devise a suitable machinery for assessing expenditure on marriages and financial status of the parties concerned, and that a flat rate of Rs. 50 on every adoption should be levied.

Local bodies should maintain a register of marriages and adoptions as they do in the case of births and deaths.

Government Decision: G.R.G.D. No. 4046/33, dated 16-5-41:-

"Government has carefully considered the recommendations of the Kale Committee in regard to the taxation of marriages, feasts and adoption with a view to the realisation of additional revenue. Although Government sees no objection in principle to such types of taxation, it considers that the assessment and collection of taxes on feasts will present a formidable obstacle inasmuch as they will be difficult to assess, easy to evade, will not produce regular and substantial return and will also be exceptionally irritating in municipal areas. Government is of the view that it is not desirable that municipalities should introduce such taxation. These objections do not hold to the same extent in the case of taxes on marriages and adoptions, and if a municipality wishes to levy these taxes, Government will be prepared to consider the case on its merits."

Paragraphs 57: Entertainment Tax:

The whole of the entertainment and betting tax should be transferred by Government to local bodies.

Rejected by Government.

Paragraph 58: Surcharge on Electricity:-

Government should pay to each local body 50% of the revenue derived by them from the net proceeds of the duty on the consumption of electric energy as the demand of local bodies to such income has also been held to be sound.

Rejected by Government.

Paragraphs 59, 60 & 61: Petrol Tax:-

Government should distribute the receipts from petrol tax on an equitable basis between the Government and local bodies.

- (i) Powers of taxation conferred on them by statutes should be availed of by municipalities to the fullest extent and thereby make most of the services expected of them self-supporting and show their capacity to render useful services to the people; and
- (ii) Government should in their turn cause inquiries to be made at the hands of experts and withhold grants to municipalities which may be found remiss in the discharge of their duty in this behalf.

Rejected by Government.

Paragraphs 62, 63, 64 & 65: Local Fund Cess:

Government should levy the local fund cess at $1\frac{1}{2}$ annas as the minimum rate and $2\frac{1}{2}$ annas as the maximum and a statutory provision should be made in the Bombay Local Boards Act, 1923, to the effect that out of the 18 pies of the minimum rate 10 pies should be ear marked for primary education; and that a graduated tax on agricultural income should be levied by Government and a part of it assigned to local bodies.

Government Decision: G.R.G.D. No. 9560, dated 26-11-40:-

"Government has considered the recommendation relating to the increase of the local fund cess contained in paragraphs 62-65 of the Report of the Local Self-Government Committee, 1939, in the light of views expressed at the Conference of Local Bodies held in Poona on the 16th and 17th August 1940. As the recommendation in question requires an amendment of section 93 of the Bombay Local Boards Act, 1923, which does not seem to be emergent, its consideration has been deferred till the legislature resumes its functions. In the meanwhile, such local boards as levy a local fund cess below $\frac{1}{2}$ anna should voluntarily take action to raise it to that level and should earnestly consider whether the rate of Local Fund Cess should not be raised to the maximum of 2 annas permissible under the Act.

- 2. Government has decided not to undertake legislation for the imposition of a tax on agricultural income for the present. Hence the question of assigning a portion of that income to local bodies, as proposed by the Committee, does not arise.
- 3. The orders of Government on the Committee's recommendation, viz., to make statutory provision to ear-mark 10 pies of the Local Fund Cess for primary education will be issued separately."

Paragraphs 66 & 67: Cess on Village Sites and Lands in Alienated Villages:—

Lands in village sites which are being held free of land revenue and therefore of local fund cess should continue to be so held but Government should see that alienated lands used for building purposes which pay only one-eighth of the non-agricultural assessment should be made to pay the full amount of the non-agricultural assessment.

Government Decision: G.R.G.D. No. 7395, dated 2-12-40:-

"Government has considered the recommendations in paragraphs 66-67 of the Report of the Local Self-Government Committee,

1939, regarding levy of local fund cess on non-agricultural assessment in respect of village sites and alienated lands and is pleased to direct that as the recommendations in question involve an amendment of the Bombay Local Boards Act and as the proposed legislation is not emergent, further consideration of these recommendations should be deferred till the legislature has resumed its functions. In the meanwhile the question of devising some means to levy such a cess from non-agriculturists, who, while getting most of the advantages a local board confers, are practically free from local taxation, is separately under consideration."

Paragraphs 68, 69, 70 & 71: Quarries in Inam Villages:-

Government should explore the possibilities of obtaining greater benefit for local boards than a mere levy of local fund cess and, if necessary, examine the legal rights of inamdars in the matter or carry on negotiations with them with a view to induce them to part with a share of their income from quarry fees which should be subjected to local fund cess by amending the Bombay Local Boards Act, 1923,

Government Decision: G.R.G.D. No. 2341/33, dated 9-12-40:-

"Government has considered the recommendations in paragraphs 68-71 and 129 of the Report of the Local Self-Government Committee, 1939, regarding levying of local fund cess on fees colleted by Inamdars in respect of the quarries in Inam villages and giving a statutory right to the Distaict Local Boards to receive quarry fees from unalienated lands and has come to the conclusion that the recommendations in question require special legislation involving the amendment of the Bombay Local Boards Act, 1923. As such legislation is not emergent, Government is pleased to direct that the furthur consideration of these recommendations should be deferred till the legislature has resumed its functions.

2. In the meanwhile Government has directed that the system of giving grants-in-aid to District Local Boards equal to the quarry fees which they were receiving under clause (i) of section 75 of the Bombay Local Boards Act, 1923, but which are now credited to Government owing to the deletion of the above clause by the Government of India (Adaptation of Indian Laws) Order, 1937, read with the India and Burma (Transitory Provisions) Order, 1937, should be allowed to continue."

Paragraphs 72 & 73: Cess on Forest Revenue:

Government should levy cess at the rate of one and a half anna on forest revenue derived from fees on major forest produce like timber, bamboos, sandalwood, etc., and minor valuable products like myrobalans, lac, cinnamon, etc.

Government Decision: G.R.R.D. No. 3711/39, dated 28-10-40:-

"In paragraphs 72 and 73 of its Report, the Local Self-Government Committee, Bombay, recommends that a cess of one and half annas per rupee should be levied on major forest produce like

timber, bamboos, sandalwood, etc., and minor but valuable products like myrobalans, lac, cinnamon, etc., which should be distributed to the local boards as they render useful service in the provision of roads, bridges and culverts to carry the forest products. The Conference of local bodies which met in Poona on 16th and 17th August 1940 recorded its view in favour of acceptance of the recommendation. As local boards render no service to Government for the conservation of forests and the flora and fauna found in them, Government is unable to accept the Committee's recommendation."

Paragraphs 74 to 81: Assignment of Land Revenue:

Government should assign, as in other countries, if not the whole at least ten per cent of the land revenue collected in each district to district local board.

Under consideration of Revenue Department.

Paragraphs 82 to 89: Tax on Professions:

Persons who carry on non-agricultural professions, e.g., legal practitioners, medical practitioners, engineers, contractors, brokers, architects, auctioneers, insurance agents, photographers, owners of printing presses, stamp-vendors, petition writers, gold and silversmiths, carpenters, blacksmiths, tailors, barbers and all others exercising a profession should be made to share the burden of taxes with others and the amount payable by them may be fixed at a rate consistent with their paying capacity.

Government Decision: G.R.G.D. No. 288/33, dated 5-2-41:-

- "Government has considered-
- (i) the remarks made by the Local Self-Government Committee, 1939, on the question regarding the levy of taxes on professions in the local bodies' areas and the agency to collect such taxes, and
- (ii) the views of the Conference of the local bodies in the matter. Government agrees with the view expressed at the Conference that the profession tax levied by municipalities should be collected through their own ageney. Government, however, cannot agree that in local board areas, the tax should be collected through Government agency. The responsibility for collection of this tax must vest in the District Local Boards. With suitable amendments in the Village Panchayats Act and the District Local Boards Act, the tax could be collected through the agency of the Village Panchayats, and obstinate arrears could be made recoverable through the revenue department as an arrear of land revenue on a certificate to that effect from the Collector. The grant of these facilities will, however, necessitate legislation which must await the restoration of parliamentary Government.

The question whether the levy of the profession tax should be made compulsory is controversial, raises wide issues and will require amendment of the Acts. Government considers that this question should be postponed till the legislature resumes its functions.

Paragraphs 95 & 96: Grants on account of Salaries etc.:—

Government should pay 2.3rds of the whole expenditure of the Health Department and Section 119 of the Bombay Local Boards Act, 1923, should be so amened as to include 'leave allowances' in the term 'salary' occurring in the said Section.

Government Decision: G.R.G.D. No. 4068/33, dated 17-10-40:

"In paragraph 96 of the Report of the Local Self-Government Committee, 1939, it has been suggested that the orders in Government Resolution, General Department, No. 259/33, dated the 24th February 1934, regarding the non-payment of subsidy in respect of "leave allowance" payable to a Chief Officer, Engineer or Health Officer whose appointment has been approved by Government under section 119 (2) of the Bombay Local Boards Act, 1923, may be revised so as to include leave allowance in the subsidy payable to District Local Boards in this behalf. In Government Resolution, General Department, No. 259/33, dated the 20th February 1940, Government has directed that the orders contained in Government Resolution, General Department, No. 259/33, dated the 24th February 1934, do not prevent Government from paying a subsidy on account of salaries of such officers as have been appointed to these posts temporarily during leave vacancies, provided their appointment has been approved by Government under section 119 (2). Government considers that no further concession is necessary in this respect."

Paragraphs 97, 98 and 112: Grants to compensate for Abolition of Tolls:—

The present arrangment of restricting the grant to compensate local boards for abolition of tolls under Section 9 (1) of the Motor Vehicles Tax Act to 10% increase only is not suitable as it deprives local bodies of an ever-increasing source of revenue and that a statutory arrangement should be made for providing an increse in grants proportionate to the increase in provincial revenue.

Government Decision: G.R.H.D. No. 4702/4, dated 8-5-41:—

"Government has carefully considered the recommendations relating to the distribution of the surplus proceeds from the motor vehicles tax among the local bodies in proportion to the grants which they are now receiving under the same head, contained in paragraphs 97-98 and 112 of the Report of the Local Self-Government Committee, Bombay, 1939, in the light of the decision arrived at in the conference of local bodies held at Poona in August last and has come to the conclusion that no change in the present system of distribution as laid down in section 9 (3) of the Bombay Motor Vehicles Tax Act, 1939, is necessary. Government will continue to allot in its discretion, as it is already doing, some part of the surplus proceeds from the motor vehicles tax to Local Bodies but it is unable to agree that the full surplus should go to Local Bodies."

Paragraphs 100 to 103: Non-Statutory Grants for Local Public Works:—

Grants for Local Public Works should no longer be left to the discretion of the Commissioners but a certain amount of certainty and continuity of these grants should be fixed, due consideration being given to the efforts made by local bodies towards developing their financial position; and that these grants should be fixed on the consideration of not only original works or special repairs but also of ordinary repairs inasmuch as the latter increase annually while the Board's finances remain more or less steady.

Government Decision: G.R.G.D. No. S. 218, dated 4-11-40:-

- "In paragraphs 100-103 of the Report of the Local Self-Government Committee, 1939, the following observations and suggestions have been made:—
 - (i) The principles laid down in Government Resolution, General Department, No. 9447, dated the 23rd May 1938, regarding distribution, supervision, etc., in connection with the grants for local public works are impracticable of application and the Commissioners are given too wide a discretion. The method of distribution should be to give preference to those bodies which adequately tax themselves and there should be certainty and continuity in the annual sums allotted.
 - (ii) The orders that no alteration in the programme of local public works should be made without the Commissioners' sanction cause inconvenience as the local boards have no indication as to the amount of grants they may expect for three years.
 - (iii) The distinction between (1) original works, (2) special and current repairs works, and (3) ordinary repairs leads to difficulties.

As no grants are paid for ordinary repairs, the Boards have to meet this expenditure from their own finances, which are steady, while the mileage of roads increase year by year. The result is that ordinary repairs are neglected for want of funds.

- 2. Government has carefully considered these suggestions in the light of the views of the Local Self-Government Conference held at Poona on the 16th and 17th August 1940 and have decided as follows:—
 - (i) From the principles governing the grant for local public works it is clear that those District Local Boards whose income is more and who spend more from their own funds towards the local public works get a larger share of the local public works grant from the Commissioners than Boards who spend less. It is, therefore, for the Boards to adequately tax themselves and to spend more from their funds for local public works in order to get a larger grant. In the case of incomplete works, if, for valid reasons, no grant is allotted by the Commissioners in the next year, it is the obligatory duty of the Boards under section 50 (a) of the Bombay Local Boards Act, 1923, to provide funds for such works. The principles governing the distribution, supervision,

etc., of the grant are sound and as the grant is non-statutory the Commissioners must have proper control and discretion in the matter. Similar control is necessary on the local fund spent for the purpose. The supervision of local public works by Public Works Department officers is also necessary. As regards the certainty and continuity of the grant it may be pointed out that for the last three years the provision, viz., Rs. 7,96,000 has remained the same. The question of grant for future years depends upon the financial condition of Government.

- (ii) In order to ensure (1) control over money spent by the District Boards, (2) careful preparation by Boards of programmes of works before they are submitted, and (3) avoidance of administrative and audit difficulties, it is necessary that alterations in programmes of works should be subject to the Commissioner's approval.
- (iii) Government has already issued instructions to the Commissioners to the effect that, in case where they are satisfied that the Boards concerned are unable, for valid reasons, to meet the whole expenditure in respect of ordinary repairs from their own funds, they should allow any portion of the local public works grant to be utilised for the necessary repairs. No further action is therefore necessary in this respect."

Paragraphs 104 & 105: Dispensary Grants:

Government should fix the dispensary grants in the proportion of 50-50 in the case of dispensaries in rural areas and 40-60 in the case of those in urban areas.

Rejected by Government.

Paragraph 106: Expenses of Local Board Elections:—

The District Local Board elections should be conducted by the Collector as hitherto under Sections 11, 13 and 14 of the Bombay Local Boards Act, and their expenses should be borne by Government, and if these election expenses are to be treated as grants they should be statutory and not subject to the mere discretion of Government.

Government Decision: G.R.G.D. No. 2277, dated 20-10-40:—

"Government has considered the recommendation relating to the expenses of District Local Board elections contained in paragraph 106 of the Report of the Local Self-Government Committee, 1939, in the light of the views expressed in the Conference of Local Bodies held in Poona on the 16th and 17th August 1940. It has been suggested to Government that the time has now come for transferring the work of conducting the elections to the District Local Boards and for making them liable to bear the cost of these elections. This suggestion, however, involves an amendment of the Bombay Local Boards Act, 1923, which does not seem to be emergent. In the circumstances Government has decided to accept the recommendation of the Committee and to maintain the present position for the time being."

Paragraph 108: Veterinary Grants:

The present amounts of grants allotted to veterinary dispensaries are very meagre and inadequate and should be substantially increased and placed on a statutory basis.

Government Decision: G.R.R.D. No. 3711-A/39, dated 3-5-40:-

"Though in some cases the local bodies may require enhanced grants-in-aid for extending the facilities for veterinary aid in their districts, it has not been found possible, owing to financial stringency, to consider the question of making any increase in the grants at present."

Paragraph 110: Establishment Grants to Local Boards:

Government should not abolish the establishment grants to local boards on the ground that certain local boards have failed to develop their resources but should reconsider their proposal and instead of doing so they should lay down conditions for the maintenance of an adequate and qualified staff.

Government Decision: G.R.G.D. No. 2391/33, dated 2-10-40:-

"Government has considered the recommendation relating to the restoration of grants for clerical establishment of local boards contained in paragraph 110 of the Report of the Local Self-Government Committee, 1939, in the light of the decision arrived at in the Conference of local bodies recently held in Poona and it has come to the conclusion that on principle there is no justification for the restoration of these grants. For this reason and in view of the present financial situation Government is unable to accept the recommendation of the Committee in this respect."

Paragraphs 109 and 114 to 117: Public Health Schemes and Government Charges:—

Government should alter the percentage charges, etc., in the matter of Public Health Schemes which in some cases are prohibitive and they may be replaced by a scale of charges depending upon the estimated cost of the scheme. The maximum charges should for very small schemes not exceed two per cent and the scale might be progressively reduced and brought down to $\frac{1}{2}$ per cent for schemes costing 7 lakhs of rupees.

Under consideration of the P. W. D.

Paragraphs 118-119: Public Utility Concerns:

Many municipalities will not be found capable of running important utility concerns. But services like buses and trams may not be found difficult. Water supply should be owned and managed by local bodies.

Government Decision: G.R.G.D. No. 4084/33, dated 6-2-41:

"Government is pleased to accept in principle the recommendation made by the Local Self-Government Committee, in paragraph 118 of its Report regarding the municipalization of public utility concerns such as buses and trams. But as observed by the Committee, many local bodies will not be capable of running such commercial undertakings efficiently or economically. Government will consider carefully on merits proposals in this connection submitted by any of the larger municipalities with a view to ascertaining whether they are likely to be of definite public advantage and whether the local body is likely to run the concern efficiently.

As regards the recommendation that whenever contracts are entered into by local bodies with private concerns for the supply of utility services like electricity, trams, etc., they shoul reserve to themselves the right to purchase the concern at the end of a stipulated period of years, Government does not consider any action is necessary in view of the provisions of section 7 of the Indian Electricity Act, 1910, and section 22 of the Indian Tramways Act, 1886.

As regards the giving of free technical advice, Government will give such help as is possible having due regard to the nature of advice required and the availability of experts in Government service.

Legal advice can be made available to local bodies only in accordance with the Law Officers' Rules."

Paragraphs 120 to 125: Loans to Local Bodies:—

Government should adopt a certain procedure in the matter of sanctioning loans to local bodies as it is most likely to induce municipalities to raise loans for their capital expenditure and to discourage their pay-as-you-go habit of meeting the expenditure of any capital works undertaken by them from current revenues.

Under consideration.

Paragraphs 127 to 129: Fines and Fees imposed and collected under the Local Self-Government Acts:—

Fines and fees realised under the Local Self-Government Acts by Government should be continued to be paid to local bodies and that they should be made a charge on the provincial revenues of the Government by passing the necessary legislation and pending such legislation they should be paid on the basis of statutory grants, the cost of collection being deducted on the percentage basis in the case of fines but not so in the case of fees.

Consideration postponed (Vide G.R.G.D. No. 2341/33, dated 9-12-40).

II. ADMINISTRATIVE RECOMMENDATIONS

Paragraphs 131-132: Adult Franchise:

Adult franchise in the election of local bodies rural as well as urban should be introduced.

Government Decision: G.R.G.D. No. 2174/33, dated 28-9-40:-

"Government has considered the recommendation relating to adult franchise contained in paragraphs 131-32 of the Report of the

Local Self-Government Committee, 1939, in the light of the decision arrived at in the Conference of Local Bodies held in Poona on the 16th and 17th August 1940 and is pleased to direct that as the recommendation in question requires amendments of the Local Boards and Municipal Acts, which do not seem to be emergent or non-controversial, its consideration should be deferred for the present."

Paragraphs 133-134: Qualifications of Members and Office-bearers:

Government should lay down certain minimum educational qualifications for members of local bodies and office-bearers.

Government Decision: G.R.G.D. No. 4143/33, dated 15-10-40:-

"Government has considered the recommendation relating to the qualifications of members and office-bearers of the Local Bodies contained in paragraphs 133 134 of the Report of the Local Self-Government Committee, 1939, in the light of the views expressed by a majority of representatives at the Conference of Local Bodies held in Poona on the 16th and 17th August 1940 and notes that the question is of a controversial nature. Government is of the view that a strong case has not been made out for prescribing educational qualifications for membership or for office in a local body. The provision of educational facilities in the Province has not been on a uniform scale and has had to be restricted on financial and other grounds. There is still a fairly large number of villages without schools and consequently the residents of such villages who cannot satisfy the educational qualification would be debarred from membership of local bodies. The proposed restriction would also operate harshly on backward classes and might be objected to by them on the ground that advanced classes would secure an advantage over them in this matter. Neither can it be definitely stated that educational qualifications are essential for the intelligent performance of the duties of a member or office-bearer of a local body. In the circumstances, Government proposes to maintain the status quo and cannot therefore accept the recommendation of the Local Self-Government Committee or the Conference."

Paragraphs 135 to 138: Elections:

Government should take over the conduct of election from the municipalities and Collectors should be made responsible for them. Appeals against acceptances of nominations should be provided. Appeals should be provided against the decision of the judge who hears and decides election petitions.

Government Decision: G.R.G.D. No. S. 130, dated 18-11-40:-

"Government has considered the recommendations in paragraphs 135-138 of the Report of the Local Self-Government Committee, 1939, regarding elections and electoral rolls of local bodies and has come to the conclusion that they are not feasible. Government is unable, therefore, to accept them."

Paragraphs 139-140: Voting:-

The distributive system of voting should be made compulsory, as it will induce the voter to take interest to examine the merits of all the candidates and then select from the right type of members.

Government Decision: G.R.G.D. No. 4175/33, dated 9-10-40;—

"Government has carefully considered the recommendation relating to the system of voting in the elections of local bodies contained in paragraphs 139-140 of the Report of the Local Self-Government Committee, Bombay, 1939, in the light of the decision arrived at in the Conference of local bodies held at Poona in August last and it has come to the conclusion that the system of multiple seated constituencies with a cumulative system of voting for elections which is in vogue in the local bodies is suitable to present day conditions. For this reason and as no case is made out that the substitution of the distributive system for the cumulative system of voting is necessary in the interests of efficiency of local bodies, Government is unable to accept the recommendation of the Committee in this respect."

Paragraph 141: Compulsory Voting:-

Voting should be made compulsory at least in the case of municipal elections and failure to vote by a voter penalised.

Rejected.

Paragraph 142: Partial Retirement of Members Every Year:

The present method of holding triennial general elections should be continued and the partial retirement of a proportion of members of local bodies annually need not be introduced.

Agreed.

Paragraph 143: Alderman:-

The English system of co-opting a certain proportion of outsiders need not be introduced as it has failed where it was adopted, namely, in the Bombay Corporation.

Agreed.

Paragraph 144: Period of Membership:

The period of membership need not be raised from 3 to 5 years as a shorter term of office gives greater control of voters over the members.

Government Decision: G.R.G.D. No. S. 130, dated 18-11-40:-

"Government concurs in the view expressed in paragraph 144 of the Report of the Local Self-Government Committee, 1939, that the term of local boards and municipalities should not be extended from 3 to 5 years."

Paragraph 145: Number of Members of Local Bodies :-

The present strength of the municipal and district local boards is sufficient and need not be disturbed.

No action taken.

Paragraph 146: Joint or Separate Electorates:-

Joint electorates are preferable to separate electorates but seats should be reserved for Mahomedans, Harijans and women for the time being.

No action necessary.

Paragraph 147: Committees:

Government should abolish as early as possible the practice of appointing several Committees with executive powers, all executive work being made to concentrate in one Committee to be known as the Standing Committee.

Government Decision: G.R.G.D. No. 4177/33, dated 7-10-40:--

"In paragraph 147 of its Report the Local Self-Government Committee, Bombay, recommends that all executive work of the local bodies should be concentrated in one committee which should be styled the "Standing Committee" in the Municipal and Local Boards Acts. The Conference of local bodies which met in Poona on 16th and 17th August 1940 recorded its view against the acceptance of the recommendation on the ground that the concentration of power in the Standing Committee will deprive several members of the Board (who may work on other Committees) of valuable opportunity of training in Local Self Government matters. In the opinion of Government also the discretion at present vested in the local bodies in regard to the appointment of such committees should continue. The recommendation of the Committee in this respect cannot, therefore, be accepted."

Paragraphs 148 to 150:

The number of members of the Standing Committee need not be increased as it should be a small and compact body and no communal and regional consideration should be permitted in the appointment and that cumulative voting is not necessary in the composition of subcommittees.

Government Decision: G.R.G.D. No. 7830, dated 4-11-40:—

- "Government has considered the remarks made by the Kale Committee in paragraphs 148-150 of its Report on the following two questions relating to the constitution of Standing Committees of District Local Boards:—
 - (i) whether it is advisable to introduce the method of cumulative voting in the election of sub-committees of all local bodies, and

(ii) whether it is advisable to increase the number of members of the Standing Committee of District Local Boards to one-third of the total number of members,

As regards (i) Government accepts the view taken by the Committee that it is not desirable to introduce the method of cumulative voting in the election of sub-committees of local bodies. As regards (ii) in the opinion of Government there is some ground for increasing the number of members of the Standing Committee, especially in view of the fact that in very large districts small Standing Committee may lack first hand knowledge of the conditions throughout the district. However, the maximum strength of the Standing Committee cannot be revised except by amending section 36 (1) of the Bombay Local Boards Act, 1923, and as the need for this reform is not emergent Government is pleased to direct that the consideration of this question should be postponed till the legislature resumes its functions."

Paragraphs 151 to 155: Nepotism and Favouritism:

Government should help local bodies to implement their efforts to give publicity to their work by embodying in their annual reviews greater details of their work in their Administration Reports which should not be discontinued.

Local bodies should undertake civic education of ratepayers and prospective councillors as a part of the adult education programme and to carry it out with the co-operation of the Local Self-Government Institute.

Government Decision: G.R.G.D. No. 4179/33, dated 7-10-40:—

"With reference to the recommendation made in paragraph 153 of the Local Self-Government Committee's Report in regard to proper publicity of the work of local bodies, Government agrees with the unanimous view of the Conference of Local Bodies that the local bodies themselves should be responsible for their own publicity and should be encouraged to spend funds for such purposes, it being of course understood that such expenditure will be reasonable."

Paragraphs 156 to 158: Local Government Areas and their Adjustment:

Government should take early steps to amalgamate contiguous areas whose administration can be run more economically and efficiently if unified.

Accepted.

Government should examine the position of small uneconomic municipalities and if there are no possibilities of increasing their income they should be abolished and constituted into village panchayats.

Accepted.

Government should abolish notified area committees and sanitary committees and replace them by Gram Panchayats.

Accepted.

- Paragraphs 159-160: Appointment, Punishment and Removal of Principal Officers and their Formation into a Cadre:—
- (i) Chief officers of district local boards and borough municipalities and secretaries of important district municipalities which employ engineers must be graduates in law;
- (ii) the qualifications of a chief officer of a district local board should not be below those mentioned in the rule framed under Section 113 (h) of the Bombay Local Boards Act, 1923;
- (iii) that the proviso 2 to Section 33 (1) of the Bombay Municipal Borough Act should be deleted and a non-graduate should not be allowed to be appointed to the post of the Chief Officer; and
- (iv) that secretaries of minor district municipalities should be at least matriculates holding the L. S. G. Diploma.

Government Decision: G.R.G.D. No. 4086/33, dated 9-12-40:

- "The Local Self-Government Committee, 1939, in paragraph 159 of its Report, recommends that the provisions relating to appointment, punishment and removal of principal officers of local bodies should be extended to Chief Accountants and full paid Auditors of District Local Boards and Borough Municipalities and Secretaries of District Municipalities.
- Government considers that there is no necessity to exercise cotrol over the appointment and removal of the Chief Accountant, who is not an executive officer and works generally under the Chief Officer. Government is unable, therefore, to accept the recommendation of the Committee in this respect.
- 3. Government is pleased to accept the recommendation of the Committee that the full paid auditors of local boards should enjoy the same protection as is afforded to Chief Officers, Engineers and Health Officers. The question of amending the rules in this respect will be taken up separately.
- 4. The rest of the recommendations of the Committee which pertain to the Secretaries and Auditors of Municipalities require the amendment of the Municipal Acts. As the proposed legislation is not emergent, Government is pleased to direct that the further consideration of these recommendations should be postponed till the re-establishment of the parliamentary Government."

Government Decision: G.R.G.D. No. 417/33, dated 21-10-41:—

- "Government has considered the recommendation of the Local Self-Government Committee, 1939, in paragraph 160 of its Report that Chief Officers of Local Boards should preferably be graduates in law and has come to the conclusion that legal qualifications are not necessary for the proper performance of the duties of this post. The Committee's recommendation in this respect cannot, therefore, be accepted.
- 2. As regards the suggestion to amend Rule 19 of the Rules, framed by Government under section 133 (h) of the Bombay Local

Boards Act, 1923, with a view to empowering a District Local Board to appoint to the post of the Chief Offier a person who does not possess the qualifications prescribed in the Rule but has passed Local Fund Accountant's Examination and has served the Board for a number of years, Government agrees with the Committee that qualifications required to make an efficient Chief Officer are altogether different from those that make a competent accountant and that the experience gained in accounts work cannot be an adequate substitute for the breadth of view and administrative abilility which are essential for a Chief Officer.

3. Government is, therefore, pleased to direct that the present position regarding the appointment and qualifications of Chief Officers of District Local Boards should continue."

Paragraph 161: Salaries:-

Salaries at present paid to Engineers and Health Officers may be suitably reduced but that the salaries paid to some Secretaries of district municipalities may be increased so as to attract better qualified persons.

Government Decision: G.R.G.D. No. 2352/33, dated 22-10-40;-

- "Government has carefully considered the recommendations made by the Local Self-Government Committee, 1939, in paragraph 161 of its report, regarding the salaries of the principal officers of local bodies. District and borough municipalities have the power to make rules with the approval of Government or the Commissioner as the case may be, to determine the staff of officers and servants to be employed by them and the salaries and allowances of such officers and servants. If the number of persons who are employed by a municipality as officers or servants or the remuneration assigned by the municipality to those persons is excessive, the Commissioner has the power to require the municipality to reduce the staff or the remuneration paid to it. No definite scales have been laid down by Government for municipal servants except in the case of Health Officers and Sanitary Inspectors to be employed by municipalities and towards whose salaries Government grants are given. The scales of pay of Health Officers and Sanitary Inspectors were revised in 1939. On the other hand some second and third class town municipalities have complained to Government that they are not getting suitable persons to serve on the revised pay scales sanctioned in 1939. In the circumtances Government does not consider it necessary to reduce the scales still further. The scales of salaries of municipal officers and servants in each municipality vary according to the circumstances and the size of each municipality.
- 2. Government has laid down the revised scales of pay in the case of new appointments of Chief Officers and Engineers made by district local boards after 1st October 1936 and approved by Government under section 119 (2) of the Bombay Local Boards Act. Government has not, however, laid down any revised scales for Health Officers, as there are only two Health Officers appointed by the District Local Boards of Satara and Dharwar. Under section 121

of the Bombay Local Boards Act the Commissioner is authorised to prevent extravagance in the local board establishments and in their salaries.

3. In the circumstances stated above, Government does not propose to take any action on the Committee's recommendation in question."

Paragraph 162: Control over Appointments:-

There should be no control of Government over appointments except that of laying down the qualifications of the principal posts but where Government pay a grant they should have a voice in the selection of the person to be appointed.

Government may have the power of vetoing appointments of the officers made by local bodies as distinguishable from the power of vetoing continuance in office if Government think that the persons appointed are incompetent to hold these posts, which power must be exercised by Government within three months of the notice of appointment given by the local body concerned.

Under consideration in the G. D.

Paragraphs 163 to 167: Removal and Punishment:

Government should give effect as early as possible to the recommendations of the Thomas Reorganisation Committee with the modifications suggested below and the existing provisions on the subject of removal and punishment of officers in the Local Self-Government Acts should be so amended as to provide for the following matters, namely:—

- (i) a proposal for the removal including cases of termination of service due to retrenchment or punishment of officers including that of suspending, reducing, fining, censuring, withholding increments or for inflicting punishment in any other form should be passed by a majority of the total number of members at a special general meeting called for the purpose after giving the officer concerned a reasonable opportunity of explaining the allegations made against him;
- (ii) the proceedings of the meetings should be forwarded to the Government through the Collector of the district within seven days of the passing of the resolution;
- (iii) if the post was one for which the local body had elected to receive a grant from Government, approval of Government to the resolution was necessary;
- (iv) in other cases when no grant was received in respect of the post, Government should be empowered to exercise the right of vetoing the appointment; and
- (v) the decision of Government disapproving or vetoing the resolution as the case may be should be communicated to the local body within three months from the date on which the resolution was communicated to the Collector along with the reasons for such decision. In case such decision is not communicated as stated above the resolution of the

local body should be made final and no appeal should be made to lie against it.

Under consideration in the G. D.

Paragraphs 168-176 & 178-180: Cadre schemes for officers:

In the first scheme the officers of local bodies will be completely provincialised and their salaries, allowances and provident fund contributions will be paid out of provincial funds. A modification of this scheme is that of the formation of a Provincial Board of non-officials to be presided over by the Minister of Local Self-Government or a Revenue Commissioner, to control the appointments, promotions, transfers, punishments, etc. of principal officers. The scheme simply replaces the Provincial Government in the first scheme by a non-official board.

Government Decision: G.R.G.D. No. 2174/33, dated 4-11-40:

"Government has considered the observation relating to the formation of a cadre for officers of Local Bodies made in paragraphs 168-176 and 178-180 of the Report of the Local Self-Government Committee, 1939, in the light of the views expressed at the conference of Local Bodies held in Poona on the 16th and 17th August 1940 and is of opinion that although the scheme is likely to afford security of tenure and independence of action to the executive officers of the local bodies, it offends against the basic principle of Local Self-Government and would prevent local bodies from serving as training centres for development of a sense of responsibility in the sphere allotted to local self-government. The scheme of a provincial board nominated by Government for controlling the cadre of these officers would amount to bureaucratisation of local board services. There would be occasions of conflict between the local bodies and the provincial board, a weakening of the sense of responsibility on the part of the local bodies and constant and petty friction between the local bodies and the executive officers.

A Provincial or Divisional board formed by election among the nominees of the local bodies would afford no guarantee of impartial treatment and present all the features of irresponsibility of the nominated board.

In addition, the formation of these cadres would present innumerable difficulties in actual working as the local bodies vary so largely in size and importance. Knowledge of the regional language will be essential with the result that these cadres as in the case of mamlatdars will tend to be divided on linguistic basis and by narrowing the field of selection, transfer and promotion will present additional difficulties in actual working.

The object of forming these cadres is to secure recruitment of efficient personnel, and fair dealing, reasonable promotion and security of tenure, subject to good conduct, for the executive officers of local bodies. It appears that under the Municipal and Local Boards Acts and the rules thereunder these objectives can be secured without the elaborate and complicated structure of a cadre and without

offending against the prestige, dignity and freedom of local bodies. In the circumstances Government has decided that the cadre scheme should not be pursued."

Paragraph 177: Transfers of officers:

Transfers of principal officers from one local body to another through the Employment Bureau of the Local Self-Government Institute should be facilitated. We also recommend that provident fund rules of local bodies should be so revised that when an employee is transferred from one local body to another, his accumulated funds could be transferred to that body and that his service in the latter should be considered as a continuation of service he may have put in the former, so as to enable the employee to get the benefit of contributions payable by both local bodies.

Rejected.

Paragraph 181: Composition and Recruitment of Staff:

It is necessary to prescribe minimum qualifications required for the various posts on the establishment of the local bodies and to constitute an impartial committee of selection whose guiding principles should be considerations of quality and fitness in the candidates.

Government Decision:

The suggestion should be brought to the notice of the District Local Boards and municipalities.

Paragraph 182: Facilities for Training of Staff:

We recommend that local bodies should give facilities to the staff for taking training in the classes run by the Local Self-Government Institute for the "L. S. G. D." Diploma.

Government Decision: G.R.G.D. No. 4086/33, dated 1-10-40:-

"The recommendation relating to the grant of facilities to the staff of local bodies for getting themselves trained at the Local Self-Government Institute, Bombay, contained in paragraph 182 of the Report of the Local Self-Government Committee, 1939, is one entirely for the local bodies to consider. Covernment is, however, pleased to direct that the attention of all the District Local Boards and Municipalities should be invited to the recommendation referred to above and they should be advised about the desirability of having their staff trained at the Local Self-Government Institute, by the extension of the necessary facilities."

Paragraph 183: Assessment and Recovery of Taxes:

(1) Assessment of Properties:—

Government should so amend Section 78 of the Bombay Municipal Boroughs Act, 1925, as to enable Borough Municipalities, if they consider

it necessary to do so, to engage the services of an independent officer in place of the Chief Officer for the purpose of preparing assessment list and inspect buildings or lands or buildings and lands in the municipal borough.

(2) Reports regarding Progress:—

Government should ask the Collector to insist on each municipality to submit a progress report on the dates mentioned in G. R. (G.D.) No. 975-33, dated the 17th November 1936, that he should at every stage carefully watch the proceedings and draw the attention of the municipality concerned to the delays or neglect whenever they may be discovered.

(3) Quadrennial Revision:-

The revision of every part of assessment lists which has been prescribed under Section 67 of the Bombay District Municipal Act, 1901, and Section 84 of the Bombay Municipal Boroughs Act, 1925, is being neglected by municipalities to the detriment of municipal revenue and Government should call upon the Collectors to draw the attention of every municipality in the beginning of every third year that it should take steps to revise its assessment list for the fourth year and that on default by the municipality the Collector should proceed to appoint an officer to revise the assessment list and the excess amount spent on that account should be recovered from the municipality concerned.

(4) Notice Fees:—

Failure to recover notice fees should be treated on a par with the writing off arrears and rules framed under Section 43 (j) of the District Municipal Act and Section 58 (k) of the Municipal Boroughs Act should be strictly followed by municipalities and irregularities in the matter should be visited by a surcharge under the Local Fund Audit Act. .

(5) Warrants:-

Government should amend Section 33 of the Bombay District Municipal Act on the lines of Section 105 of the Bombay Municipal Boroughs Act, 1925, so as to clearly provide that minor municipalities have a right to deliver possession of immovable property attached and sold by it to auction purchasers.

(6) Recovery by Revenue Process:—

Government should amend the Local Self-Government Acts with a view to provide that at the end of two years all arrears of municipal rates should be made recoverable as if they were land revenue through the Collector who should be empowered to act either on the application of the local body concerned or on his own initiative.

(7) Recovery of Tolls, Terminal Taxes and Octroi:--

Government should make applicable all the provisions of Chapter VIII of the Bombay District Municipal Act and the Bombay Municipal Boroughs Acts including the remedy of a civil suit to cases of recovery of tolls, terminal taxes and octroi duties by amendments of the Acts.

(8) Disqualification of Members in Arrears:

The Councillors who withhold payment of municipal dues should be made to vacate their seats without the necessity of a special notice being issued by making them automatically disqualified if the taxes remain unpaid during the year in which they are payable but in the case of other dues the disqualification should operate after three months of the intimation given to the members about the amount due and Government should amend the necessary provisions of the Acts accordingly.

(9) Return by Owner or Occupiers:—

Returns by owners or occupiers of dimensions of land, annual letting value and estimate of value of land or building as provided under Section 63 of the Bombay District Municipal Act and Section 78 (3) of the Bombay Municipal Boroughs Act should be insisted upon by municipalities and action should be taken against persons who omit to supply information by taking proceedings for breaches of by-laws framed on the subject,

(10) Transfer of Properties to be Brought on Record:—

Government should amend the Bombay District Municipal Act on the lines of Section 87 of the Bombay Municipal Boroughs Act and a penalty for failure to give notice by a transferee should be presented; and they should direct the Government Registration Department to give information of every transfer of property to the municipality within its jurisdiction.

Government Decision: G.R.G.D. No. 4104/33, dated 12-11-40:-

"Government is pleased to pass the following orders on the recommendation contained in paragraph 183 of the Report of the Local Self-Government Committee.:—

Paragraph 183 (1)—Assessment of Properties.—Government considers that the statutory responsibility of the Chief Officers of borough municipalities in respect of preparation of assessment lists should continue and that an amendment of the Act is not necessary.

Paragraph 183 (2)—Reports regarding Progress.—Government considers that this recommendation will involve unnecessary and frequent interference with the internal management of local bodies and that it will increase the work of the Collectors. The recommendation is, therefore, not acceptable.

Paragraph 183 (3)—Quadrennial Revision.—The recommendation of the Committee will increase the responsibility of the Collectors as they will have to maintain information about all municipalities so as to warn them in time about prompt preparation of assessment register lists. This recommendation is, therefore, not acceptable.

Paragraph 183 (5)—Warrants.—Government is pleased to accept this recommendation. The question of amending in due course section 83 of the Bombay District Municipal Act on the lines

of section 105 of the Bombay Municipal Boroughs Act, 1925, is under consideration.

Paragraph 183 (6)—Recovery by Revenue Process.—Government considers that if arrears of taxes of two years standing are made recoverable as arrears of land revenue, the local bodies will show indifference in their collection. This recommendation is, therefore, not acceptable.

Paragraph 183 (8)—Disqualification of Members in Arrears.—Government considers that though it is undesirable that councillors should remain in arrears, sometimes arrears are due to oversight and automatic disqualification without even a notice will impose unnecessary hardship in cases of oversight and neglect. The provisions of section 28 (1) (e) of the Bombay Municipal Boroughs Act, 1925, and section 15 (2) (f) of the Bombay District Municipal Act, 1901, are reasonable and adequate. Government does not, therefore, accept the recommendation.

Paragraph 183 (9)—Returns by Owners or Occupiers.—Government is pleased to accept the Committee's recommendation in this respect. The Commissioners of Divisions are accordingly requested to advise the municipalities in their respective divisions to follow the salutary advice given by the Committee.

Paragraph 183 (10)—Transfer of Properties to be brought on Record.—The recommendation of the Committe will involve heavy work on the Sub-Registrars without proportionate advantages to the local bodies. Government has, however, in view the amendment of the District Municipal Act, by the introduction of a provision therein on the lines of section 87 of the Bombay Municipal Boroughs Act, 1925.

Orders as regards paragraphs 183 (4) and 183 (7), will be issued separately."

Government Decision:

Paragraph 183 (4)—Notice Fees.—Under the existing provisions of the Bombay Local Fund Audit and the Municipal Acts, an irregular write off of notice fees is liable to be surcharged. No action therefore is necessary.

Government Decision:

Paragraph 183 (7)—Recovery of Tolls, Terminal Taxes & Octroi.—Adequate provisions exist in the Municipal Acts. No special legislation is necessary. The local bodies should apply the existing provisions under the Municipal Acts more rigorously.

Paragraph 184: Agency for Collection of Taxes:

(1) Terminal Tax and Octroi:—

Railway Authorities should continue to collect the terminal tax and octroi wherever practicable.

(2) Tax on Transfer of Properties:-

Government should collect the tax on transfer of properties by the method of additional stamp duty or by an additional registration fee collected through the Registration Department.

(3) Wheel Tax:-

Wheel tax—

- (i) in the case of public conveyances should be collected along with the licence fees by the police authorities;
- (ii) in the case of private conveyances the tax should be collected by municipalities;
- (iii) that generally local bodies collecting the taxes should have wider powers similar to those in the case of land revenue, and that the police should help local bodies when distress warrants are executed; and
- (iv) that a system of rebate for prompt payment of taxes should be introduced.

No action taken by Government.

Paragraph 185: By-laws and Rules:-

No by-laws are framed by municipalities in matters affecting public health and for regulating dangerous diseases and Government should call upon local bodies to submit by-laws within a fixed time-limit and remind them from time to time and on their failure Government should make model by-laws applicable to the districts; and Government should frame model by-laws on all important subjects, and ask local bodies to adopt them with alterations to suit local conditions.

Government Decision: G.R.G.D. No. S. 91, dated 5-11-40:-

"Government has carefully considered the recommendations made by the Local Self-Government Committee in paragraph 185 of its report and is pleased to make the following observations thereon.

There are already model rules and by-laws framed by Divan Bahadur Mehta and Mr. Orr which cover almost all important subjects and which can be used by the Borough and District Municipalities as models on which to base their rules and by-laws. Government does not, therefore, consider it necessary to frame new model rules and by-laws in this respect.

As regards the Committee's recommendation that in case a municipality does not submit within a prescribed time rules and bylaws to be applied to its area, Government should be empowered to make rules and by-laws applicable to that area, Government considers such rules and by-laws would remain a dead letter unless they are properly enforced. In the case of rules and by-laws relating to matters of public health and regulations for dangerous diseases, however, Government considers that it is necessary that such rules and by-laws are framed early and properly enforced by all muicipalities. The Commissioners of Divisions are accordingly requested to see that all the municipalities in their respective Divisions take early

steps to frame such rules and by-laws under the provisions of the Bombay District Municipal Act, 1901 and the Bombay Municipal Boroughs Act, 1925. There are already model rules and by-laws prepared by Mr. Orr and Divan Bahadur Mehta for the guidance of municipalities."

Paragraph 186: Purchase of Municipal Requirements:-

Local bodies should try to consult the L. S. G. Institute before making their purchases of municipal requirements and that they should invite tenders in sealed covers.

No action taken by Government.

Paragraph 187: Insurance of Municipal Properties:

The Local Self-Government Institute should be invited to prepare at an early date a co-operative insurance scheme on the lines of the scheme operating at present in England for local bodies and all bodies should join when it is ready.

Scheme is under preparation.

Paragraph 188: Municipal Accounts Code:-

Government should complete and publish as early as possible the Code for Municipal Accounts and procedure which is reported to be under their preparation as such a Code will be an authoritative guide and is likely to add to the efficiency of the administration of local bodies.

Draft Municipal Account Code published in Bombay Government Gazette dated 12-6-41 (Part IV B, Pages 375 to 541).

III. RECOMMENDATIONS REGARDING FUNCTIONS

Paragraphs 189 to 205: Transfer of P. W. D. Roads and Buildings to Local Bodies:—

We recommend that the Government should take early steps in effecting a complete transfer of the class III roads and maintenance of buildings in charge of P. W. D. to local authorities. They should be fully vested in them with the allocation of adequate funds. As regards the trunk roads coming in class I which are of inter-provincial and interdivisional importance and the class II roads of inter-district importance the local authorities should merely act as agents of Government who would decide how the money available should be spent.

Government Decision: G.R.P.W.D. No. 1994/36, dated 31-1-41:--

"In paragraphs 189 to 199 of Chapter VII of their Report, the Local Self-Government Committee, 1939, have recommended a complete transfer of Class III roads (i.e., roads which are of importance only to the Districts in which they are situated) to the local bodies concerned with the allocation of adequate funds. As regards the trunk roads coming in Class I which are of inter-provincial and interdivisional importance, and the roads coming in Class II which are of

inter-district importance, the Committee suggest that the local authorities should merely act as the agents of Government who would decide how the money available should be spent. In paragraphs 200 and 201 of the Report the Committee also recommend that the responsibility for the maintenance of residential and non-residential Government buildings should be transferred to the local authorities with adequate allotment for expenditure in this behalf. Government has carefully considered the above recommendations of the Committee and is unable to accept them both in the interests of the works and on financial grounds."

Paragraph 206: Minor Irrigation Works:-

We recommend that the management of minor irrigation works scattered over in the province should be transferred to local bodies within whose jurisdiction they fall.

Government Decision: G.R.R.D. No. 7950/33, dated 4-1-41:—

"Government has had under its consideration the question of the transfer of minor irrigation works to District Local Boards for management, maintenance and repairs. Government has also carefully considered the recommendation in paragraph 206 of the Report of the Local Self-Government Committee, 1939, in this respect and has come to the conclusion that the existing arrangement of keeping minor irrigation works under the control of the Revenue Department should continue."

J Paragraph 207: Village Water Supply:

We recommend that pending such transfers of public works, all Village Water Supply Works should be entrusted to Local Boards. In respect of works costing more than Rs. 5,000, the work of estimating planning as well as of construction should be entrusted to those local bodies who entertain the services of approved Engineers.

No action taken.

Paragraphs 208 & 209: Primary Education :-

Government should restore the powers taken over by Government by overhauling the Bombáy Primary Education Act to local boards if Government expect local bodies to contribute towards the expansion of primary education.

No action taken.

* Paragraphs 210 to 213: Public Health :-

Government should compel all borough municipalities to engage Health Officers by making a statutory provision in this behalf as in the case of Chief Officer and that Government should pay 50% of the approved expenditure on Health Officer's establishment in the case of district municipalities and 2/3rds in the case of district local boards.

Government should frame model rules prescribing duties and powers of the sanitary staff.

Government need not retain control over the staff but may make their approval of the personnel and the expenditure for which a grant is made compulsory.

Government Decision: G.R.G.D. No. 2225/33, dated 18-6-41:—

- "In paragraphs 211 and 213 of its Report, the Local Self-Government Committee, 1939, had *inter alia* made the following recommendations:—
 - "(1) We, however, feel that all Borough Municipalities should be compelled to engage Health Officers by making a statutory provision in this behalf, as in the case of the Chief Officer.
 - (2) We recommend that Government should pay 50 per cent of the approved expenditure on the Health Officers' establishment in the case of the District Municipalities and 3rds in the case of District Local Boards.
 - (3) We do not think that it would be feasible to prescribe a general percentage of expenditure to be incurred by municipalities or local boards on public health. Such a uniform percentage would be arbitrary because conditions vary considerably.
 - (4) We do not recommend any Government control of the staff (i.e. Public Health staff) beyond their approval of the personnel and the expenditure for which a grant is given."
- 2. (i) The proposal to compel Borough Municipalities to employ Health Officers will involve an amendment of the Bombay Municipal Boroughs Act. A number of Borough Municipalities have already appointed such officers. Government does not consider the legislation to be of an emergent nature. Those Borough Municipalities which have not yet appointed Health Officers should however be advised to appoint such officers as soon as possible.
- (ii) As regards the recommendation of the Committee that Government should pay a grant equal to $\frac{1}{2}$ and $\frac{2}{3}$ rds of the expenditure on the *establishment* of Health Officers of Municipalities and District Local Boards respectively, Government has decided to postpone consideration of this question, pending the result of the experiment which is to be tried shortly of appointing in a few selected Districts, District Health Officers and their subordinate staff entirely at Government expense.
- (iii) As regards the Committee's recommendation No. (3), Government agrees that it is not feasible to prescribe a general percentage of expenditure to be incurred by Municipalities and Local Boards on public health. Government however expects local bodies to adopt all necessary public health measures. The Commissioners are requested to see that this is done and in case of default by any local body, to report the matter to Government.

(iv) Government is unable to accept the recommendation that Government control of public health staff of local bodies should not extend beyond approval of the personnel and expenditure for which grant is given. Where Government pays any grant on account of such staff, while the general contol over the staff may rest with the local body, Government must retain some control over the appointment, punishment and dismissal of the staff."

Paragraph 214: Epidemics:

- (i) The responsibility of dealing with epidemics should rest with Government and local bodies may lend the services of their staff of dispensaries under their control as well as their public health department staff; and
- (ii) in the case of Borough Municipalities the cost incurred should be borne by them and Government should give the assistance of their Health Department staff and supply vaccines free of cost.

No action taken.

/ Paragraph 215: Vaccination:-

Vaccination should be transferred entirely to those local bodies who maintain a Health Officer.

No action taken.

Paragraphs 216 to 218: Slum Clearance:

The powers in respect of overcrowded areas mentioned in Section 149 of the Bombay District Municipal Act, 1901, and of Section 184 of the Bombay Municipal Boroughs Act, 1925, should be specially conferred on those local bodies which entertain Health Officers; and that in the case of district municipalities, provision should be made for the following matters:—

- (i) regular inspection for detection of slum clearance;
- (ii) periodical report to Government regarding result of such inspection;
 - (iii) closure of unhealthy houses:
 - (iv) demolition of premises;
- (v) appeals to special tribunals against closure and demolition orders; and
- (vi) municipalities should not be made to pay compensation for closure or demolition.

Under consideration.

Paragraph 219: Rehousing Schemes:

For rehousing schemes some area will have to be acquired but the provisions regarding acquisition in the Land Acquisition Act, 1894, do not seem to be suitable; that persons whose property increases in value should be made to pay 33% of betterment value and not 50% as suggested

by the Consulting Surveyor to Government and that too to be paid in instalments spread over a number of years if they so desire.

Under consideration.

Paragraph 220: Rehousing of the Poor:

Municipalities should make provision to rehouse those who may be dislodged at a reasonable rent.

Under consideration.

Paragraph 221: Financial Burden of the Scheme and Rehousing the Poor:—

In the matter of slum clearance and rehousing the poor, Government should help Municipalities very liberally; that loans at substantially lower rates and sanitary grants must be given; that lands for building houses for the poor wherever they are available should be given to municipalities free of cost or at nominal rates; and a grant of 50% of the deficit in housing schemes should be given.

Under consideration.

Paragraph 222: Housing of the Harijan Employees of Municipalities:-

- (i) The housing of the Harijan employees of Municipalities must be made a compulsory duty of Municipalities by amendment of the Acts;
- (ii) that Government should lease their lands for long periods at nominal rents; and
- (iii) that Municipalities should be called upon by Government to prepare schemes and carry them out by means of (a) free gifts of Government land, (b) Government loans at a low rate of interest and (c) special grants.

Under consideration.

Paragraph 223: Houses Unfit for Human Habitation:-

- (i) The existing statutory provisions regarding houses unfit for human habitation are inadequate and Government should amend the Bombay District Municipal Act, 1901, by insertion of section therein on the lines of Section 163 (1) of the Bombay Municipal Boroughs Act, 1925, the said amendment being made applicable to those Municipalities which engage a Health Officer;
- (ii) that the powers exercisable by the Standing Committee should be made exercisable by the President of the District Municipality; and
- (iii) that appeals should be provided in both the Acts against closing or demolition orders to special tribunal.

Under consideration.

Paragraph 224: Regulation of Huts:

A suitable definition of the term 'hut' is necessary in the Acts and Government should amend Section 97 of the Bombay District Municipal

Act and Section 12 (5) of the Bombay Municipal Boroughs Act, 1925, making the permission of the Chief Officer necessary before erecting a hut; that the Municipal Acts should be amended with a view to make landlords responsible for keeping the premises in sanitary and habitable conditions; and that the Chief Officers should more frequently use the powers given to them under Section 162 of the Bombay Municipal Boroughs Act or Section 131 of the Bombay District Municipal Act, 1901.

Under consideration.

√ Paragraph 225: (1) Agriculture and Local Industries:—

The provisions of Section 50 (j) of the Local Boards Act have been neglected by local boards and Government Agricultural Department should make greater efforts to come into closer contacts with local boards by giving them the necessary help in the matter and by utilising the local boards agency for all their work in connection with agricultural improvements and by giving them grants-in-aid to encourage local boards to take interest in the activities of the Government Agricultural Department.

Government Decision: G.R.R.D. No. 3711-A/39, dated 23-5-40:-

"The undersigned presents compliments to the Secretary to Government, General Department, and, with reference to that Department memorandum, No. 2583/33–C, dated 12th March 1940, is directed to state in connection with paragraph 225 (1) of the Report of the Local Self-Government Committee, Bombay, 1939 that as in the past the Agricultural Department is fully prepared to give expert advice to Local Boards in all matters relating to the improvement and development of agriculture and animal husbandry within their jurisdiction. The work of spreading agricultural improvements in villages has now been transferred to the Rural Development Department and the Local Boards may, therefore, be advised to approach that Department in the matter.

2. The Committee's suggestion to utilise local board agency for all work in connection with agricultural improvement is not considered feasible nor is it considered advisable to make grants-in-aid to Local Boards in order to stimulate their interests in the activities of the Agricultural Department. The District Local Boards may bring to the notice of the officers of the Agricultural Department any difficulties and problems demanding scientific investigation and research; all schemes of agricultural improvement or development to be sponsored by the Boards should be referred to the Director of Agriculture for technical examination in the first instance before work is commenced thereon."

J Paragraph 225: (2) Improvement of Local Industries:

The Village Industries Association should guide local boards in research work and Government should give adequate financial assistance.

No action taken.

/ Paragraph 226: Cattle Pounds :-

Local bodies are unable to exercise adequate control over the Patils who are keepers of the pounds and who are not responsible to local bodies and that these cattle-pounds should be retransferred to Government who should after defraying the cost of management pay over to the local bodies the net proceeds from fines and fees and the method of payment should be by charging the net proceeds to the provincial revenues and not by way of grants.

Government Decision awaited.

Paragraph 227: Modern Museums:-

Bigger municipalities should set up and finance museums and that Government should give grants towards their maintenance.

Government Decision: G.R.G.D. No. 4213/33, dated 9-10-40:

"Government, after due consideration, agrees generally with the view expressed by the Local Self-Government Committee in paragraph 227 of its report on the suggestion to make the provisions of museums an obligatory duty of Municipalities. As regards the Committee's recommendation that special legislation for museums should be enacted, Government sees no urgency about it. It should be deferred for the present. Meantime the Commissioners of Divisions should advise the bigger municipalities in their divisions to draw up their proposals in this respect, if funds permit."

Paragraphs 228 & 229: Libraries:-

Every local body should have a suitable collection of books on matters relating to Municipal Law and Administration and for this purpose a small amount should be provided in the annual budget by every local body. Every municipality should run public libraries or assist the existing ones within their jurisdiction.

Government Decision: G.R.G.D. No. 4212/33, dated 9-10-40:-

"Government is pleased to accept in principle the recommendations made by the Local Self-Government Committee in paragraphs 228-229 of its report. Action as suggested therein must necessarily be dependent on funds being available with the local bodies. In the present circumstances no compulsion can be brought upon them by undertaking the necessary legislation for the purpose. The Commissioners of Divisions are, however, requested to advise the local bodies in their respective divisions to give effect to the Committee's recommendations as far as their financial conditions permit."

. Paragraphs 230 to 232: Joint Administration of Certain Functions:-

Local bodies should investigate further possibilities of joint action in certain cases of services and Government should assist local bodies by bringing to their notice such possibilities as would be advantageous. But local bodies should as far as possible leave the day-to-day administration

to the major local body which should have the sole control over the staff pertaining to such service, a separate ad hoc body being inconvenient.

Government Decision: G.R.G.D. No. 4208/33, dated 28-10-40:—

"In paragraphs 230 to 232 of the Report of the Local Self-Government Committee, 1939, it has been suggested that some of the services of local bodies may be jointly administered by one or more bodies with advantage to the combining units. The Committee has made necessary recommendations in paragraph 232 of its Report for investigating further possibilities of such joint action, preliminary surveys, assistance of Government, etc. The question of joint administration of services of local bodies is mainly a matter for initiative by the local bodies concerned. If local bodies have any schemes which require joint action by other local bodies, Government is prepared to lend the assistance of its technical officers for advice as to how far the schemes are feasible." how far the schemes are feasible,"

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