[Published with the "Bombay Government Gazette" of the 19th January 1871.]

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PART VI

BILLS OF THE GOVERNMENT OF INDIA.

LEGISLATIVE DEPARTMENT.

The following Bill was introduced into the Council of the Governor General of India for the purpose of making Laws and Regulations on the 30th December 1870, and was referred to a Select Committee with instructions to make their report thereon in six weeks :-

Bill No. 36 of 1870.

THE INDIAN ARMS BILL.

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Act

A Bill to Consolidate the law relating to Cannon, Arms, and Ammunition.

WHEREAS it is expedient to consolidate the law relating to the manufacture, Preamble.

importation, and sale of cannon, arms and ammunition, and the right to keep and use the same ; It is hereby enacted as follows :-

I.-Preliminary.

Short title.	1. This Act may b called "The Indian Arm Act, 1871."		
Local extent.	2. This Act extends t the whole of British India.		
Exclusions.	But nothing in this Ac applies to :		

(a.) Cannons, howitzers or mortars forming part of the ordinary armament of a vessel, or

(b.) Sulphur kept or sold in reasonable quantities for medicinal purposes.

This Act shall come into operation on the passing thereof, and shall remain Commencement and in force until the Governor continuance of Act. General in Council, by notification in the Gazette of India, otherwise orders.

Repeal of Acts.

3. The Acts mentioned in the schedule hereto annexed shall be repealed.

But all permissions given, licenses granted, orders made, and notifications published under any Act hereby repealed shall be deemed to be respectively given, granted, made and published under this Act.

4. In this Act-Interpretation-clause. "cannon" includes howitzers and mortars :

"arms" includes fire-arms, bayonets, swords, daggers, spears and spearheads ; and

" ammunition" includes percussion caps, sulphur, grapeshot, cartridges and gunpowder.

II .- Manufacture and Possession of Cannon.

Manufacture of cannon, without authority of Government, prohibited.

5. No person, unless authorized by Government, shall manufacture any cannon.

6. No person shall, without the permission of the Local Government, have Possession of cannon in his possession any cannon without permission prohibited. except in the course of his duty as a public officer of Government.

7. Whenever the Local Government permits Such permission to be any person to possess any in writing, and to spe-cify number permitted. cannon, such permission shall cify number permitted. be in writing signed by a Secretary to the Government, and shall specify the number of cannon which such person is permitted to possess.

A fee of fifty rupees shall be paid on the delivery of such written permission.

111 .- Manufacture and Sale of Arms.

or Manufacturing dealing in arms and ammunition without license prohibited.

8. No person shall manufacture, repair, or sell, or keep or expose for sale, any arms,

or shall manufacture or sell, or keep or expose for sale, any ammunition,

except under a license to manufacture or deals in arms or ammunition, as the case may be.

9. Licenses to manufacture or deal in arms or ammunition may be granted Licenses by whom to by a Magistrate, or by an Officer authorized by the be granted. Governor General of India in Council or by the Executive Government to grant such licenses.

10. Licenses granted under section nine shall be in the form prescribed by Form of license ... the Governor General of In-

dia in Council, and shall be engrossed on a stamped paper of the value of ten rupees.

The stamped paper shall be furnished by the person applying for the license.

A separate license shall be taken out for the sale of sulphur.

11. Every person to whom such license is granted shall put up a board Licensee to put up a in a conspicuous part of his board in his shop. shop or usual place of business, and cause to be painted thereon in large letters in the vernacular of the District the words "Licensed to manufacture or deal in arms or ammunition," as the case may be.

12. Licenses granted under section nine shall be in force for one year Duration of license. from the date thereof and no longer.

Entries to be made by licensed manufacturers or dealers.

13. Every person licensed to manufacture or deal in arms, or ammunition, shall enter in a book to be kept by him for that purpose,

(a.) an account of all the stock-in-trade from time to time in his possession or under his control,

(b.) the name and address of every purchaser of arms or ammunition sold by him, and

(c.) the nature, description and quantity such arms or ammunition.

Such book shall be open at all times to inspec- . tion by the Magistrate or other Officer duly authorized Inspection of book. by Government in that behalf, and he may take copies of all entries therein contained.

14. The Magistrate or other Officer authorized as aforesaid may at any time Inspection of dealers' enter any premises in which premises. arms or ammunition are manufactured or kept by any licensed manufacturer or dealer in arms or ammunition, in order to inspect his stock-in-trade.

15. Any license granted under section nine may be granted subject to Revocation of license such conditions as are thought to manufacture or deal in arms or ammunition. necessary, and may be re-voked or suspended by the Officer authorized to grant such licenses whenever he thinks fit.

IV .- Importation of Cannon and Arms.

16. Except for the public service, no cannon, arms, ammunition or salt-Cannon and arms and petre shall be imported. ammunition not to be imported without lieither by sea or by land, into cense. India except under a license from the Governor General in Council, or from some Officer authorized in that behalf by the Governor General in Council.

17. The provisions of section sixteen do not Importation of arms extend to arms or ammuniand ammunition for tion imported by any person private use. in reasonable quantities for his own private use; but the Collector of Customs may at any time detain such arms or ammunition until he receives the orders of Government thereon.

V.-Transport of Arms.

The Governor General in Council may 18. Power to prohibit from time to time by order transport of arms, and prohibit the transport of ammunition. any arms, ammunition, lead, saltpetre, or military stores, or of any particular description of arms, ammunition, or military stores, from one part of India to another,

or the transport thereof in any particular direction to be specified in the order,

or prohibit the transport thereof except according to such rules and conditions as may be specified in the order.

and the Local Government shall have the like power within the territories under its government or administration.

Every such order may be cancelled by the authority by which it was made.

19. Nothing in section eighteen extends to arms and ammunition trans-Arms and ammunition ported by any person in transported for private reasonable quantities for his use. own private use in any District or place not ordered or liable to be disarmed under this Act.

VI.-Carrying Arms.

20. Any person found carrying or conveying any

Arrest of persons con-eying arms, &c., under suspicious circumstances

arms, ammunition, or military stores, in such a manner or under such circumstances as to afford just grounds of suspicion that the same are

trate, or Assistant to a Magis-

trate, or Police Officer, shall

be delivered over as soon as

being carried by him with intent to use them, or that the same may be used for any unlawful purpose dangerous to the public peace, may be apprehended without warrant by any other person, and detained in custody in order that he may be dealt with according to law.

Any person apprehended by a person not being a Magistrate, Deputy Magis-

Procedure where arrest made by person not a Magistrate or a police officer.

possible to a Police Officer.

All persons apprehended by or delivered to a Police Officer under the provisions of this section shall be carried before a Magistrate or other Officer competent by law to punish them for the offence or to commit them for trial.

21. Any person going armed with or carrying

Disarming persons going armed or carrying arms without a license.

any arms without having obtained a license from a Magistrate or other Officer au-

General in Council or the Local Government authorizing him to carry arms, shall be liable to be disarmed by any Magistrate, Joint Magistrate, or Deputy Magistrate, or Assistant to a Magis-trate, or by a Police Officer, if, in the judgment of such Magistrate or other Officer as aforesaid, it is dangerous to the public peace to allow such person to go armed or to carry arms.

Exemptions.

22. The provisions of the sections twenty and twentyone do not apply to-

Warrant Officers, Soldiers,

and Sailors in the Military

or Naval Service of Her

Majesty, in respect of arms

Officers,

Non-Commissioned (a.) Officers, Commissioned, Non-Commissioned, and Warrant Officers, Soldiers and Sailors and ammunition kept by them for use in the public service :

Volunteers.

(b.) Members of Volunteer Corps, in respect of such arms and ammunition :

(c.) Police and Revenue Officers and other persons, in respect of arms and Police and Revenue ammunition furnished by Officers. Government for use in the public service or provided by themselves with the

sanction of Government for such use; or

(d.) such other persons, classes of persons, Districts or parts of Districts,

Other persons. as the Local Government by notification in the official Gazette, from time to time exempts from such provisions.

23. Licenses to carry arms may be granted by Grant and revocation any Magistrate or other Officer specially authorized or suspension of licenses to carry arms. to carry arms. by the Governor-General in Council or the Local Government to grant such licenses, and may be revoked or suspended by any person authorized to grant such license whenever he thinks fit.

24. The license shall be in the form pre-scribed in this behalf by the Form of license. Governor-GeneralinCouncil.

25. The license shall state whether its operation is limited to the licensee License to state whether it applies to licensee's followers. or whether it extends to any of his followers.

In the latter case the number of the licensee's followers, and the number and description of arms to be carried by each of such followers shall be specified.

Every such license may be granted subject to such conditions (if any) as. Conditions of grant. the grantor thinks fit; and on breach of any such condition, or on failure to comply therewith, the license shall become void.

Search and seizure of arms and ammunition in certain cases.

26.

Whenever a Magistrate has reason to believe that any person re-siding within the local limits of his jurisdiction has in his possession any arms or am-

munition for any unlawful purpose,

or that such person caunot, in the judgment of the Magistrate, be left in the possession of any such arms or ammunition, without danger to the public peace,

such Magistrate, having first recorded the grounds of his belief, may cause a search to be made of the house or premises occupied by such person, or in which the Magistrate has reason to believe such arms or ammunition are or is to be found, and may seize and detain the same in safe custody for such time as he thinks necessary.

The search in such case shall be conducted by or in the presence of the Magistrate, or by or in the presence of a Joint or Deputy Magistrate, or a European Assistant, or by or in the presence of some European Officer, Civil or Military, to be specially empowered by Government.

VII.-Disarmament.

27. The Governor General in Council or the Lo-

Executive Government may order any District or place to be disarmed.

cal Government may, whenever it appears necessary for the public safety, order that any Province, District, or

place shall be disarmed.

28. In such Province, District, or place, as Possession of arms well as in any Province, d ammunition without District, or place in which Possession of arms and ammunition without an order for a general search license prohibited. for arms has been issued under Act No. XXVIII. of 1857, it shall not be lawful for any person to have in his possession without a license any arms or ammunition.

29. Licenses to have in possession any arms or ammunition may be grant-Grant of licenses, &c.

ed by any Magistrate or other Officer specially authorized by the Governor General in Council or the Local Government to grant such licenses, and may be revoked or suspended by any Officer authorized to grant such licenses, whenever he thinks fit.

The license shall be in the form prescribed in this behalf by the Governor General in Council or by the Local Government.

person has a license from 30. When any the Magistrate of the Dis-License to travellers trict or place at which he to carry arms. resides, or may be, to carry

on a journey such arms as the Magistrate considers reasonable for his private use, and obtains from such Magistrate a license stating-

the name and address of such person,

the route by which he intends to proceed,

the time which such journey is expected to occupy, and

the arms which he is permitted to carry,

such license shall have the same force and effect, according to its tenor, in every District or place specified therein, as if leave to go armed had been granted by the Magistrate of such District or place.

31. In every Province, District, or place which the Governor General in Council or the Local Go-Publication of order vernment orders to be disfor disarming. armed, such order shall be published in the Gazette

of India or in the Local Gazette, and shall also be made public in such other manner as the Governor General in Council or the Local Government directs.

The Magistrate or other Officer men-32.

Power to search for search or cause to be searcharms and ammunition.

tioned in the order may

ed any house or premises occupied by any person reasonably suspected of having in his possession or custody any arms or ammunition without such license as aforesaid, or in which the Magistrate has reason to believe that any such arms or ammunition are or is concealed.

33. The search shall be conducted by or in the presence of the Ma-Search.

gistrate, or by or in the presence of a Joint or Deputy Magistrate or Euro-pean Assistant, or by or in the presence of some European Officer, Civil or Military, appointed by Government to conduct such searches.

All arms and ammunition found on such search shall be confiscated.

34. Nothing in this Part applies to any

Exemptions. Governor General in Council or of the Local Government of the proclaimed District, or by any European Officer serving in such District duly authorized by the Local Government on that behalf.

VIII.-Penalties.

35. Whoever, not being authorized by Governmanufacturing ment, manufactures any can-For non, shall be liable to a fine cannon without authority. not exceeding one thousand rupees, or to imprisonment for a term not exceeding three years, or to both.

Whoever, without the permission of the 36. For possessing can-non without permission. Local Government, has in his possession any cannon, except in the course of his duty as a public Officer, shall be liable to a fine not exceeding five hundred rupees for every such cannon.

Whoever manufactures, repairs, sells, or anufacturing or keeps or exposes for sale, 37. For manufacturing or any arms or ammunition selling arms without license. without such license as is mentioned in section nine, or contrary to any of the conditions contained in such license, shall be liable to a fine not exceeding five hundred rupees, or to imprisonment for a term not exceeding two years, or to both.

All arms and ammunition belonging to the offender shall be fcrfeited if the convicting Court or Officer so directs.

Any person to whom such license has been 38. On licensee omitting granted omitting to put up to put up board. in a conspicuous part of his shop or usual place of business, a board inscribed as is mentioned in section eleven, shall be liable to a fine not exceeding one hundred rupees.

39. Any person, to whom such license has not been granted in the man-

For putting up a board without a license.

ner prescribed, putting up such board as aforesaid in his shop or usual place of business, shall be liable to a fine not exceeding one hundred rupees.

40. Any person knowingly purchasing any arms

For knowingly purchasing arms or ammu-nition from an unlicensedperson.

or ammunition from any person not licensed to sell the same, shall be liable to a fine not exceeding one hundred rupees.

41. Any person For failing to keep book required by sec-tion 13. tries as are hereby required,

omitting or failing duly to keep such book as is mentioned in section thirteen, or to make therein all such en-

and any person preventing or obstructing the inspection of such book, or making a false entry therein,

shall be liable for every such offence to a fine not exceeding five hundred rupees, in addition to double the value of any arms or ammunition sold of which he fails to make such entry, or respecting which he makes a false entry.

If the offender be licensed to manufacture or deal in arms or ammunition, he shall also forfeit his license if the convicting Magistrate so directs.

42. Any manufacturer or dealer intentionally For wilful conceal- concealing from a Magistrate ment by manufacturer or other Officer, entering his premises under section fourof arms. teen, any part of his stock-in-trade, or wilfully refusing to point out where the same is kept, shall be liable to a fine not exceeding five hundred rupees, or to imprisonment for a term not exceeding two years, or to both fine and imprisonment,

and any arms or ammunition belonging to such person may be seized and shall be confiscated if the convicting Magistrate so directs.

Any person importing or attempting to import either by sea or by 43. For importing arms land into India without such without license. license as is mentioned in

section sixteen any cannon, arms, ammunition, or saltpetre,

or knowingly concealing any cannon, arms, ammunition, or saltpetre imported without such license,

shall be liable to imprisonment for a term not exceeding three years, or to fine not exceeding one thousand rupees, or to both;

and the articles so imported shall be confiscated 1. the convicting Magistrate so directs.

Nothing in the former part of this section applies to arms or ammunition imported by any person in reasonable quantities for his own private use.

Any person transporting or causing to be transported, or attempt-44. For transporting arms

contrary to order.

ing to transport, or cause to be transported, any arms,

ammunition, lead, saltpetre, or military stores contrary to any order made under section eighteen, or to the rules and conditions specified therein, shall be liable to a fine not exceeding five hundred rupees, or to imprisonment for a term not exceeding three years, or to both,

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and the articles transported or attempted to be transported shall be confiscated.

Any person by concealment or other device transporting or causing to be transported, or at-tempting to transport or cause to be transported, such arms, ammunition, lead, saltpetre, or military stores, shall, in addition to the fine hereby provided, be liable, upon conviction, to imprisonment for a term not exceeding seven years.

Nothing in the former part of this section anplies to arms or ammunition transported by any person in reasonable quantities for his private use in any District or place not ordered to be disarmed.

45. Whoever, after the expiration of the time mentioned in any order pub-For possessing arms lished under section thirty-one in any Province, Disin district ordered to be disarmed. trict, or place to which that section applies,

or who in any Province, District, or place in which an order for a general search for arms has been issued, and is still in operation,

has in his possesion or custody any arms or ammunition without such license as is mentioned in section twenty-nine,

shall be liable to be imprisoned for a term not exceeding two years, or to fine not exceeding one thousand rupees, or to both-

46. If on any such search being made under the provisions of section For refusing to protwenty-six or thirty-two any duce or concealing arms person, having in his possessearched for.

sion or power any such arms or ammunition, or knowing where such arms or ammunition are concealed, refuse to produce or point out the same to the Officer making the search,

or if any person intentionally conceals or attempts to conceal any such arms or ammunition,

such person may be apprehended without warrant, and shall be liable to imprisonment for a term not exceeding two years, or to fine not exceeding one thousand rupees, or to both.

47. Whoever assaults or resists any person in the execution of any For assaulting or repower vested in him by this sisting any person in the execution of power con-Act, shall be liable to a fine ferred by Act. for a term not exceeding six months, or to both.

48. Whoever abets within the meaning of the

Indian Penal Code any For abetment.

offence under this Act shall be liable to the punishment hereby provided for such offence.

49. If any offence which by this Act is made punishable with fine, or with Summary jurisdiction fine and imprisonment not in respect of certain offences committed with-in Presidency Towns. committed by any person within the local limits of the ordinary original criminal jurisdiction of the High Courts at Fort offences committed with-William, Madras, or Bombay, such offence shall be punishable upon summary conviction by any Police Magistrate.

50. No conviction, order, or judgment under

Conviction to be quashed on merits only.

the last preceding section shall be quashed for error of form or procedure, but only on the merits;

and it shall not be necessary to state on the face of the conviction, order, or judgment the evidence on which it proceeds,

but the depositions taken, or a copy of them, shall be returned with the conviction, order or judgment in obedience to any writ of *certiorari*,

and if no jurisdiction appears on the face of the conviction, order, or judgment, but the depositions taken supply that defect, the conviction, order, or judgment shall be aided by what so appears in such depositions.

51. All other offences punishable under this All other offences Act which are committed rommitted in Presidency Towns punishable by High Court. Courts at Fort William, Madras, and Bombay, shall be punishable by such Court.

52. All fines imposed under this Act may be recovered, if for offences committed outside the local

limits of the towns of Calcutta, Madras, and Bombay, in the manner prescribed by the Code of Criminal Procedure, and if for offences committed within those limits, in the manner prescribed by any Act regulating the Police of those towns in force for the time being.

53. Any fine or penalty levied from any person Rewards to informers. convicted of an offence under this Act, or any portion of such fine or penalty, may be awarded to the person on whose information the conviction takes place.

IX.-Miscellaneous.

54. The Governor General in Council or the Seizure and detention of sulphur by Government. Local Government may at any time seize all sulphur in the possession of any person, and detain the same for such time as may be deemed necessary for the public safety.

55. No suit or other proceeding shall be Notice and limitation commenced or prosecuted of suits. against any person for any thing done in pursuance of this Act, without giving him a month's previous notice in writing of the intended proceeding and of the cause thereof, nor after the expiration of three months from the accrual of the cause of action or other proceeding.

56. The Governor General in Council or the

Power to withdraw part of District from the operation of Act. Local Government may from time to time withdraw from the operation of all or any of the provisions of this Act, any part or parts of any District or place; and may in like manner, as occasion requires, subject the same again to the operation of all or any of such provisions.

Act not to alter or affect any other law relating to licenses.

57. Nothing in this Act alters or affects any law for the time being in force relating to licenses.

58. All licenses which may by this Act be Grant of licenses in granted by a Magistrate, may Presidency Towns. in the Presidency Towns be granted by a Commissioner of Police.

SCHEDULE.

Number and year.	Title.	
and a second second second	and the second s	

XXXI. of 1860. An Act relating to the manufacture, importation, and sale of Arms and Ammunition, and for regulating the right to keep and use the same, and to give power of disarming in certain cases.

VI. of 1865. An Act to continue Act No. XXXI. of 1860 (relating to the manufacture, importation, and sale of Arms and Anumunition, and for regulating the right to keep and use the same, and to give power of disarming in certain cases).

VI. of 1866. An Act to continue Act No. XXXI. of 1860 (relating to the manufacture, importation, and sale of Arms and Ammunition, and for regulating the right to keep and use the same, and to give power of disarming in certain cases), and for other purposes.

STATEMENT OF OBJECTS AND REASONS.

The object of this Bill is merely to consolidate the three Acts in which the law relating to Arms and Ammunition is now contained.

The wording and arrangement of the law have been improved, but no alteration has been made in its substance.

(Signed) W. ROBINSON.

The 16th December 1870.

WHITLEY STOKES.

E.

Secretary to the Government of India.

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The following Bill was introduced into the Council of the Governor General of India for the purpose of making Laws and Regulations on the 6th January 1871, and was referred to a Select Committee with instructions to made their report thereon in a month :---

Bill No. 1 of 1871.

A Bill to facilitate the construction of Works of Public Utility from Local and Municipal Funds.

WHEREAS it is expedient to facilitate the construction of works of pub-Preamble. lic utility from Local and

Municipal Funds by means of advances to be made by the Government: It is hereby enacted as follows :-

This Act may be called "The Local Pub-1. lic Works Act 1870." Short title.

Extent of Act.

"Advance."

2. This Act shall extend to all parts of British India.

Interpretation-clause.

3. In this Act-"Advance" means an advance made under this Act, and includes all inter-

est and charges payable to the Government under this Act on account of such advance:

"Fund" means all monies received or receivable on account of a Local or " Fund." Municipal Fund from which an advance is to be repaid.

"Additional rate" means any rate or cess which

may be levied for the pur-" Aditional rate." poses of a Local or Municipal Fund from which an advance is to be repaid.

"The person administering" includes all persons duly authorized to " The person administering.

receive, keep in deposit, or expend a Fund or an additional rate.

4. If the person administering any Public or Municipal Fund desires Advances from Public to obtain an advance from revenues for carrying out works of public utility. the Government for the purpose of carrying out, or of assisting in carrying out, a work of public utility at the charge of such Fund, he may make an application to the Local Government for such advance, and the Local Go-ernment, after such inquiry as in each case it may think desirable, if satisfied that such advance should be made, may authorize it to be made, subject to the provisions hereinafter contained.

5. The Governor General in Council shall from time to time make Governor General to rules for regulating all matters relating to the make rules. making of such advances, and the said rules shall provide, amongst other things, for the following;

1. The determination of the Local and Municipal Funds to which this Act shall apply :

2. The works for which advances may be made under this Act:

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3. The manner of making applications for advances :

4. The manner of conducting inquiries relative to applications :

5. The manner of recording the conditions on which an advance is made:

6. The manner and time of making advances:

7. The inspection of works carried out under this Act:

The instalments by which advances shall 8. be repaid, the interest to be charged on advances, and the manner and time of repaying advances and discharging the interest charged on the same:

9. The determination of the charges that may be made in respect of any advance, against the Fund from which such advance is repayable, on account of the share of the costs of the Government in giving effect to this Act :

10. The manner of keeping and auditing the accounts of the expenditure of advances, of the repayment of the same, and of the discharge of the interest thereon :

11. The amount that may from time to time be applied by the Local Government from the public revenues for the purpose of making advances.

The said rules shall be published in the Gazette of India, and when so published all Courts shall take judicial notice of them.

6. The person from time to time administer-Obligatioa to repay ad-ing any Fund shall duly

vances.

advance to the Govern-

ment from such Fund, in accordance with the conditions on which it was made, and in preference to all other claims against such Fund.

7. If at any time an advance be not repaid and discharged in accordance If advance be not repaid, with the conditions on which it was made, the Local Government may Local Government may ap-point Officer to keep Fund.

appoint an officer to take possession of and receive the whole or any specified part of the Fund in the place of the person for the time being administering the same, and thereupon and so long as such officer shall remain so appointed and to the extent directed by the Local Government, the said person shall cease to have any authority to keep or receive the said Fund, and the receipt of such officer shall be a sufficient discharge for all demands payable to such Fund.

The Local Government may direct such officer to repay and discharge the advance as aforesaid from any amount so received by him. All payments made in that behalf by such officer shall be deemed to be a first charge against the said Fund, and the residue only of any amount so received, after making all such payments, shall be repaid to the person administering the said Fund.

If at any time an advance be not repaid and

Local Government may direct officer to administer Fund.

discharged, according to the conditions on which it was made, and if such advance has been made sub-

ject to the conditition that an additional rate shall be levied to provide for the due repayment and discharge of the advance, and if the person administering the Fund fails to levy such rate in the manner required under the said rules, the Local Government may order him to do all things needful for the levy of the said rate, and may appoint an officer to levy and receive the same.

An officer so appointed shall, so far as he shall be authorized so to do by the Local Government, and for the purpose of levying and receiving such rate, exercise all or any of the powers commonly so exercised by the person administering the Fund, and in the place of such person; and so long as such officer remains so appointed and to the extent of the authority given to the said officer by the Local Government, such person shall cease to exercise the said powers.

An additional rate levied and received under this section shall be dealt with as though it had been received under the section next preceding.

9. No advance under this Act shall exceed six

No advance to exceed six times income of Fund. that in which the advance is authorized by the Local Government.

10. No person administering any Local or Money not to be borrowed except under this Act. Local or Municipal Fund who is not authorized by some special law to borrow

money on the security of such Fund shall borrow money on such security otherwise than in accordance with the provisions of this Act.

STATE MENT OF OBJECTS AND REASONS.

The Government of India has recognized the importance of facilitating to the utmost the prosecution of local works of improvement, and has come to the conclusion that a system somewhat similar to that established under the English Public Works Loan Acts may be introduced in India with much advantage. The Government would make advances, to be repaid with interest in a

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term of years, for works of certain classes, the public utility of which was duly ascertained. A certain maximum sum would be placed at the command of the Local Governments, to be applied in making such advances, on which they would operate, the power of extending the advances to new objects being limited by the obligation not to exceed that sum, so that, when the whole authorized sum was once advanced, the earlier loans must be paid off before fresh ones could be made.

It has been ruled, however, more than once recently, that it is not desirable to give the local bodies who deal with local or municipal revenues independent powers of borrowing, and that, when for any special reason it may be expedient that funds should be borrowed for local objects, the Government itself should lend the money. This course has been followed in several cases.

But in most of these cases there is no means of giving the Government a legal lien on the revenues on the security of which the loans are made. A municipal body, or a person administering local revenues, has no power to do more than deal with the revenue as it is received, and cannot give any valid pledge that the income of future years shall be applied in a particular way, unless under express legislative authority, which certainly has no existence in the case of most of the Local Funds in India. When the last law regarding municipalties in the North-Western Provinces, eAct VI. of 1868, was passed, the power of borrowing was deliberately rejected by the Government of India and the Legislative Council.

The present Bill has therefore been prepared in the Public Works Department in order to provide for the making of advances of public money for works of public utility to local or municipal bodies, obtaining at the same time valid security for their repayment from the funds at the disposal of such bodies.

(Signed) R. STRACHEY.

21st March 1870.

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WHITLEY STOKES, Secretary to the Government of India.

Printed and Published for Government at the BOMBAY EDUCATION SOCIETY'S PRESS, Byculia.