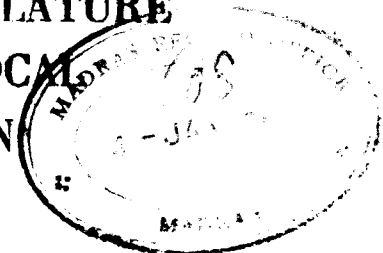


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HEALTH, EDUCATION AND LOCAL ADMINISTRATION
DEPARTMENT

PROCEEDINGS AND CONNECTED
PAPERS OF THE LEGISLATURE
COMMITTEE ON LOCAL
ADMINISTRATION



PART I



GOVERNMENT OF MADRAS
1958

THE CONTROLLER OF STATIONERY AND
PRINTING, MADRAS, ON BEHALF OF THE
GOVERNMENT OF MADRAS
1958

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P R E F A C E

The Government of Madras carried out an examination of the problems of reform of Local Administration (including district boards, panchayats, municipalities and the Madras City Corporation) in the State. They framed their provisional conclusions and embodied them in a White Paper known as "White Paper on the Reform of Local Administration in Madras State including the Madras City Corporation". This White Paper was placed on the table of both the Houses of the Legislature in the last week of October 1957.

2. The White Paper was discussed by the Legislative Assembly on the 4th and the 5th November 1957 and by the Legislative Council on the 6th and the 7th November 1957. After discussion, the Assembly resolved to constitute a Committee consisting of—

- (1) Sri B. Bhakthavatsalu Naidu,
- (2) Sri P. S. Chinnadurai,
- (3) Sri V. K. Kothandaraman,
- (4) Sri C. Muthiah Pillai,
- (5) Sri A. Nesamony,
- (6) Sri K. N. Palaniswami Gounder,
- (7) Sri S. Pakkiriswami Pillai,
- (8) Sri C. R. Ramaswami,
- (9) Sri V. K. Ramaswami Mudaliar,
- (10) Sri S. Ramaswamy Naidu,
- (11) Sri A. A. Rasheed,
- (12) Sri K. Sattanatha Karayalar,
- (13) Sri P. U. Shanmugham,
- (14) Dr. Srimathi T. S. Soundaram Ramachandran,
- (15) Sri K. S. Subramania Gounder and
- (16) Sri K. Vinayakam

to assist the Minister for Local Administration in finalizing the scheme of reform of Local Administration in the State of Madras. The Legislative Council concurred with the Assembly in constituting a Committee to advise

the Minister on matters raised in the White Paper and resolved that the following members of the House be members of the same Committee, namely:—

- (1) Sri A. Gajapathi Nayagar,
- (2) Dr. V. K. John, Bar.-at-Law,
- (3) Srimathi Jothi Venkatachellum,
- (4) Sri V. K. Palaniswami Gounder, -
- (5) Sri V. V. Ramaswami,
- (6) Sri S. P. Sivasubramania Nadar,
- (7) Sri M. V. Sudarsanam Naidu and
- (8) Sri Mohamed Raza Khan.

3. The Legislature Committee on Local Administration referred to in paragraph 1 above met in seven separate sessions, as noted below:—

First session—2nd and 3rd January 1958.

Second session—17th and 18th February 1958.

Third session—7th April 1958.

Fourth session—23rd and 24th May 1958.

Fifth session—1st July 1958.

Sixth session—21st July 1958.

Seventh session—11th and 12th August 1958.

4. The Legislature Committee considered first the most important among the reforms proposed in the White Paper, which related to district boards and panchayats. After carrying out a detailed review, the Legislature Committee formulated its views on various questions relating to the Constitution and Functions of Panchayat Administration. It appointed a Sub-Committee to go into the present financial resources of local bodies and their future requirements and formulate detailed proposals for revision of the existing statutory allocation of resources of local bodies as well as the institution of an appropriate system of Government grants.

5. The Sub-Committee known as the “Local Finance Sub-Committee” appointed by the Legislature Committee submitted a report to the Committee containing “Perspective Budget of Panchayat Administration”. Copies of the Report have been printed and circulated separately.

6. The Legislature Committee appointed also a Sub-Committee consisting of members of the Legislative Assembly who are councillors of the Corporation to scrutinize the amendments proposed by the Corporation of Madras to the Madras City Municipal Act, 1919. This Sub-Committee has submitted a report.

7. The Legislature Committee advised the Government to prepare a draft Bill with necessary provision for abolishing district boards; for setting up panchayat unions; and relating them to village panchayats and town panchayats on the lines indicated by it. The intention was that the draft Bill should be placed before it for its consideration. Accordingly a draft Bill to amend the Madras Village Panchayats Act, 1950, and to repeal the Madras District Boards Act, 1920, was prepared by the department and placed before the Committee. The Committee advised that a *self-contained consolidated Panchayats Bill* might be prepared instead of an Amending Bill. It also suggested certain amendments to the existing sections of the Madras Village Panchayats Act, 1950, and alterations to certain clauses in the draft Bill placed before it.

8. Three other draft Bills were placed before and considered by the Committee, namely:—

(i) The District Development Councils Bill embodying the proposals in the White Paper for the constitution of District Development Councils as finalized by the Legislature Committee;

(ii) the Madras District Municipalities (Amendment) Bill for postponing elections to municipal councils by six months; and

(iii) the Madras City Municipal (Amendment) Bill to increase the strength of the Council of the Madras City Corporation, and to abolish the system of Aldermen and the special constituencies as contemplated in the White Paper and approved by the Committee.

9. The Legislature Committee still continues to function and has yet to finalize its recommendations regarding the Madras City Corporation and to scrutinize the White Paper proposals regarding district municipalities. It has not therefore prepared any formal report on its

work. Meanwhile a record of the papers placed before the Committee and its Sub-Committees and the proceedings of the Committees thereon has been got printed.

10. This compilation entitled "Proceedings and connected papers of the Legislature Committee on Local Administration" is divided into four parts:—

Part I.—Contains the draft agenda of the subjects for consideration by the Legislature Committee and the notes prepared by the department on the items included in the agenda.

Part II.—Contains papers other than notes on agenda items placed before the Committee.

Part III.—Gives a record of the proceedings of the meetings of the Committee so far held.

Part IV.—Contains papers placed before the Local Finance Sub-Committee of the Legislature Committee and a record of the proceedings of the Sub-Committee on Corporation amendments.

11. It is hoped that this compilation will be of assistance to the Members of the Legislature in discussing the four Bills prepared by the department, considered by the Committee, finalized by the Government and introduced in the Legislature as (i) the Panchayats Bill, 1958, (ii) the District Development Councils Bill, 1958, (iii) the Madras District Municipalities (Amendment) Bill, 1958 and (iv) the Madras City Municipal (Amendment) Bill, 1958.

C. SUBRAMANIAM,

*Chairman, Legislature Committee on
Local Administration.*

FORT ST. GEORGE,
28th August 1958.

PART I.

DRAFT AGENDA.

1. Abolition of District Boards.
2. Future management of District Board High Schools.
3. District Development Councils—
 - (a) Delimitation of Development Districts.
 - (b) Functions.
 - (c) Composition.
 - (d) Standing Committees.
 - (e) Other matters, if any.
4. Panchayat Unions—
 - (a) Delimitation of Panchayat Union areas.
 - (b) Functions and resources of Panchayats and Panchayat Unions (combined).
 - (c) Division of combined functions and resources as between Panchayats and Panchayat Unions separately.
 - (d) Composition and functions of Council of Panchayat Unions.
 - (e) Composition and functions of Standing Committees of Panchayat Union.
 - (f) Panchayat Union Establishment (including relationship of National Extension Service establishment with Panchayat Union).
 - (g) Question of Class I Panchayats in relation to Panchayat Unions.
5. Class II Panchayats—
 - (a) Basis of distinction between Class II Panchayats and Class I Panchayats.
 - (b) Delimitation of Panchayat villages.
 - (c) Number of members and delimitation of wards.
 - (d) System of election and tenure of office of Members.
 - (e) System of election and tenure of office of Presidents and Vice-Presidents.
 - (f) Mode of representation of Panchayat on Panchayat Union Council.

6. Class I Panchayats—

(a) Basis of distinction between Municipalities, Class I Panchayats and Townships.

(b) Number of members and delimitation of wards.

(c) System of election and tenure of office of Members.

(d) System of election and tenure of office of Panchayat Presidents and Vice-Presidents.

(e) Mode of representation of Panchayat on Panchayat Union Council.

7. Townships.

8. Municipalities.

9. Madras City Corporation.

HEALTH, EDUCATION AND LOCAL ADMINISTRATION DEPARTMENT.

NOTE FOR THE LEGISLATURE COMMITTEE ON THE REFORM OF LOCAL ADMINISTRATION.

AGENDA ITEM NO. 1—ABOLITION OF DISTRICT BOARDS.

1. *Retrospect.*—There were no local boards of any kind till the middle of the 19th Century when Road Funds were created by an executive order for the upkeep of roads other than trunk roads and important district roads. This arrangement was put on a statutory basis by the District Roads Act, 1866. The origin of the district boards may be traced to the Local Funds Act of 1871. Subsequently several amending and repealing Acts were passed from time to time, making changes in the Constitution, finances and administrative services. The Madras Local Boards Act, 1884, and the Madras Local Boards Act, 1920, since changed as the Madras District Boards Act, 1920, were the principal Acts passed regarding District Boards. (Part I of Memorandum on District Boards in Appendix II to the White Paper on the Reform of Local Administration in Madras State including Madras City Corporation.)

2. *Provisional conclusion of Government and reasons therefor.*—

(i) The Government have formed the provisional conclusion that there is no room for the continued functioning of district boards, if full effect is given to Article 40 of the Constitution by creating Village Panchayats for all Villages and Panchayat Unions as a federation of those Panchayats.

(ii) The decision to abolish district boards has been taken primarily because the district board has become far too large and unwieldy an area for management by a local authority, owing to the growth in the volume of work even in one single instance like elementary schools. Local Self-Government cannot be a success unless the representatives of the people are made to take a personal interest in their administration; but this is impossible of achievement unless the territorial jurisdiction is substantially reduced.

(iii) The Panchayat Union formed at Block level will really mean bringing the District Board closer to the village. As the total number of elected representatives on all Panchayat Unions in the district will be much larger than the number of District Board Members, it is to be expected that local leadership will be thrown in larger numbers. At the same time, these leaders (being closer to the village) will be more familiar with the needs and resources of the entire area in their charge. The Panchayat Unions are, therefore, more likely to be successful in raising the local resources needed for local development schemes than the district boards (constituted as at present).

Further every member of the Council of the Panchayat Union will be an authorized representative of one village panchayat or another; and will thus constitute a human link between the Village Panchayat and the Panchayat Union. This result cannot be secured in respect of the District Board because the total number of Village Panchayats in every district will be far too many. The Panchayat Union and the Village Panchayats can work in mutual co-ordination, without friction, to an extent which it would be impossible to secure as between the District Board and the Village Panchayats.

(iv) The Government have made it clear that this decision does not entail a condemnation of the work of district boards in this State. It is realized that if district boards have been generally ineffective during the last decade, it was because of inadequacy of financial resources as well as of trained personnel.

3. Views of the Study Team of the Committee on Plan Projects.

—The Study Team of the Committee on Plan Projects headed by Shri Balwantroy Mehta has expressed the view that the District Boards might have served the purpose for which they were created, that is, educating the people in Self-Government; but that they have neither the tradition nor the resources to take up this work and that they have also been handicapped by having too large a charge to receive their detailed attention. It has pointed out the need for a vigorous democratic institution to take charge of all aspects of development work in rural areas. It considered that the jurisdiction of such an institution should be neither so large as to defeat the very purpose for which it is created nor so small as to militate against efficiency and economy. At the same time it considered that the village panchayat is too small in area, population and financial resources to carry out all functions and that the next higher body will have to function with and through the panchayats as far as possible. (Paragraphs 1 to 10 of Chapter on Democratic Decentralization). These views supported the proposal of the Government already evolved to constitute Panchayat Unions at Block level.

4. *Support in the Legislature.*—The decision to abolish district boards found general support from all sections of the Legislature when the White Paper on Local Administration came up for discussion.

5. *Welcome by State Panchayat Union.*—The Conference of the State Panchayat Union held on 1st and 2nd December 1957 also welcomed the proposal to abolish district boards and to transfer their functions to Panchayat Unions.

6. *Suggested purposes of new Legislation.*—If the Legislature Committee accepts the provisional conclusion of Government, it is suggested that approval may be given to the drafting of new legislation in order to secure the following purposes, viz. :—

(i) to abolish the District Boards with effect from 1st November 1958;

(ii) to bring Panchayat Unions into existence as the successors of District Boards with effect from 1st November 1958;

(iii) to fix a date, on or before which,—

(a) the constitution of Village Panchayats should be completed for all villages in the State; and

(b) the constitution of Panchayat Union Councils shall be completed; and

(iv) to provide for the appointment of a Special Officer for the performance of the functions of the Council of every Panchayat Union from 1st November 1958 up to the date of constitution of such Council.

AGENDA ITEM NO. 2—FUTURE MANAGEMENT OF DISTRICT BOARD HIGH SCHOOLS.

1. *Preliminary.*—One of the important functions which were transferred from the Government to Local Self-Governing institutions as a conscious process of administrative devolution and political education under the financial reforms introduced in 1871 was "Education". The main responsibility of local bodies in the educational field related to Elementary Education. But they were not expressly so limited. District Boards have been opening and maintaining high schools in rural areas as well as non-municipal urban areas; Municipal Councils have been doing likewise in urban areas. If District Boards are abolished and Panchayat Unions take their place, the latter will take over and maintain all the educational institutions at present maintained by the former. In this context, the question has been raised (at various stages of discussion of this subject) whether High Schools should not be excluded from the purview of Panchayat Unions; other arrangements being made for the maintenance of existing High Schools and the opening of new High Schools.

2. *Views of the Legislature Committee on Education.*—The following is an extract of paragraph III of section IV of Part I of the Report of the Legislature Committee on White Paper on Education :—

"Improvement of school-management.—There is great need for careful study of problems of school-managements.

Recently, the Government have placed a White Paper on Local Administration before the Legislature. We trust that the consideration of this White Paper will lead to the formation of satisfactory proposals for bringing about a very substantial measure of improvement in the management of all schools, especially schools located in rural areas.

While we have stated our view that private managements should not be hampered by restrictions which limit their power to take decisions for day-to-day management of school affairs, we wish to make it clear that Government should have adequate powers for ensuring that the managements are properly constituted."

3. *Provisional conclusion of Government.*—The Government have arrived at the provisional conclusion that District Board High Schools should be transferred to the Panchayat Union having jurisdiction over the area in which the High School is situated, subject to special safeguards including the setting up of a Statutory Managing Committee consisting of the Chairman of the Panchayat Union Council, the Panchayat Union Commissioner and the Headmaster of the High School concerned.

4. *Alternative suggestions.*—(i) All District Board High Schools to be taken over by the Directorate of Public Instruction, and maintained and managed as Government High Schools;

(ii) Every District Board High School to be converted into an Aided Private High School;

(iii) District Board High Schools in every district to be brought together in a limited number of "High School Groups". A statutory authority to be created (under an Education Act) as an *Ad hoc* Committee entrusted with the management of each "High School Group" (this Committee being composed partly of Headmasters and partly of other non-official educationists residing in the area).

The Government, having considered these suggestions, rejected items (i) and (ii) above as unsatisfactory or unworkable. In their opinion, there was something to be said for item (iii) above, as well as for the course set out in the White Paper and reported in paragraph 3 above. On a balance of relevant considerations, the latter was preferred and put forward in the White Paper as the provisional conclusion of Government.

5. The statement below shows the number of Secondary Schools in different districts of the State, classified according to the types of management :—

Revenue district.	Govern-ment.	District Board.	Muni-cipal.	Aided.	Un-aided.	Total.
(1)	(2)	(3)	(4)	(5)	(6)	(7)
1 Madras	7	..	2	69	1	79
2 Chingleput	2	22	2	24	..	50
3 South Arcot	4	34	2	19	..	59
4 Tanjore	2	34	5	46	..	87
5 Madurai	4	30	9	37	..	80
6 Ramanathapuram	3	50	6	43	1	103
7 Tirunelveli	1	45	4	65	2	117
8 North Arcot	3	32	8	23	2	68
9 Salem	4	76	7	18	..	105
10 Tiruchirappalli	6	46	2	53	..	107
11 Coimbatore	3	39	22	48	..	112
12 Nilgiris	2	12	2	8	..	24
13 Kanyakumari	*47	..	..	67	2	116
Total	88	420	71	520	8	1,107

* As in 1956-57.

6. It is suggested that the Committee may discuss the advantages and disadvantages of the course proposed in the White Paper and reproduced in paragraph 3 above and the possible alternative courses set out in paragraph 4 above; and decide in principle in favour of one of them. (Details relating to the chosen course may be worked out later and considered, if necessary, at a later meeting.)

AGENDA ITEM NO. 3—DISTRICT DEVELOPMENT COUNCILS.

Sub-item (a)—Delimitation of Development Districts.

1. *Need for District Development Councils.*—All developmental activities have begun to be governed by the National Five-Year Plan. It is, therefore, necessary that the different departmental agencies of Government as well as the local bodies which are responsible for execution of development schemes falling within their particular sphere should be brought together, so that their activities may be co-ordinated within the frame-work of the Plan. It is also necessary to secure the association of representatives of the local people in the process of formulation of development programmes, in order to obtain necessary advice, information, assistance and popular co-operation. In order to secure both the above purposes, various bodies are at present functioning (e.g., District Planning Board, Block Advisory Committees and various *Ad hoc* Advisory Bodies). Government take the view that there is avoidable duplication among these bodies; and that local authorities as such are not adequately represented in them. Hence the need for providing individual representation for every Panchayat Union and every municipality in every district. (Paragraph 32 of Chapter I—D.D.—and paragraph 29 of Chapter II—A.P.C. of the Draft

Recommendations of the C.O.P.P. Team may also be referred to in this connection.)

2. *Need for bifurcation of existing districts.*—The existing districts are of varying size. There are some with population exceeding even 30 lakhs. An average district of Madras State is nearly twice as heavy an administrative charge as an average district in India. The C.O.P.P. Team has suggested that, with the Block coming in as a convenient and common unit, an attempt may be made to draw the district boundaries so that the district may become a convenient and fairly standardised higher unit of administration. The question of bifurcating the existing revenue districts for all purposes of general administration has been raised separately. It is, however, likely that some time will be needed for taking decisions and more time will be needed for implementing them. Meanwhile, however, expansion of developmental activities has already reached a stage at which the need for forming smaller district charges has been accepted. In view of this fact; and, in view also of the fact, that a Development Council which provides individual representation for every Panchayat Union and Municipality (and also includes all Legislators and responsible Officers of different departments) will be unduly large and unwieldy, it has been considered desirable to bifurcate the existing districts for development purposes, in advance of bifurcation for general administrative purposes. (Paragraphs 36 to 38 of Chapter I—D.D. of the Draft Recommendations of the Committee on Plan Projects Study Team may be referred to in this connection.)

3. *Proposed Delimitation of Development Districts.*—The delimitation of Development Districts as proposed by the Government is given in the Annexure to Section III—(Provisional conclusions of Government regarding Development Councils)—in the White Paper on Local Administration. (Please see pages 8 to 10.) The C.O.P.P. Team has stated as a result of consultations in all States about the optimum size of a district that the “general view seems to be that a district should comprise of about 15 blocks” and it has commended this size as a suitable norm. (A Member of the Legislative Assembly expressed the view that districts should be constituted for a population ranging from 12 to 13 lakhs. This is not far short of the norm proposed.)

4. *Board's remarks.*—The Board of Revenue (which was consulted by Government after the White Paper was placed before the Legislature) has agreed to all the proposals regarding delimitation of Development Districts made in the White Paper subject to a few minor modifications as indicated below :—

(i) *Ramanathapuram district.*—The Board of Revenue feels that Paramakudi and Ramanathapuram taluks should not be separated. According to the Board, the Ramanathapuram taluk should be transferred to the North Ramanathapuram district.

(ii) *Headquarters of the proposed Development Districts.*—

(a) The Board considers that in the case of North Arcot, the headquarters of one of the two districts may be Tiruvannamalai instead of Arni (proposed in the White Paper).

(b) In the case of Ramanathapuram, Karaikudi was preferable to Devakottai (proposed in the White Paper), as headquarters of the one of the two districts.

(c) The Board had been specially requested to consider the question whether the headquarters of one of the two districts for Tiruchirappalli could be located at Pudukkottai. The Board examined the question and formed the opinion that it was not conveniently possible to make Pudukkottai the headquarters of a separate district unless a comprehensive realignment of the districts of Kanyakumari, Tirunelveli, Ramanathapuram, Tiruchirappalli and Tanjore is undertaken. The Special Officer for Reorganisation of Departments has, however, expressed the view that the Tiruchirappalli taluk together with the four taluks (Musiri, Lalgudi, Perambalur and Udayarpalayam) lying north of the Cauveri river might form one district; and that the remaining five taluks (Karur, Kullalai, Kulathur, Alangulam and Tirumayam) might form another district, with Pudukkottai as headquarters, if necessary.

5. *Advisory Committees under the Madras District Boards (Amendment) Act, 1957.*—The Madras District Boards (Amendment) Act, 1957, provides for the constitution of Advisory Committees to advise the Special Officers (Collectors) of district boards in performing their functions as Presidents and District Boards of their respective areas. When the matter was raised in the Legislature, Government agreed to constitute Advisory Committees on the same basis as had been proposed in the White Paper for setting up of District Development Councils. It has been suggested that while Development Districts may be delimited for this purpose even now, they may continue to have, for some time, common headquarters (in the present district board offices). This arrangement may be continued even beyond next year, for such time as may be necessary for effecting separation of headquarters.

6. *Points for decision by the Committee.*—It is suggested that the Committee may take decision on the following :—

(i) Approval in principle of the need for bifurcation (paragraph 2 above).

(ii) The minor modifications suggested by the Board (paragraph 4 above).

(iii) Finalisation of the Delimitation proposals set out in the Annexure to Section III at pages 8 to 10 of the White Paper (subject to modifications, if any).

(iv) Implementation (suggestion in paragraph 5 above).

AGENDA ITEM NO. 3—DISTRICT DEVELOPMENT COUNCILS.

Sub-item (b)—Functions.

1. *Functions proposed.*—It is proposed that the District Development Councils should perform the advisory functions at present performed by District Planning Boards and other advisory bodies specified in the Note (1) under paragraph 3 of Section III of the White Paper.

2. *Other views, if any.*—The Committee on Plan Projects Team has expressed the following views. The District Development Council will examine and approve the budgets of Panchayat Unions. Where funds are allotted by the Government for the district as a whole, their distribution between the various blocks will be made by the Council. It will co-ordinate and consolidate the block plans annual as well as quinquennial. No executive function is contemplated. [Paragraph 32 of Chapter I—D.D. and paragraph 29 of the Chapter II—A.P.C. of the Draft Recommendations of the C.O.P.P. Team.]

The provisional views of the Government were as follows. Scrutiny of budgets of Panchayat Unions is not a suitable function to be entrusted to the District Development Council. That body cannot be expected to make any material contribution to technical scrutiny, while it is liable to canvass the merits of the budget thereby impairing the responsibility of the Panchayat Unions for managing their own funds. There should be no occasion for approval by an external authority after the budget is sanctioned by Panchayat Unions. As regards distribution of funds to be allotted by the Government, the Council should only *advise* on the distribution and the actual decision should be taken by the Collector or the departmental officer to whom the appropriate financial power may have been delegated. The Council should have a monopoly of advisory function at district level.

3. *Point for decision by the Committee.*—The Committee may consider and decide whether the proposals in the White Paper may be finalised, as they stand, or should be modified; and if the latter, in what respects.

AGENDA ITEM NO. 3—DISTRICT DEVELOPMENT COUNCILS.

Sub-item (c)—Composition.

1. *Composition proposed.*—The composition of the District Development Council proposed in the White Paper is as follows:—

- (i) The Collector (Chairman).
- (ii) Member of Parliament and Members of Legislative Assembly representing constituencies situated (wholly or mainly) in the development district.
- (iii) Chairmen of Municipal Councils in the development district.

(iv) (a) Members of the district board who represent constituencies situated (wholly or mainly) in the development district subject to retirement as in (b) below.

(b) As soon as a Panchayat Union is constituted, the Chairman of the Council of the Panchayat Union will become a member, while the District Board Members elected by constituencies in the Block concerned will retire.

(v) All Gazetted Officers connected with Planning and execution of development schemes.

2. *Members of Legislative Council.*—As Members of the Legislative Council have no territorial constituencies, they were not included. When the point was raised in the Legislative Council, Minister for Local Administration agreed that item (ii) of paragraph 1 above may be redrafted to read as below:—

“Members of Parliament and Members of the State Legislature who represent constituencies that are situated wholly or mainly in the development district or who have permanent residence in that district.”

3. *Official Members.*—The official members will participate fully and freely in the deliberations of the Development Council; but they will not take part in voting.

4. *Chairman.*—The District Collector will be the Chairman of the Development Council. A member of the Legislative Assembly has suggested that the Chairman may be a non-official.

5. *Points for decision by the Committee.*—The Committee may scrutinise the proposals in the White Paper (referred to in paragraph 1 above) and decide whether they may stand as they are, or whether any, and, if so, what modification is necessary.

AGENDA ITEM NO. 3—DISTRICT DEVELOPMENT COUNCILS.

Sub-item (d)—Standing Committees.

1. *Need for Standing Committees.*—The scope of matters on which the District Development Council will have “advisory association” is very wide—practically co-extensive with the whole field of Government (except law and order and public security). If the full Council were to devote adequate consideration, it will have to sit for an unduly long time. If it did not sit long enough, it is liable to reach hasty conclusions and give prefatory advice. It is desirable that the Council should not have to meet more often than once in three months and should not normally take more than a day (or in special cases, two) to finish its work. If Standing Committees are set up, each with a limited number of members and including the officers of particular departments concerned, they may meet (at convenient times) in advance of the Council; clear up minor matters; formulate advice on major matters and thus save the time of the Council.

Further, it is necessary and desirable to secure the advice of non-official persons who may not find place in the Council as elected representatives of the people but who may possess special knowledge and experience relating to particular matters coming up before the Council. If all such persons are made members of the Council, the Council is likely to become too unwieldy and its general status, as a representative body, may be impaired. If Standing Committees are set up, provision can be made for appointment to such Committees of a limited number of persons who are not members of the Council. It will, then, become possible to secure the benefit of advice and assistance from specially qualified persons without rendering the Council unwieldy or impairing its representative status. Hence the proposals in the White Paper (vide paragraph 4 of Section III—Provisional Conclusions of Government Regarding Development Councils).

2. *Number and subjects.*—It is proposed that there may be five Standing Committees as indicated below :—

- I. Food and Agriculture.
- II. Industries and Labour.
- III. Public Works.
- IV. Education.
- V. Health and Welfare.

3. *Mode of constitution.*—It is proposed to constitute the Standing Committees as follows :—

(a) Every non-official member of the Development Council to be allotted to one Committee and not more than one Committee. The allotment to be effected in the first instance by lot with liberty for transfer being effected from one Committee to another by mutual consent.

(b) Official members to be allotted by Government Order.

(c) Other non-official members to be appointed by the Government up to a number fixed for each Committee, this number being ordinarily either one-fourth of the total strength of the Committee or two whichever is higher.

4. *Other views, if any.*—No special comments appear to have been offered so far.

5. *Points for decision by the Committee.*—The Committee may scrutinize the proposals in the White paper (referred to above) and decide whether they may stand as they are, or whether any, and, if so, what modification is necessary.

AGENDA ITEM NO. 3—DISTRICT DEVELOPMENT COUNCILS.

Sub-item (c)—Other matters, if any.

1. *Item (1)—Statutory Status.*—The District Development Council will serve a very important purpose. Panchayat Unions and municipalities are brought together to meet and discuss with

one another as well as with the representatives of Legislature and Departmental Officers all matters on which the local bodies are vitally interested. Hence the Council should be regarded as an essential feature (in fact, the apex) of the organization of Local Administration in every district of the State (except Madras). It has, therefore, been suggested in the White Paper that the District Development Council as well as their Standing Committees should be given statutory status, even though their functions are to be purely advisory. It is for the decision of the Committee, whether while revising the existing laws regarding local bodies provision may be made for defining the territorial basis, composition and functions of District Development Councils; including, in particular, the individual representation therein, of Panchayat Unions and municipalities.

2. *Other items.*—The Committee may consider whether there are any other items on which to indicate its views, prior to finalization of the White Paper proposals regarding the District Development Councils.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (a)—Delimitation of Panchayat Union areas.

1. While examining the question of abolition of district boards, the Government came to the conclusion that there was need for a new local authority which would have a smaller area to administer and be closer to the village. The idea of a Panchayat Union was thus conceived. After careful consideration of possible alternatives, the Government came to the conclusion that the Development Block under the National Extension Service Scheme was the most suitable basis for the constitution of Panchayat Union.

2. There were two main reasons underlying this conclusion. First the National Extension Service has come to say. Block Development Officers and Village Level Workers and different categories of Extension Officers have been recruited and trained and put to work and have acquired experience on the basis of an organization designed for the Block. Experience has been obtained in co-ordinated working of the Block Development Establishment in close association with the representatives of the local people (Block Advisory Committees). The Government of India have declared that this organisation should form the permanent pattern of administration and have also undertaken to share the cost of this establishment on a continuing basis. If Panchayat Union was constituted at Block level, it would be possible to provide every Panchayat Union as soon as it is formed with the services of an organized establishment of trained personnel, brought together under the National Extension Service Scheme.

3. There was another reason which indicated that any area substantially larger than a Block would be unsuitable. The fact that the Panchayat Union should be so constituted as to include a representative from every panchayat, imposed a definite limitation on the area for which a Panchayat Union has to be constituted. If the area was to be as large as a taluk or even larger, the number of panchayat representatives which will have to be brought together will be so large that any workable organization would be impossible.

4. The Committee on Plan Projects Team appointed by the Planning Commission has also recommended the abolition of district boards and constitution of a new body based on panchayats at Block level.

5. The State Union of Panchayats has also welcomed the constitution of Panchayat Unions at Block level.

6. A suggestion was made in the Legislative Assembly that the Unit chosen for the constitution of a Panchayat Union should either be a 'political unit' or an 'economic unit'.

7. The numbers of the Development Blocks in the different revenue taluks and the proposed Development district as already delimited are given in column (5) of the Annexure to Section III—Provisional conclusions of Government regarding Development Councils—at pages 8 to 10 of the White Paper. Though the boundaries of the blocks have been fixed, they can be revised if deemed necessary.

8. It is suggested that the Committee may—

(i) accept the 'Block' in principle as the territorial unit for constitution of a Panchayat Union; and

(ii) indicate whether it is necessary to revise the boundaries of blocks; and, if so, the criteria to be observed in effecting such revision.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (b)—Functions and Resources of Panchayats and Panchayat Unions (combined).

PART I—FUNCTIONS.

1. *Functions of Panchayats.*—The functions of panchayats under the Madras Village Panchayats Act, 1950; are as follows:—

(a) *Mandatory (Section 50).*

- (i) Construction and maintenance of roads and bridges.
- (ii) Lighting of public roads and public places.
- (iii) Construction of drains and disposal of drainage water and sullage.

(iv) Cleansing of streets and other improvements of the sanitary condition of the village.

(v) Provision of public latrines and cleansing of latrines (public or private).

(vi) Opening and maintenance of burial and burning grounds.

(vii) Sinking and repairing of wells, ponds or tanks for supply of water for drinking, washing and bathing purposes.

(viii) Preventive and remedial measures connected with epidemics.

(b) *Discretionary (Section 51).*

(i) Planting and preservation of avenues on roads.

(ii) Opening and maintenance of public markets.

(iii) Control of fairs and festivals.

(iv) Opening and maintenance of public landing places, halting places, cart-stands and public cattle-sheds.

(v) Opening and maintenance of public slaughter-houses.

(vi) Establishment and maintenance of choultries.

(vii) Extension of village-sites and regulation of building.

(viii) Registration of births and deaths.

(ix) Improvements of agriculture and agricultural stock and holding of agricultural exhibition.

(x) Cottage industries.

(xi) Opening and maintenance of elementary schools.

(xii) Opening and maintenance of libraries and reading rooms.

(xiii) Establishment and maintenance of wireless receiving sets, playgrounds, parks, sports-clubs and centres of physical culture.

(xiv) Establishment and maintenance of dispensaries.

(xv) Establishment and maintenance of maternity and child welfare centres.

(xvi) Veterinary relief.

(xvii) Other measures of public utility calculated to promote the safety, health, comfort or convenience of the inhabitants of the village.

(c) *Agency.*

(i) Management of unreserved forests [section 53 (1)].

(ii) Management of any institution or execution of any work made over by the Government, etc. [section 53 (4)].

(iii) Management of charitable endowments transferred by Government or Board of Revenue (section 54).

(iv) Acceptance of trusts relating to the furtherance of any purpose to which funds may be applied (section 55).

(v) Administration of communal property or income (section 58).

(vi) Protection and maintenance of village irrigation work and kudimaramat (section 59).

(vii) Regulating the use of certain porambokes (section 60).

2. *Functions of District Boards.*—The District Boards are expected to perform the mandatory functions of Panchayats referred to in items (ii) to (vii) of paragraph 1 (a) above and the discretionary functions referred to in item (iv) of paragraph 1 (b) above in non-panchayat areas.

The District Boards are also expected to perform the following functions in both Panchayat and non-Panchayat areas :—

(i) Construction and maintenance of travellers' bungalows and rest-houses in the districts.

(ii) Opening and maintenance of secondary and sessional schools, vocational or industrial schools and hostels for students.

(iii) Construction and working of railways, tramways, ropeways, motor omnibus and other transport services.

3. *Overlapping functions of Panchayats and District Boards.*—Items (i) and (viii) of the mandatory functions of Panchayats referred to under paragraph 1 (a) above and items (i) to (iii), (v), (vi), (xi) to (xvii) of the discretionary functions of Panchayats referred to under paragraph 1 (b) above and items (ii) [section 65 of the Madras District Boards Act, 1920, (iii) section 63 of the Madras District Boards Act, 1920], and (iv) (section 64 of the Madras District Boards Act, 1920) under agency functions are all overlapping functions and in these cases either the District Board or the Panchayat may perform the functions.

4. *Proposals in the White Paper.*—(i) All the functions of district boards except the maintenance of major district roads should be devolved on Panchayat Unions [vide paragraph 6 (ii) under Section I—Introductory—of the White Paper].

(ii) The functions of Panchayats should be limited to the mandatory functions referred to in section 50 of the Madras Village Panchayats Act, 1950, and all the other functions of the Panchayats will be vested in Panchayat Unions (vide paragraphs 26 and 27 of Appendix I-A—North Madurai Panchayat Union Memorandum—in the White Paper).

It will thus be observed that the intention is that the entire range of functions at present vested in District Boards as well as in Panchayats should form a pool of functions, to be redivided between Panchayat Unions and Panchayats. There is no proposal for any new addition to or subtraction from the existing statutory position regarding the functions of local authorities.

5. *Views of the State Panchayat Union.*—The State Panchayat Union raised objection as regards the proposed division between panchayat unions on the one hand and panchayats on the other. This subject is separately dealt with under sub-item (c) of this item of the agenda.

Once it was made clear that there was no proposal (except in respect of major district roads) to take away any of the existing statutory functions, the State Panchayat Union representatives declared themselves to be satisfied.

6. *View of the Committee on Plan Projects Team.*—The Team takes the view that this combined pool of functions should be newly added to so as to "cover the development of agriculture in all its aspects, including the selection of the seed, its procurement and distribution; the improvement of agricultural practices, provision of local agricultural finance with the assistance of the Government and of the co-operative banks, minor irrigation works, the improvement of cattle, sheep, goats and poultry, the promotion of local industries, the supply of drinking water, public health and sanitation, medical relief, relief of distress caused by floods, earthquakes, scarcity, etc., arrangements in connexion with local pilgrimages and festivals, construction and repair of roads which are of local importance (other than village panchayat roads), management and control of primary schools, the fixation of wages under the Minimum Wages Act for non-industrial labour, the welfare of Backward Classes and the collection and maintenance of statistics. In addition, it will act as the agent of the State Government in executing any special schemes of development or other activities in which the State Government might like to delegate its powers to this local authority. We would strongly urge that, except where the block board is not in a position to function in any particular matter, the State Government should not undertake any of these or other development functions in the block area."

7. *Views of Officers of the Government of Madras.*—The foregoing recommendation of the Committee on Plan Projects Team was discussed in detail by a conference of Senior Officers (Chief Secretary to Government, Board Members and Secretaries to Government and Heads of Departments). The views of the conference are reproduced below :—

"(1) The conference accepts the specification of functions as contained in the Madras Government Panchayat Union Memorandum and considers it undesirable to adopt the wider specification proposed by the Team as DD6.

(2) To begin with, it will be observed that the functions proposed by the Team, include some which can and should be performed by each village panchayat separately for the village in

its charge. It is essential, therefore, that there should be a clear-cut specification of functions exclusively assigned to village panchayats and a clear-cut exclusion of them from the scope of functions assigned to panchayat unions.

(3) In the opinion of the conference, as already explained, 'democratic decentralisation' is not limited to statutory devolution (in the sense of outright transfer of power) but includes also what may be called executive delegation of agency functions, as also mere 'advisory association'. It is true that there should be no room for doubt or ambiguity about where responsibility lies on any given matter arising at any particular time and place. It follows that there should be a clear-cut differentiation between the functions which fall within the field of 'Statutory Devolution', 'Executive Delegation' and 'Advisory Association'. But it would be a grave mistake to suppose that this differentiation can be or should be effected in an identical manner in the same block at all times or in all blocks at the same time. The process of 'democratic decentralisation' must be visualised as a process of organic growth.

(4) In the opinion of the conference, the scope of 'statutory devolution' is correctly set out in paragraphs 27 to 30 of the Panchayat Union Memorandum and should be regarded as exhaustive. The Panchayat Union will be the successor of the District Board in the area in its charge. It will be only responsible for the maintenance of the educational facilities, health facilities and local communication facilities which the District Board at present provides; it will have the further responsibility of formulating the programmes of development of these facilities and execute these programmes. The funds, at present made available for expansion of these services, whether through the National Extension Service Scheme or the departmental budget will be channelled with the Block through the Panchayat Union, according to a pattern of assistance which the Panchayat Union can take into account in framing its programme.

(5) This will leave the hard core of Extension Services untouched along with the allied development schemes. These are schemes designed to bring about a progressive increase in agricultural production and the efficiency of animal husbandry. The development of co-operative organisation is organically linked to such schemes, as also schemes for the development of village industries and employment opportunities.

The Conference is of the view that there is a natural and convenient distinction within the field of what the Team calls 'development work' both 'Productive Development Schemes' and 'Social Service Development Schemes'. To begin with, the conference suggests that Government should continue to retain full

responsibility for 'Productive Development Schemes', and that the role of the Panchayat Union should be that of 'Advisory Association'.

The Chairman and the Vice-Chairman of the Panchayat Union (constituted on the lines described in the Panchayat Union Memorandum) could function as a Central Committee of the Panchayat Union, taking the place of the present Block Advisory Committees.

In respect of 'Productive Development Schemes', there should be full and free discussion between the technical officers concerned and the Central Committee of the Panchayat Union about the details of the programmes to be undertaken as well as the targets to be settled. The conference feels no doubt that this will help to formulate realistic targets, and remove many difficulties experienced at present. But, the fixation of targets for each Block should conform to the needs of National Planning; and, for that reason, the conference desires to make it clear that the responsibility for decision should rest with the Government.

(6) It will be observed from paragraph 31 of the Panchayat Union Memorandum that it is already envisaged that the Panchayat Union would have something more than advisory functions to perform in respect of matters other than those referred to in paragraphs 28 to 30. These are matters in which the Panchayat Union will be entrusted with executive responsibility, as the agent of the Government. The conference attempted to find a basis for specification of such functions. It came to the conclusion that this is best left undefined at this stage. As Panchayat Unions are formed, and as they display vitality in the performance of functions which are statutorily devolved upon them, and also acquire experience of all aspects of development work through 'advisory association', the scope for democratic decentralisation through specific delegation of executive responsibility will become evident in practice."

.8. *Provisional views of the Government.*—These are set out below :—

(1) The Government accept the view of the conference that "Democratic Decentralisation" does not necessarily consist of immediate and outright transfer of responsibility from the State Government to the Panchayat Union; it agrees that the scope of statutory devolution of Panchayat Union may, in the first instance, be limited to the development of those social services which are at present statutory responsibility of the District Boards and the Panchayats. The detailed specification of such functions is already given in the North Madurai Panchayat Union Memorandum.

(2) What exactly should be the responsibility of the Panchayat Union in respect of all other schemes of local development, more especially, schemes for the development of agricultural production? The Conference has recommended that this should be only "advisory association" to start with; and that the entrustment of specific responsibility for particular schemes through executive delegation may be visualised as a gradual development. The Conference proposes to leave this process of development of local responsibility undefined for the present.

(3) The Government is inclined to the view that there are psychological advantages in the entrustment to the Panchayat Unions of a definite measure of responsibility in respect of the formulation as well as execution of local development schemes and it is necessary that the elected representatives of the local people should realise that the credit for successful execution of local development scheme is theirs, as well as the blame for failure; it is only then that they are likely to show sustained interest as well as the willingness to take responsible decisions. These results are unlikely to be secured by mere 'advisory association'.

(4) At the same time, the Government recognises that local development schemes have to be fitted into the frame-work of the State Development Plan, just as the State Development Plan has to be fitted into the National Plan. So long as development of production has to be organised in the National interest on the basis of National Five-Year Plan, the Government must continue to retain responsibility for securing this result. They must continue to retain the powers necessary for discharging that responsibility. Government, therefore, agree that in respect of all local development schemes other than those of the nature referred to in the North Madurai Panchayat Union Memorandum, the Panchayat Union will function on the basis of 'executive delegation' subject to Government control for specified purposes. Proper provision should be made for empowering the Collector to secure such purposes, acting as the agent of the State Government in relation to Panchayat Unions.

(5) How exactly these matters should be provided for without impairing the sense of local responsibility vested in the Panchayat Union, has to be worked out in practice. The Government takes the view that the mechanics of delegation should be arrived at experimentally by trial and error during the first year or two after the constitution of every Panchayat Union. The aim should be to evolve a working system of executive delegation side by side with statutory devolution, so as to cover the whole field of local development by the end of the Second Five-Year Plan period.

9. *Points for decision by Committee.*—The Committee may now consider the views set out in paragraphs 6, 7 and 8 above and record a decision on whether (and if so, what) new additions should be made in the sphere either of discretionary functions or of agency functions.

PART II—RESOURCES.

10. *Resources of Panchayats.*—The items of revenues pertaining to Panchayats are as follows :—

- (i) House tax [section 63 (1)].
- (ii) Profession tax [section 63 (1)].
- (iii) Vehicle tax [section 63 (1)].
- (iv) Surcharge on Stamp duty on transfers of immovable property [section 63 (2)].
- (v) Land cess at three pies in the rupee of land revenue [section 63 (3) (a)].
- (vi) Land cess of six pies (one-fourth) levied under the Madras District Boards Act, 1920.
- (vii) Tax on agricultural land for a specific purpose [section 63 (3) (b)].
- (viii) Fees on Commercial crops bought and sold in the village not being a crop on which fees are levied by market committees [section 63 (3) (c)].
- (ix) Pilgrim tax.
- (x) Entertainments tax.
- (xi) Fisheries.
- (xii) Ferries.
- (xiii) Market fees, cart-stand fees and slaughterhouse fees.
- (xiv) Government grants including additional surcharge on land revenue.

11. *Resources of District Boards.*—The main sources of income of District Boards are—

(i) Education cess levied under the Madras Elementary Education Act, 1920, at the maximum rate of three annas in the rupee of land revenue in all districts except Tanjore where it is levied at two annas.

(ii) Land cess of 18 pies in the rupee of land revenue.

(iii) Compensation for loss of income from tolls and motor licence fees.

(iv) Income from items (ii), (iv), (vi) and (x) relating to Panchayats and referred to in paragraph 10 above in areas for which panchayats have not been constituted and this will dwindle as and when panchayats come into existence in those areas.

12. *Overlapping items of resources of District Boards and Panchayats.*—Items (ix), (xi) to (xiv) referred to in paragraph 10 above are overlapping items and the income is shared by panchayats and district boards on certain principles laid down in the Act or rules or orders.

13. *Proposals in the White Paper.*—Items (i), (ii), (iii), (v) and (viii) in paragraph 10 above which are exclusively allotted to panchayats will go to panchayats (paragraph 39 of the North Madurai Panchayat Union Memorandum in Appendix I-A to the White Paper). All the revenues of the district board, agricultural land tax and surcharge on stamp duty and additional surcharge on land revenue referred to in items (iv), (vii) and (xiv) in paragraph 10 above will go to Panchayat Unions (Paragraphs 41 and 43 of the North Madurai Panchayat Union Memorandum in Appendix I-A to the White Paper). It will thus be seen that the intention is that all the resources at present allotted, under existing law, to Panchayats and District Boards should continue to be available as a combined pool of resources for Panchayat Unions and Panchayats. There is no proposal to make a new addition to or subtraction from these resources on a *statutory basis*.

It is, however, explained both in the White Paper and in the North Madurai Panchayat Union Memorandum that the present system of Government grants should be liberalised. In particular, it has been proposed that, all new expenditure consequent on the implementation of the Elementary Education (Intensive Development) Scheme should be *met to the extent of two-thirds* by Government Grants; the remaining one-third being fixed by the exercise of the power already conferred by existing law to levy a "tax on agricultural land for a specific purpose". According to the White Paper, the need for increased resources is to be met primarily—

(a) by a new "pattern of assistance" involving more liberal Government Grants; and

(b) by the provision of "matching funds" through the exercise of legal powers already conferred but not used.

14. *Views of the State Panchayat Union.*—As in the case of functions, so in the case of resources the State Panchayat Union was concerned only with the division between the Panchayat Union and the Panchayats. It had no complaint to make about the combined pool of resources for the Panchayat Organisation as a whole.

15. *Views of the Committee on Plan Projects Team.*—The proposals of the Team are found in paragraph 18 at page 4 of its Draft Report. The main difference between the Team's proposal and the White Paper Proposal is found in the following extract from the Team's report:—

"A percentage of land revenue collected within the block area in the anti-penultimate year; where this arrangement is likely to cause a very substantial disparity in the incomes of the block boards, the alternative is to divide equally between all of them a portion of the State's land revenue, we recommend that in either of these cases the land revenue assigned to the block board and the village panchayat should not be less than 50 per cent of the State's net land revenue."

16. *Views of the Officers of the Government of Madras.*—The foregoing recommendation of the Team was considered in Conference of Officers of the Government of Madras whose views are reproduced below:—

"Paragraphs 39 to 43 of the Panchayat Union Memorandum (on pages 26 to 28 of the White Paper) show clearly that (i) the resources to be assigned to the Panchayat Union and the resources to be provided to the Panchayat Union in the form of a grants-in-aid have been clearly specified; and have been distinguished from (ii) the resources to be assigned to the Village Panchayat and the resources to be provided to the Village Panchayat in the form of grants-in-aid from the Panchayat Union.

The Conference considers this allocation to be *prima facie* suitable and acceptable. If experience shows the need for changes, such changes, can, no doubt, be made in due course.

(2) *Resources other than a share of the Land Revenue.*—The Conference has no comment on items (b) to (m) in the proposed list (paragraphs 18 of the Draft Chapter—I-DD of the Committee on Plan Projects Team) of financial resources of the Panchayat Union beyond observing that it is a good *illustrative* list. The Team is unlikely to have a detailed specification of financial resources for all States on a rigidly uniform basis.

(3) *Assignment of a share of the Land Revenue.*—The proposal [listed as item (a) of DD7] is that a sum representing not less than one-half of the net land revenue of the State should be made payable annually as the 'assigned' revenue of Panchayat Unions and Village Panchayats. The Conference has considered this recommendation carefully and advises that it should not be accepted.

In working out a system of financial allocation to local authorities, assigned revenues and grants-in-aid have to be balanced against each other in such a way as to secure the following results :—

(i) Inequalities of resources in relation to population should be reduced to the minimum extent necessary to ensure that the basic needs of every block can be met, if the requisite efforts were made to raise additional resources.

(ii) The representatives of the local people in every block, should be enabled to realise—

(a) that they have to shoulder the responsibility for taking unpopular decisions necessarily entailed in mobilising additional resources needed for development; and

(b) that they stand to gain by avoiding unnecessary expenditure and managing their affairs as economically as possible. If these criteria are accepted, it will be seen that the total amount of specific grants-in-aid distributed in accordance with ascertained needs should be substantially larger than the revenues assigned without relation to needs. The proposal made by the Team will leave so large a proportion of the State revenue as locally assigned revenue, that the amount available for distribution as specific grants-in-aid will be relatively small. The result will be a tendency to extravagance in the relatively richer areas accompanied by failure to make the effort needed for raising additional resources. At the same time, the poorer areas will find it impossible to provide for basic minimum needs. For that reason, they will also fail to make the necessary effort to mobilise local resources.

(4) *Grants-in-aid.*—The system of Grants-in-aid formulated in the Panchayat Union Memorandum is more specific than that proposed by the Team. It will ensure that Government grants are continued on the same scale as in a Basic Year so long as the level of expenditure of the Panchayat Union continues to be the same as in the Basic Year; and that all extra expenditure in excess of the level prevailing in the Basic Year will be met to the extent of a pre-determined proportion thereof, by Development Grants. In respect of primary education, this pre-determined proportion is to be two-thirds. In other words, the "pattern of assistance" will be clearly made known in advance. The Panchayat Union will know, in relation to any proposal for new expenditure, exactly what it can expect to get from Government and to what extent the burden will fall on local resources.

The Conference advises that this system is preferable to the one proposed by the Team.

(5) The Conference agrees that Central and State funds should be pooled together and spent in the Block area through the Block set-up."

17. *Provisional views of the Government.*—They accept the views set out in paragraph 16 above and are not in favour of allocating a share of the land revenue or of entrusting the collection of land revenue to Panchayat Unions. On the other hand they are in favour of ensuring adequacy of funds through a liberalised system of development grants linked with the provision of matching funds through mobilisation of local resources.

18. *Point for decision by the Committee.*—The Committee may consider the views set out above, and record its own conclusions.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (c)—Division of Combined Function and Resources as between Panchayats and Panchayat Unions separately.

PART I—FUNCTIONS.

1. *Division of functions proposed in the White Paper.*—All the functions of District Boards with the exception of maintenance of major district roads will devolve on Panchayat Unions constituted at block level according to a systematic programme during the next three years. Major district roads will be taken over by the Government. The mandatory functions of Village Panchayats referred to in section 50 of the Madras Village Panchayats Act, 1950, will be the functions of the Village Panchayats. All the other functions performable by the Panchayats under the Act will be vested in Panchayat Unions.

2. *Discussions with the State Panchayat Union representatives.*—(i) *Objections raised.*—The State Panchayat Union objected to the transfer to Panchayat Unions of any of the functions which are at present vested in Village Panchayats under the Madras Village Panchayats Act, 1950.

(ii) *Answer to objections.*—It was explained that the intention of the Government was—

(a) to vest in Panchayats all the mandatory functions laid down in section 50 of the Madras Village Panchayats Act;

(b) to vest in Panchayat Unions all the 'discretionary' or 'agency' functions laid down in section 51 and other sections of the Act; and

(c) to empower the Panchayat Unions to transfer to Village Panchayats on a mutually agreed basis any of the discretionary or agency functions as a function to be performed by the Panchayat acting as the agent of the Panchayat Union.

This intention was originally recorded in an earlier memorandum [vide paragraph 11 (iii) (c) at page 24 of the White Paper] but it was not brought out clearly in the White Paper proper or in the North Madurai Panchayat Union Memorandum. It was pointed out to the representatives that most of the discretionary functions (including elementary education the most important among them)

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were found to overlap with those of District Boards and that the above proposals were formulated in order to eliminate the overlap. The analogy of the provision in the Constitution regarding the division of subjects into (i) Union, (ii) State, and (iii) Concurrent lists was also pointed out to the representatives. It was explained that a somewhat similar (though not identical) division of functions was necessary as between Village Panchayats and Panchayat Unions. Thus there would be—

(a) Functions exclusively allotted to Panchayat Unions (e.g., opening and maintenance of elementary schools, maintenance of inter-village roads, dispensaries and maternity and child welfare centres);

(b) functions exclusively allotted to Village Panchayats (e.g., construction and maintenance of village streets and access roads, street lighting, cleaning of streets and latrines); and

(c) functions which would be concurrent (i.e., such of those functions as could be performed by Village Panchayats independently in individual cases or Panchayat Unions, e.g., opening and maintenance of markets, cart-stands and slaughter-houses).

(iii) *Conclusions.*—In the light of the above explanation, the representatives of the State Panchayat Union agreed to the adoption of the general principle outlined above for the purpose of division of functions. They discussed particular items, namely, elementary schools, and markets. As regards elementary schools, it was pointed out that there was need for a single authority having control over the schools and that in this view the elementary schools now maintained by some Panchayats should be transferred to Panchayat Unions along with district board elementary schools. It was also pointed out that the disciplinary control over the teachers should be vested in the Panchayat Union authorities; it might, however, be convenient to arrange that such matters as emolument, attendance, etc., in those schools and repair and maintenance of the school buildings might be undertaken by Village Panchayats on an agency basis, on behalf of the Panchayat Union. The representatives agreed to these proposals.

As regards markets the representatives were informed that the existing position would be continued; that is to say markets which are classified at present as district markets would vest in Panchayat Unions and those which are classified as Panchayat markets will continue to vest in the Panchayats. They were also informed that the existing provision regarding the control over the markets and apportionment of income therefrom between District Boards and Panchayats would also be continued. The representatives agreed to this. But they pressed that the power to enforce licensing provisions in regard to private markets whether

classified as Panchayat market or not should be transferred to the Village Panchayats. Secretary, Health, Education and Local Administration Department, agreed to consider this question.

3. *Views of Committee on Plan Projects Team.*—The Committee on Plan Projects team has recommended that the compulsory duties of the Village Panchayats should be like provision of water-supply for domestic use, sanitation, etc., which are already laid down in the present Madras Village Panchayat Act, 1950, and that the Panchayats should act as the agent of the Panchayat Unions in executing any schemes of development of other activities (paragraph 30 of Chapter I—D.D.).

4. *Point for decision by the Committee.*—The Committee may consider the proposals in the White Paper in the light of the elucidation furnished above, and the reaction of representatives of the State Panchayat Union; and decide how the division of functions between the Panchayat Unions and Village Panchayats may be provided for in new legislation to be undertaken.

PART II—RESOURCES.

5. *Division of Resources proposed in the White Paper.*—The proposals are contained in paragraphs 39, 41 and 43 of the North Madurai Panchayat Union Memorandum on pages 26 and 27 of the White Paper. According to these proposals, the receipts of the Village Panchayats are (i) house tax, (ii) profession tax, (iii) vehicle tax, (iv) one-fourth of the land cess, i.e., six pies in the rupee of land revenue levied in the village under the Madras District Boards Act, 1920 and (v) land cess of three pies. The receipts of Panchayat Unions are (i) surcharge on stamp duty, (ii) additional surcharge on land revenue, (iii) tax on agricultural land for specific purpose, (iv) income of District Board in the area.

6. *Discussions with the State Panchayat Union.*—The representatives of the State Panchayat Union pressed that the entire proceeds of the surcharge on stamp duty should continue to be credited to the Village Panchayat Funds. The principles underlying the distribution among district board of two-thirds of the proceeds of the additional surcharge on land revenue on the basis of population and mileage in their areas were explained. At present District Boards were receiving the entire surcharge on stamp duty from non-Panchayat areas and the benefit is spread over all the areas. Panchayat villages are receiving the surcharge realised in their individual villages. If every village got its own surcharge on stamp duty, there would be very considerable inequality between village and village as well as considerable variation from year to year. The question was whether inequality of receipts by various panchayats and unstability of income under the head should be continued and aggravated by changing the present system in non-Panchayat areas; or whether effect should be given to the principle of "re-distributing" taxation. The tendency of such taxation is to take more from

the rich in order to distribute more to the poor; and thus to equalise the burden for rendering services to the people as a whole. After this was explained to the representatives they agreed that the proceeds of surcharge on stamp duty and the additional surcharge on land revenue might be distributed between the Panchayat Union and the Village Panchayats as follows :—

(i) One-third of the proceeds of surcharge on stamp duty and two-thirds of the proceeds of the additional surcharge on land revenue should be retained by the Panchayat Union.

(ii) Two-thirds of the proceeds of the surcharge on stamp duty and one-third of the proceeds of the additional surcharge on land revenue should be pooled together and one-half thereof should be distributed among panchayats on the basis of population and the other half on the basis of village-road-mileage.

Some of the representatives pointed out that some Panchayats which are in receipt of large income from stamp duty have committed themselves to certain recurring expenditure such as on maintenance of over-head tanks for drinking water supply and that something should be done to avoid a financial breakdown in the case of those panchayats which had committed expenditure. Secretary, Health, Education and Local Administration Department, considered it to be reasonable that such panchayats should be given time for (say) three to five years, during which the loss of income by redistribution could be staggered.

7. *Views of the Committee on Plan Projects Team.*—The views of the Committee on Plan Projects team are contained in paragraphs 18 and 30 of Chapter I—D.D. There is no clear indication of how the team visualises resources being divided between Panchayat Unions and Panchayats.

8. *Point for decision by the Committee.*—The Committee may consider the proposals in the White Paper and decide whether the White Paper proposals (as amplified in discussion with the representatives of the State Panchayat Union) may be finalised.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (d)—Composition and functions of Council of Panchayat Unions.

PART I—COMPOSITION.

1. *Proposals in the White Paper.*—The Council of the Panchayat Union will consist of four categories of members, namely :—

- (i) Panchayat representatives;
- (ii) Co-opted Harijan Members;
- (iii) District Board representatives; and
- (iv) Ex-Officio Members.

Category (i)—Panchayat representatives.—There should be one representative for every Panchayat village of which the 1951 Census population is not less than 1,000 and not more than 3,000.

For Panchayat villages with a population exceeding 3,000 there should be two representatives. Where there are Panchayat villages each with less than 1,000 population, they should be grouped in pairs and there should be one representative for the pair of Panchayat villages. The representative chosen by each of these two villages will sit on the council and committees, in turn, during alternative years. Which of the two villages should have its turn for the first year will be settled by lot.

The choice of the representative or representatives of the Panchayats should be either unanimous or near unanimous—that is to say, the choice should be supported by not less than two-thirds of the total strength of the Panchayat. If even near-unanimity is not secured, the panchayat will be unrepresented on the Panchayat Union Council and its committees until such time as it is able to achieve at least near-unanimity.

Category (ii)—Co-opted Harijan Members.—There should be at least one Harijan member for every Panchayat Union Circle. If this number is not secured, a Harijan Member should be co-opted as a member of the Council, by all Panchayat representatives on the Council. The co-opted Harijan member of every panchayat union circle should be a member of one of the Village Panchayats of the Panchayat Union Circle.

Category (iii)—District Board representatives.—The members of the District Board representing the District Board circles in the Block will be the representatives of the District Board on the Council.

Category (iv)—Ex-Officio members.—(a) The member of the Legislative Assembly representing the constituency in the Block will be ex-officio member of the Council.

(b) The Block Development Officer appointed by the Government and having jurisdiction over the Panchayat Union area will also be ex-officio member of the Council.

NOTE.—The proposal regarding category (ii) will need modification if Circle Committee are not be constituted. The proposal regarding category (iii) was made when the future of the District Boards was left undecided. It will require reconsideration in the light of final decisions to be taken on District Boards.

2. *Views of the Committee on Plan Projects Team.*—The Committee on Plan Projects Team has referred to the suggestion of the Taxation Enquiry Commission that the functions, finances and taxation powers of the higher body than the Village Panchayat should be co-ordinated with those of the Village Panchayats whose growth and efficiency will be one of the functions of the higher body. The Committee feels that this would be secured by prescribing that the Panchayat Union should be constituted by direct elections from the Village Panchayats. The Panchayats within the block area can be grouped together in convenient units, which can

be village-level workers' circles and the presidents of all the Panchayats in each of these units shall elect from amongst themselves a person to be a member of the Panchayat Union. The committee considers that such elected representatives should be about 20 in number in each Panchayat Union. These elected representatives will co-opt two women who are interested in work among women and children. When the population of Scheduled Castes exceeds five per cent of the total population of the block and no member of Scheduled Caste has been elected, one person belonging to the Scheduled Caste shall be co-opted; and similarly one member of the Scheduled Tribes. In scheduled areas adequate safeguards should be provided to ensure that the tribal population is adequately represented.

If at least 3½ per cent of the total number of adults in a Panchayat Union is on the register of functioning co-operatives, then a number of seats being equal to 10 per cent of the seats filled by election from Village Panchayat shall be filled by election from amongst themselves by the Directors of all these co-operatives. As the number of adults involved in the Co-operatives increases, the State Government may consider the desirability of altering this number. No other interest will be represented by special provision for election, co-option or ex-officio.

3. *Views of State Panchayat Union.*—With reference to the recommendation of the Study Team of the Committee on Plan Projects, the question whether any seat on the Panchayat should be reserved for women or co-option of women member on the Panchayat may be made was put to the representatives of the Panchayat Union. They preferred the system of co-option of one woman member, if there was none already elected to the Panchayat; as it would be difficult to reserve a seat for a woman in any particular ward. The lady representative present, however, suggested that, in giving representation to women on the panchayat, two women might be co-opted, if co-option was resorted to, as women are not forward at present and as one woman might not attend panchayat meetings unless there was a woman companion on the panchayat.

NOTE.—In the course of discussion of this subject, the question of Scheduled Castes was also referred to. The representatives of the State Panchayat Union expressed their view that the existing provision for reservation of seats for Scheduled Caste candidates might be continued as such so long as similar provision existed in elections to the State Legislature and Parliament; and that a change of system at this stage would be undesirable and should not be made).

A point was raised why it is proposed to make the Block Development Officer, ex-officio member while the Municipal Commissioner is not such a member on the Municipal Council. The reply was given that the Block Development Officer would be a non-voting member and that, if it was considered that even this normal difference should not exist the provision could be dropped and the Municipal law could be followed in entirety.

4. *Other views.*—A member of the Legislative Assembly suggested that the President of the Village Panchayat might himself be the Panchayat representative on the Panchayat Union Council. There was another suggestion that the Panchayat representative might be directly elected by the entire electorate.

5. *Point for decision by the Committee.*—The Committee may consider the proposals in the White Paper in the light of the further facts mentioned above, and decide whether, and if so what, changes may be made in the proposals.

PART II—FUNCTIONS.

6. *Proposals in the White Paper—Council of the Panchayat Union and its Chairman.*—The local administration of the Panchayat Union area shall vest in the Panchayat Union Council constituted therefor. The Council of the Panchayat Union shall meet twice in a year, once for sanctioning the budget for the ensuing year and again for considering the administration report of the preceding year. The Chairman of the Panchayat Union Council shall convene the meetings of the Council and every meeting of the Council shall be presided over by the Chairman and in his absence by a Vice-Chairman in order of seniority. If, for any special reason or for a specific purpose (other than the two foregoing), the Chairman considers that the Panchayat Union Council should meet, he may (with the concurrence of the six Vice-Chairmen) convene a meeting of the Council.

No matter requiring consideration, sanction or decision by the Council shall be placed before it, unless it has been placed before the Circle Committee concerned and its recommendations taken.

The Panchayat Union is to function in exactly the same way as if it were a rural municipality. Therefore, the functions of the Council of the Panchayat Union should be exactly the same as those of a Municipal Council. Under the present law, a Municipal Council is expected to meet at least once in a month. This was felt to be unnecessarily frequent. So, the provision was made that the Panchayat Union Council should meet twice in a year, once for sanctioning the budget and second time for considering the administration report. It is not the intention that there should be any legal bar to the Council meeting at other times also if there was any special reason or any specific purpose.

7. *Point for decision of the Committee.*—The Committee may discuss and decide whether the proposals in the White Paper may stand.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (e)—Composition and functions of Standing Committees of Panchayat Union.

1. *Need for Standing Committees.*—The Panchayat Unions as proposed to be constituted will include representatives of every panchayat in the Union area and consequently it will consist of a

large number of members as many as 60 or 70 members. It will be difficult for such a large body of members to meet often, discuss and decide on all matters. A compact body consisting a few selected members would be necessary to discuss and decide simple and unimportant matters and to discuss and make recommendations to the Council on important matters. It is in this view that the idea of Standing Committee was conceived. Such Standing Committees were in existence in district boards and continue to exist in the Council of the Corporation of Madras.

2. *Constitution of Standing Committees.*—Having decided on the need for Standing Committees, the question arose whether they may be constituted on functional basis or on a territorial basis. The advantages of having Standing Committees on a territorial basis are (i) that every Panchayat would be individually represented, (ii) meetings would be held at circle headquarters which would be nearer than Block headquarters and consequently held more easily and more often than otherwise, and (iii) there is little scope for specialization in the work of the Panchayat Union and representatives are likely to be interested in all subjects equally. Before the North Madurai Panchayat Union Memorandum was drafted the local leaders of the people were consulted and they preferred the territorial basis to the functional basis. Accordingly the block was divided into six circles for purposes of constituting Standing Committees, on a territorial basis.

3. *Result of the discussions with the State Panchayat Union representatives.*—The State Panchayat Union passed a resolution at its Conference stating that there is no need to have Circle Committees between individual Village Panchayats and Block Unions and requesting Government that in order to carry on the administration efficiently and effectively and to enable the conduct of meetings often, an executive committee consisting of 15 members elected by the Panchayat Union Council may be constituted. During the discussion, the representatives were informed that the Circle Committees were intended only as Standing Committees of the Panchayat Union Council to perform its functions and that originally it was proposed to have a Central Committee consisting of the Presiding Officers of the Circle Committees and the Chairman of the Panchayat Union Council besides the territorial Committees.

Later the Central Committee was dropped, because the question whether Circle Committees constituted on territorial basis or functional Committees were preferable came to be considered. The advantages of the Circle Committees are (a) that every Panchayat would be individually represented; (b) meetings would be held at Circle headquarters; which would be nearer than Block headquarters; and consequently they can be held more easily and more often than otherwise and (c) there is little scope for specialization in the work the Panchayat Union and representatives are likely to be interested in all subjects equally.

Originally it was the idea that the Chairman of the Panchayat Union and the Chairman of these Circle Committees should constitute a Central Committee to serve as a Standing Finance Committee. But this was not finally proposed for the reasons that Committees at two levels might be found to be too complicated to understand and work.

There are, of course, the advantages of simplicity (and possibly also greater efficiency) in establishing only one multipurpose Standing Committee. But it was apprehended that elections to this Committee would introduce an apple of discord and lead to complaints that members of the Committee were favouring their own villages unduly.

After discussion, the following proposals emerged as most likely to be satisfactory :—

(i) There is to be only one Committee (which may be referred to as the Managing Committee of the Panchayat Union).

(ii) Its strength should be fixed at *one-fourth* of the number of Panchayat Villages.

(iii) Panchayat Villages may be grouped in units of five each; and each village may take its turn every year (the turn being settled in advance for five years by lot).

The Councillor representing the village will be the member of the Managing Committee in its turn.

The final solution will probably be to set up such a Managing Committee by provision in the Act itself; and give freedom to the Panchayat Union Council to set up other Committees on either a functional or territorial basis, as may be indicated by experience to be necessary or convenient.

4. *Point for decision by the Committee.*—The Committee may decide whether the proposals emerged after discussions with the State Panchayat Union representatives may be accepted.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (f)—Panchayat Union Establishment (including relationship of National Extension Scheme establishment with Panchayat Unions).

1. *Proposals in the White Paper*—(i) (a) *Teaching staff.*—The teaching staff of district boards working in the schools transferred to the Panchayat Union will be transferred along with the schools. The scales of staff for schools will be according to the instructions issued by the Director of Public Instruction.

(b) *Other staff employed and paid by Panchayat Union.*—There will be ministerial staff forming general office establishment and the scale of such staff will be fixed by the Collector. Necessary subordinate engineering staff of overseers, draughtsmen and

maistries also will be sanctioned on a scale fixed by the Collector. Under Public Health there will be vaccinators and midwives borne on the Panchayat Union establishment.

Appointments to posts borne on the Panchayat Union establishment will be made by a Committee consisting of the Chairman of the Union Council and the Commissioner (Block Development Officer) subject to the same conditions and restrictions as may be applicable to appointments made by Presidents of District Boards.

(ii) *Services of Government servants placed at the disposal of Panchayat Union, free of charge—Extension Service Officers—*(i) *Block Development Officer and Village Level workers.*—The services of the Block Development Officer, and the village level workers will be placed at the disposal of the Panchayat Union and the Village Panchayats. The Block Development Officer will, as already stated, be the Panchayat Union Commissioner. The village level workers will perform such functions as may be assigned to them by the Block Development Officer.

(ii) *Extension Service Engineer or Supervisor.*—The Engineering Supervisor serving as Extension Officer will be the Engineer of the Panchayat Union. In relation to the Panchayat Union, he will perform the same functions and exercise the same powers as a Municipal Engineer in relation to a Municipality.

(iii) *Social Education Organizers.*—The Services of the Social Education Organizers will be placed at the disposal of the Panchayat Union.

All these services will be made available free of cost to the Panchayat Union and the Village Panchayats.

(iv) *Other Extension Officers.*—The question of utilizing the services of the Extension Officer for Agriculture, Animal Husbandry and Co-operation, will be considered separately.

(iii) *Special provision for tax collection services.*—The services of village officers will be utilized for collection of taxes on payment of a commission of 6½ per cent of the collections—Vide paragraph 44 of the White Paper (Memorandum outlining the proposed constitution of North Madurai Panchayat Union Memorandum). The Village Officers will, for this purpose also, be under the direction and control of the officers of the Revenue Department. The Village Panchayat and the Panchayat Union will have no control over them. The gross collections by the village Officers should be remitted into the treasury and they should draw their commission from the treasury under the orders of the Tahsildar.

2. *Views of the State Panchayat Union.*—The President of the State Panchayat Union stated that the Conference had recommended that the Block Development Officer should be the Secretary

of the Panchayat Union Council. Secretary, Health, Education and Local Administration Department, explained during the discussion that, though the views of the Ratnasabapathi Mudaliar Committee were in favour of making a change in the case of district municipalities on the lines now proposed by the Conference, the Government were not in favour of making a change, mainly for the reason that a non-official would not be in a position to devote full attention to the day-to-day administration and that a whole-time paid officer who would run the executive administration without fear or favour would be necessary. The intention was to place Panchayat Unions on exactly the same footing as Second Grade Municipalities in all respects, no more and no less. The representatives then agreed that if the Panchayat Union Council and its Chairman were placed in the same relation to the Panchayat Union Commissioner as the Municipal Council and its Chairman to the Municipal Commissioner, they had no objection to raise. One member expressed the doubt whether the existing Block Development Officers would be efficient and suitable for doing duties as Commissioners of Panchayat Union. The Secretary, Health, Education and Local Administration Department stated that when recruitment to new posts like Block Development Officers was made on a large scale, not all would be of the same calibre; and expressed his confidence that the cadre as a whole, will prove satisfactory for the purpose in view. With reference to the principle that the Block Development Officer would be exactly in the same position in his relationship with the Panchayat Union Council as the Commissioner of a Second Grade Municipality, one member raised the point whether the Block Development Officer is proposed to be made "Ex-Officio" member of the Panchayat Union Council, while the Municipal Commissioner is not such a member. The Secretary, Health, Education and Local Administration Department stated that he was to be a non-voting member, but if they thought even this nominal difference should not exist the provision can be dropped. The Municipal law can be followed in entirety.

3. *Views of the Committee on Plan Projects Team.*—The Panchayat Union will have two sets of Officers, i.e., those at the block-level and those at the village-level. The former will include the chief officer or the executive officer and various technical officers in-charge of agriculture, roads and buildings, irrigation, public health, veterinary, co-operation, social education, primary education, etc., the chief officer will replace the present Block Development Officer and will be statutorily vested with administrative powers subject of course, to necessary checks; the others will be the equivalents of the present extension officers. All of them will be drawn from the corresponding State cadres and will be lent to the Panchayat Union by the State Government, which will meet the cost of their pay, dearness allowance and pension and leave contributions; the Panchayat Union will meet the expenditure on

the current allowances, like travelling allowance, which will be at rates prescribed by the State Government. They will be transferable by the State Government or by the heads of departments. The Village-level Officers like the village-level workers, the primary school teacher, etc., will similarly be recruited and appointed by either the district council or the State Government, as is found most convenient, and lent to the Panchayat Union on terms similar to those suggested for the block-level officers. They will be transferable by the Chief or executive officer.

4. *Point for decision by the Committee.*—The Committee may discuss and decide whether proposals in the White Paper may stand or whether any, and if so, what modification may be made.

AGENDA ITEM NO. 4—PANCHAYAT UNIONS.

Sub-item (g)—Question of Class I Panchayats in relation to Panchayat Unions.

1. *Preliminary.*—This sub-item has to be considered, bearing in mind sub-item (a) of item 5 as well as sub-item (a) of item 6 of the agenda—all of which are inter-connected.

2. *Issue for consideration.*—Under section 5 (1) of the Madras Village Panchayats Act, Panchayats with jurisdiction over a population estimated at not less than 5,000 and with an estimated annual income of not less than Rs. 10,000 are classified as Class I Panchayats. *The issue for consideration under this sub-item is whether all, or some, or none, of these Class I, Panchayats should be constituent members of the Panchayat Union.*

3. *White Paper proposal.*—The question did not arise in North Madurai, as there was no Class I Panchayats in the Block. No specific proposal is made in the White Paper. Originally, however, when the proposals were worked out on the basis of a Panchayat Union being constituted at Circle level (i.e., one-fifth of a Block) it was suggested that "Panchayat Towns" should be distinguished from "Panchayat Villages", as the present distinction between Class I Panchayats and Class II Panchayats changed into "Town Panchayats" and "Village Panchayats"; and that the former should be excluded from Panchayat Unions and the latter alone included.

This suggestion, however, calls for reconsideration in the light of the basic decision that Panchayat Unions should be constituted at Block level.

4. *Views of the Committee on Plan Projects Team.*—These are reproduced below :—

"We have noticed that the similar municipalities, especially those with populations of less than 10,000 are substantially rural in character. Their municipal constitution, however, deprives them of that administrative contact with the surrounding rural

areas which we consider essential for the development of both. We, therefore, recommend that each of such municipalities which lie as enclaves within the jurisdiction of a block should be entitled to elect from amongst its own members one person as a member of the Panchayat Union. We would also suggest that wherever possible State Governments may convert such predominantly rural municipalities into Panchayats".

5. *Views of the Conference of Officers of Madras Government.*—With reference to the foregoing, the Conference recorded its views as below :—

"In this State, all municipalities (except three) have a population exceeding 20,000. The Team is evidently not referring to them but rather to the places which are referred to, in this State, as, either, 'Class I Panchayats' or 'Townships'.

The Conference agrees that there should be statutory provision for incorporating them as constituent members of a Panchayat Union, with suitable representation on the Council.

This should, however, be an enabling provision only. It should not be automatically applied in every cases. Government should have discretion to decide whether to incorporate or not, in cases in which objection is raised either by the Panchayat Union or by the Class I Panchayat or Township concerned."

6. *Suggestions for consideration by Committee.*—(i) Any locality which is classified as a "Town" according to the All-India Census, may be referred to as "Panchayat Town", if a Municipality is not constituted for it. All other localities for which Panchayats are constituted may be referred to as "Panchayat Villages". The Panchayats constituted for these two categories of localities may be distinguished from one another as "Town Panchayats" and "Village Panchayats" respectively.

(ii) "Panchayat Towns" may be classified as Class I or Class II, according to the limits of population and revenue laid down under the present Act.

(iii) "Panchayat Villages" may be classified as Class I, Class II or Class III according to limits to population only as below :—

Class I.—Above 3,000.

Class II.—Between 1,000 and 3,000.

Class III.—Between 500 and 1,000.

(iv) All Panchayat Villages (irrespective of class) must be incorporated within the Panchayat Union.

(v) All Panchayat Towns of Class II must be incorporated within the Panchayat Union.

(vi) In respect only of Panchayat Towns of Class I, provision for incorporation as constituent member of a Panchayat Union should be made; subject to discretion being given to Government to decide whether to incorporate or not in those cases where objection to incorporation may be raised either by the Panchayat Union or by the Town Panchayat concerned.

7. *Point for decision by the Committee.*—The Committee may consider all the views and suggestions made above and decide the question raised in this sub-item.

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (a)—Basis of distinction between Class II and Class I Panchayats.

1. *Retrospect.*—The Madras Local Boards Act, 1884, provided for the constitution of Unions in *small towns and large villages* mainly for the purpose of looking after village roads, sanitation and lighting. Most of these Unions now fall under the category of Class I Panchayats. After the visit of the Royal Commission on Decentralisation, the Government decided to constitute *informal panchayats*, under the control of Collectors with the local village-headman as ex-officio Chairman. About 1,000 of these informal panchayats were accordingly constituted; but their position was unsatisfactory, as they had no statutory basis. The Madras Village Panchayats Act was passed in 1920 giving statutory backing to Village Panchayats. In 1928, the number of such panchayats had increased to nearly 3,000. But in 1930, these Village Panchayats were brought within the ambit of the Madras Local Boards Act, 1920 and placed on the same footing as the "Unions". In 1950, both these Village Panchayats and the Unions were removed from the ambit of the Madras Local Boards Act, 1920 and brought under the Madras Village Panchayats Act, 1950. It was in this Act that the distinction as Class I and Class II Panchayats was made.

2. *Basis of classification at present in force.*—Panchayats with jurisdiction over a population estimated at not less than 5,000 and with an estimated annual income of not less than Rs. 10,000 are Class I Panchayats and the rest are Class II. The minimum population for a Panchayat Village is 500.

3. *Practical differences between the two classes*—(i) *Executive Authority.*—Under the Act, the term executive authority means—

(a) in the case of Panchayat having an *Executive Officer*, the Executive Officer and if there is no Executive Officer in charge, the President of the Panchayat; and

(b) in the case of any other panchayat, the President thereof. The Act empowers the State Government to appoint a *Whole-time Executive Officer* for any Panchayat which may be notified by them in that behalf.

In actual practice, all Class I Panchayats have been notified for appointment of Executive Officers and the Executive Authority in the case of Class I Panchayats is therefore the Executive Officer and not the President.

All Class II Panchayats (except about half-a-dozen panchayats) whose administration by the Presidents was considered to be not satisfactory and which have been notified for appointment of Executive Officers have their Presidents as the Executive Authorities.

(ii) *System of election.*—In the case of Class I Panchayats the elaborate system of conducting election under the Secret Ballot system applicable to municipalities is followed while in the case of Class II Panchayats elections were conducted up to now by show of hands. It has been decided that a simplified system of voting by secret ballot should be introduced in the Class II Panchayats; and yet the elaborate system prescribed for Class I Panchayats which is a costly affair will not be followed.

(iii) *Nature of resources.*—In the case of Class I Panchayats, the house-tax and the entertainments tax and income from remunerative enterprises especially markets form the important sources of revenue like municipalities while Class II Panchayats mainly depend upon income from the levies on agricultural lands like land cess and surcharge on stamp duty.

(iv) *Audit.*—The accounts of all Class I Panchayats are audited by the Local Fund Audit Department, while in the case of Class II Panchayats, the District Panchayat Officers and the Deputy Panchayat Officers are the auditors.

(v) *Amenities.*—Several Class I Panchayats have necessarily to undertake the provision of protected water supply, proper system of drainage, provision of improved surfacing to streets like municipalities in view of their urban character. In the case of most of the Class II Panchayats these may not be very essential.

4. *Question of conversion of Class I Panchayats into Municipalities.*—It has been suggested by some members of the Legislature that all Class I Panchayats might straightaway be converted into municipalities. It is a fact that many Class I Panchayats possess the characteristics of medium-sized municipalities regarding area, population and income. No new legislation is necessary for this purpose and the Government will be prepared to make the change if the local people desire it. The difficulty generally has been not the reluctance of Government to sanction the change, but the existence of differences of opinion among the local people who fear that they will be subject to additional taxation, if their Panchayat is converted into municipality. Whether this position should be changed is examined as sub-item (a) of item 6 of agenda and may be considered separately.

5. *New classification suggested under sub-item (g) of item 4 of agenda.*—If the suggestions in paragraph 6 of the note under sub-item (g) of item 4 are accepted, the position will be as follows :—

There will be two categories of panchayats, namely, Town Panchayats and Village Panchayats. Town Panchayats will comprise two classes as at present, i.e., Class I having a population exceeding 5,000 and income exceeding Rs. 10,000 and the rest Class II. Village Panchayats will comprise three classes according to population only. The position in respect of Class I Town Panchayats will be the same as that of the present Class I Panchayats. The position in respect of Class II Town Panchayats and all the three classes of Village Panchayats will be similar to that of the present Class II Panchayats.

6. *Point for decision by the Committee.*—The Committee may consider the proposals above and decide the issues involved.

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (b)—Delimitation of Panchayat Villages.

1. *Position under the Act.*—Prior to the passing of the Madras Village Panchayats Act, 1950 (which came into force on 1st April 1951), Panchayats could be constituted for any local area, whether it is a revenue village or part of a revenue village or more than one revenue village. In 1950, an element of rigidity was introduced into this provision. Under section 3 read with section 2 (22) of the Act, it is mandatory to have a Panchayat for every revenue village and a revenue village can be neither split nor grouped unless it has a hamlet in existence at the commencement of the Act which can be notified as a revenue village for the purposes of the Act or its population less than 500 when it can be grouped with another revenue village. In order to enable the grouping of two revenue villages, each having a population of just over 500, to form a panchayat and for grouping the hamlet of one revenue village with another revenue village for purposes of forming a Panchayat, the provisions of the Act have been made flexible by the removal of the rigidity introduced by the 1950 Act. According to the amendment recently made, a Panchayat may be constituted for a single revenue village or a portion of a revenue village or for more than one revenue village or for portions of revenue villages but the existing minimum population of 500 for the constitution of panchayats has been retained.

2. While the existing statutory minimum population limit of 500 is proposed to be continued, Government propose to secure by executive instruction that a higher minimum, viz., 1,000 is observed in practice, as far as practicable. Panchayats for villages with population between 500 and 1,000 will not be legally barred, but should not be constituted except with the special sanction of Government and such sanction should not be granted unless there are special circumstances justifying the course proposed.

3. *Point for decision by the Committee.*—The Committee may decide whether the proposals may be finalised as above; or whether any (and if so what) modification is called for.

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (c)—Number of members and delimitation of wards.

1. *Existing position.*—According to section 6 of the Madras Village Panchayats Act, 1950, the maximum strength of Panchayats is 15, while the minimum is 5. A Class I Panchayat village is divided into not less than five wards and a Class II Panchayat village is divided into two wards, if it has a population of 1,000 or less and into not more than five wards, if it has a population of more than 1,000. The Act therefore contemplates the creation of Plural member constituency in Class II Panchayats.

2. *Proposal.*—While dividing a panchayat into wards, care is taken to see every ward is as far as possible a compact (and identifiably distinct) residential area with not less than 100 registered voters residing therein. It is proposed to fix the strength of Class II Panchayats in accordance with the following scale :—

Above 500 but below 700	..	5
Above 700 but below 900	..	6
Above 900 but below 1,100	..	7
Above 1,100 but below 1,300	..	8
Above 1,300 but below 1,500	..	9
Above 1,500 but below 1,700	..	10
Above 1,700 but below 1,900	..	11
Above 1,900 but below 2,100	..	12
Above 2,100 but below 2,300	..	13
Above 2,300 but below 2,500	..	14
Above 2,500	..	15

The number will be allocated among different wards as nearly as may be in proportion to the number of registered voters and not more than five members representing each ward.

3. *Comments on proposals.*—Increase in the number of members is the first among a series of changes which were designed in order to promote co-operative leadership and discourage faction. In a village with 2,000 population there would be roughly 400 families. As they would be entitled to return 12 members there will be roughly one member for between 30 or 40 families. On this basis, it should be possible in most cases for members being elected without any contest. The new scale was adopted in the case of 30 newly constituted panchayats in the North Madurai Panchayat Union area. The entire series of elections took place in an atmosphere of exceptional goodwill and cordiality. There was no contest at all except for membership of two panchayats and even here the elections were held amicably.

4. *Point for decision.*—The Committee may decide whether the proposals referred to in paragraph 2 above may be confirmed.

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (d)—System of election and tenure of office of members.

1. *Present system of election.*—The election of members to Class II Panchayats is now conducted by the system of "Open Voting" or "Show of Hands". Though the system has some inherent defects, its chief merit lies in its simplicity. It is also less expensive. The formalities connected with elections to the Legislature or Municipalities entail so much printing and take up so much time of higher officers, that they cannot be satisfactorily reproduced where several thousands of villages are simultaneously involved. At the same time the absence of secrecy in the existing system is, undoubtedly, a defect, and it has attracted widespread criticism. As a result of the discussions that took place in both the Houses of the Legislature when the Madras Village Panchayats (Amendment) Bill, 1957, was considered, the Government agreed that the present system of open voting should be given up and a new system devised which should ensure secrecy. It was also decided that the new system should be introduced in the forthcoming ordinary elections to Panchayats next year. The rules are being amended in this regard separately, after preliminary consultations with the State Panchayat Union.

2. *New system of election now proposed*—(i) *Existing Rules.*—The provisions of the existing rules for the conduct of elections to Class II Panchayats as follows:—

(i) Notice of election should be published not less than 10 days before the date of election.

(ii) The Election Officer or the person deputed by him for the purpose shall preside at the meeting of the electors and conduct the election.

(iii) The Election Officer or person deputed by him who will be the presiding officer as the case may be shall exclude from the place of election all persons who are not entitled to vote or to stand as a candidate and he shall then and there hear and decide any objection to the admission or exclusion of persons and his decision shall be final.

(iv) Every candidate shall be proposed by one elector of the ward and seconded by another such elector and the presiding officer shall note down the names so proposed and seconded.

(v) The presiding officer shall *suo motu* or on objection taken by any of the electors present reject the nomination of any candidate on the prescribed grounds.

(vi) The presiding officer shall read out the names of the candidates whose nominations have been accepted by him.

(vii) If a poll has to be taken, the presiding officer shall ascertain by show of hands or otherwise how many of the electors present and entitled to vote at the election for the ward are in

favour of each of the candidate and shall declare the candidate to whom the largest number of votes have been given to have been duly elected.

(ii) *Proposals.*—Under the proposed rules no change is contemplated in respect of items (i) to (iii) and (v) in paragraph (i) above. As regards item (iv) it is proposed to make provision in the rules for the following:—

(a) Nomination of candidates shall be made on the day previous to the date of election.

(b) Any candidate may withdraw his candidature by notice in writing signed by him and delivered to the presiding officer at any time after proposing his nomination and not later than 6 a.m. on the date of election.

(c) At or before the time of proposing the nomination, each candidate wishing to stand for election shall deposit with the presiding officer in cash a sum of Rs. 5 if he is a member of the Scheduled Caste and Rs. 20 in other cases.

(d) The deposit of a candidate who has polled less than one-eighth of the total number of votes in that ward divided by the number of members to be elected shall be forfeited to the Panchayats concerned.

In regard to items (vi) and (vii) it is proposed to provide for a polling booth, ballot boxes and ballot papers and to assign distinctive symbols to different candidates as in the case of secret ballot system.

3. *Tenure of office of members.*—The term of office of members of Panchayats is three years. The Madras Village Panchayat Act, 1950, has recently been amended increasing the term of office of members to five years. It is also proposed to increase the term of office of municipal councillors and councillors of the Corporation of Madras to five years. It is considered that a five year term will enable the members of panchayats to chalk out programmes for the development of the villages and see to the fulfilment of programmes before laying down their offices. As even more important reason is the need to avoid the holding of too many elections in quick succession. The longer term will enable the Government to arrange the elections to local bodies that they will fall in between the elections to the State Legislature and Parliament. When this subject was debated in the Legislature, there was a marked divergence of opinion.

The Committee will, therefore, like to rediscuss this question.

4. *Points for decision by the Committee.*—(i) The Committee may decide whether the secret ballot system may be finalised as now proposed; (paragraph 2 above); and

(ii) whether the term of office of members may be continued as five years (paragraph 3 above).

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (e)—System of election and tenure of office of Presidents and Vice-Presidents.

1. *Indirect election versus direct election of President.*—Prior to 1st April 1951 (the date on which the Madras Village Panchayats Act, 1950, came into force), the President of a Panchayat was one elected by the members of the Panchayats from amongst themselves, and he would cease to be the President, if he cease to be a member of the Panchayat. The Madras Village Panchayat Act, 1950, completely changed this provision. A member of the Panchayat is prohibited from standing for election as President; the President is elected by the entire electorate of the village. The President is an ex-officio member of a Panchayat and a person standing for election as president cannot stand for election as a member. At the last session of the Legislature, the Act was amended and the position prior to 1950 has been restored.

2. *Differences of opinion.*—The debates in the Legislature showed that there was a sharp difference of opinion when the change was first made in 1950, and there is a similar difference of opinion now. The main points urged in favour of each of the two systems are set out below :—

I. *Points urged in favour of indirect election.*—(i) The Panchayat is intended to function collectively as one unit. The President is only the first among equals; and is not intended to be a separate authority standing apart from and above the panchayat. This intetion is likely to be promoted by indirect election and hindered by direct election.

(ii) In villages where there is an outstanding leader, the difference between the two systems does not matter; as he would become President without serious contest on either basis. The problem arises in those villages (and they are many) where there is more than one leader and none is outstanding. In such cases, direct election to the office of President is bitterly contested every voter in the village is forced to back one or the other, with resultant aggravation of faction in the village. This ill-feeling thus generated lasts longer in villages where every one knows every one else than in larger constituencies. It is necessary that this evil should be avoided.

(iii) The system of indirect election is the normal method of choosing Chairmen of Municipal Councils and Presidents of District Boards. There is no good reason why a different procedure should be followed in respect of Panchayats only.

II. *Points urged in favour of direct election.*—(i) Direct election is more democratic than indirect election.

(ii) Under a system of indirect election a candidate for the office of President may succeed, by unduly influencing a relatively small number of Panchayat members. Under a system of direct election, he cannot succeed by resorting to mal-practices. He must enjoy the confidence of a majority of the village people.

(iii) Under a system of direct election, a candidate has to seek the suffrage of voters belonging to all communities and all income-groups. Therefore the system is likely to foster unified leadership and discourage factions.

NOTE.—So far as the elections due to be held in 1958 are concerned Presidents will be chosen by indirect election. The Committee will no doubt like to rediscuss the subject with a view to settle the permanent provision to be made by new legislation for the future.

3. *Question of removal of President on a no-confidence motion.*—Either before the passing of the Madras Village Panchayats Act, 1950, or thereafter, no provision has been made for the removal of the President of a Panchayat on a no-confidence vote. During the discussion of the Madras Village Panchayat (Amendment) Bill, 1957, opinions were expressed that such a provision should be made; but in the Bill as finally passed by the Legislature no provision was made in this regard.

4. *Vice-President.*—Under the Act, the Vice-President shall be elected by the Panchayat from among its members. He will cease to hold office on the expiry of his term of office as a member or on his otherwise ceasing to be a member or on his election as President.

5. *Points for decision by Committee.*—The Committee may discuss and decide the issues involved under this item.

AGENDA ITEM NO. 5—CLASS II PANCHAYATS.

Sub-item (f)—Mode of representation of Panchayat on Panchayat Union Council.

1. This has been dealt with as sub item (f) of item 4 of Agenda.

2. It may be considered whether the conclusions reached therein call for reconsideration in the light of such conclusions as may be subsequently reached under sub-items (d) and (e) of item 5 of the agenda.

AGENDA ITEM NO. 6—CLASS I PANCHAYATS.

Sub-item (a)—Basis of distinction between Municipalities, Class I Panchayats and Townships.

1. Panchayats have been divided into Class I and Class II for the first time under the Madras Village Panchayats Act, 1950 (vide section 5 under which Panchayats with jurisdiction over a population estimated at not less than 5,000 and with an estimated annual income of not less than Rs. 10,000 are Class I Panchayats and the

rest Class II Panchayats). There are at present 300 Class I Panchayats in the State. Most of these would be ex-Union Panchayats constituted under old Madras Local Boards Act, 1884, for *smaller towns* and *larger villages*. Under this 1884 Act, any village or villages or any portion or portions thereof could be declared as "Union" and for each Union a Panchayat was established to have authority over the Union. The Panchayat was the agent and under the control of the taluk board. In 1920, when the law relating to local boards was consolidated and amended and the Madras Local Boards Act, 1920, was passed, these Unions were kept within the purview of that Act, though a separate Madras Village Panchayats Act was passed in that year.

2. These Class I Panchayats possess urban characteristics and are comparable to medium-sized municipalities as regards area population and income. Municipalities are constituted for areas which are predominantly urban in character. There is no hard and fast rule about the area, population and income which a place should possess for conversion into a municipality.

3. It was suggested by some representatives of the State Panchayat Union who met officials of Health, Education and Local Administration Department that Class I Panchayats which were classified formerly as Union Boards might be converted into municipalities. The Ratnasabapathi Mudaliar Committee also recommended that all Class I Panchayats with a population of 20,000 and above should automatically be raised to the status of municipalities. A list of such Class I Panchayats is furnished in Annexure. But this could not be done due to the opposition from the local public and not due to the reluctance on the part of the Government.

4. Townships are constituted for an area which is quite distinct from neighbouring areas. Provision has recently been made in the Madras Village Panchayats Act for the constitution of Township Committees for industrial, labour or institutional colonies declared as such by the Government. The townships will also be governed by the provisions of the Madras Village Panchayats Act or Madras District Municipalities Act or other enactments, but their constitution and functions will be such as to cater to the special needs of the locality.

5. The Committee may consider this subject in the light of such conclusions as may have been reached by it under sub-item (g) of item (4) and sub-item (a) of item 5 of agenda. If the proper distinction between Town Panchayats and Village Panchayats as well as between Class I Panchayats and Class II Panchayats is accepted, the only remaining question will be the basis of distinguishing between Town Panchayats Class I and Municipalities. Should there be a population limit and/or a Revenue limit above which Towns should be automatically incorporated as Municipalities? If

so, what should these limits be? Or may the present undefined position continue? The Committee may record its answers to these questions.

ANNEXURE.

List of panchayats with a population of 20,000 and above.

<i>Name of Panchayat.</i>	<i>Population.</i>	<i>Name of Panchayat.</i>	<i>Population.</i>
1 Arcot	21,124	12 Dharmapuri	24,094
2 Arkonam	23,032	13 Idappadi	23,437
3 Nellikuppam	20,695	14 Namagiripet	21,340
4 Poonamalle	20,677	15 Koilpatti	26,038
5 Tiruvottiyur	22,393	16 Tenkasi	21,074
6 Valparai	62,064	17 Ambasumudram ..	20,358
7 Kurichi	20,578	18 Kadayanallur	38,060
8 Cumnam	26,908	19 Puliyangudi	27,619
9 Paramakudi	22,257	20 Sankarankoil	21,904
10 Ramanathapuram ..	24,053	21 Vikramasingapuram ..	29,361
11 Attur	22,844	22 Kallidaikurichi ..	20,019

AGENDA ITEM NO. 6—CLASS I PANCHAYATS.

Sub-item (b)—Number of members and delimitation of wards.

1. *Retrospect.*—Prior to 1930, the Union Panchayats which are generally classified as Class I Panchayats now, were governed by the former Madras Local Boards Act, 1920. The maximum and the minimum number of members were 15 and 7 respectively. The Village could be divided into *as many wards as might be necessary* and the wards were single-member constituencies except in cases where reserved seats were included.

2. *Existing position.*—Under the Madras Village Panchayats Act, 1950, the maximum and the minimum number of members of Panchayats whether classified as Class I or as Class II is 15 and 5 respectively. A Class I Panchayat Village shall be divided into *not less than five wards*, while a Class II Panchayat village shall be divided into *two wards* if it has a population of 1,000 or less and into *not more than five wards* if it has a population of more than 1,000. There is thus a distinction between Class I and Class II Panchayats in the number of wards into which the Panchayat Village should be divided.

3. *Present position in respect of Municipalities.*—In the case of municipalities the strength of the Councillors is fixed on the basis of population as detailed below :—

	Number of Councillors.
Municipalities with a population—	
Not exceeding 20,000 at the last census ..	16
Exceeding 20,000 but not exceeding 30,000 ..	20
Exceeding 30,000 but not exceeding 40,000 ..	24
Exceeding 40,000 but not exceeding 50,000 ..	28
Exceeding 50,000 but not exceeding 100,000 ..	32
Exceeding 100,000	36

4. *Proposals—(i) Delimitation of wards.*—The existing position regarding the number of wards may be continued. About 75 per cent of the wards are single member constituencies. Panchayats having a population 10,000 and above, may be delimited on the basis of single member constituencies. Reservation may be made for Scheduled Castes on all Panchayats. Where no woman member is elected, provision may be made for the co-option of one woman member.

(ii) *Number of members.*—In view of the proposal to increase the number of members of Class II Panchayats—vide note on sub-item (c) of item 5 of the Draft Agenda, the maximum number of members may be increased from 15 to 20. If this is approved, the following will be the sliding scale for all classes of Panchayats—Town Panchayats Classes I and II and Village Panchayats Classes I to III.

Above 500 but below 700	..	5
Above 700 but below 900	..	6
Above 900 but below 1,100	..	7
Above 1,100 but below 1,300	..	8
Above 1,300 but below 1,500	..	9
Above 1,500 but below 1,700	..	10
Above 1,700 but below 1,900	..	11
Above 1,900 but below 2,100	..	12
Above 2,100 but below 2,300	..	13
Above 2,300 but below 2,500	..	14
Above 2,500 but below 3,000	..	15
Above 3,000 but below 3,500	..	16
Above 3,500 but below 4,000	..	17
Above 4,000 but below 4,500	..	18
Above 4,500 but below 5,000	..	19
Above 5,000	..	20

5. *Point for decision by the Committee.*—The Committee may decide whether the proposals referred to in paragraph 4 above may be confirmed.

AGENDA ITEM NO. 6—CLASS I PANCHAYATS.

Sub-item (c)—System of election and tenure of office of members.

1. *Existing position.*—The secret ballot system is adopted in the case of elections to all Class I Panchayats. No change is proposed. Voting is by the method of marking on symbols printed on ballot paper. This method proved to be a success and may be continued. The term of office of members has recently been raised to five years. The arguments advanced in the case of term of office of members of Class II Panchayats will also hold good here.

2. *Point for decision by the Committee.*—The Committee may decide whether the existing position may be continued.

AGENDA ITEM NO. 6—CLASS I PANCHAYATS.

Sub-item (d)—System of election and tenure of office of Presidents and Vice-Presidents.

1. *Election of President.*—The direct election of President has recently been given up and the old system of members electing one among them as the president has been revived. The reasons for the change are explained in the notes under item No. 5 (e) of the agenda.

2. *Election of Vice-President.*—The Vice-President is elected by the members of the Panchayat from among themselves. No change is proposed.

3. *Tenure of office of President and Vice-President.*—The tenure of office of Presidents and Vice-Presidents of Panchayats will be the same as that prescribed for members (i.e., five years).

4. *Point for decision by the Committee.*—The Committee may decide whether the existing position may be continued.

AGENDA ITEM NO. 6—CLASS I PANCHAYATS.

Sub-item (e)—Mode of representation of Panchayat on Panchayat Union Council.

This has been dealt with under sub-item (g) of item 4 of the Draft Agenda.

AGENDA ITEM NO. 7—TOWNSHIPS.

1. *Preliminary.*—The proposal in the White Paper on the Reform of Local Administration, the resolution of the Chamber of Municipal Chairman and the departmental comments thereon are given in the succeeding paragraphs.

2. *Proposals in the White Paper.*—Provision should be made for the constitution by a resolution of the Legislative Assembly of Townships for Municipal areas, where Townships are considered necessary.

3. *Resolution of the Chamber of Municipal Chairmen.*—Township Committees may be abolished and constituted as municipalities of the grade to which they belong.

4. *Departmental comments.*—Township Committees are constituted only for areas where it is considered that a special administration is needed, for example—Industrial or Labour Colonies or Health resorts. The provisions of the Madras District Municipalities Act or other enactments may be applied to such areas. So the proposal of the Chamber to abolish Township Committees and to constitute municipalities in their place is not acceptable. The Madras Village Panchayats Act, 1950, was recently amended with a view to exclude by a notification by Government from a village any specified area which is an Industrial, Labour or Institutional colony or a health resort and to provide for the constitution of Township

Committees for such industrial or labour colonies or health resorts and for the application of the provisions of the Madras Village Panchayats Act or other enactments to such areas. The Madras District Municipalities Act may be amended similarly to make provision to achieve the same purpose.

AGENDA ITEM NO. 8—MUNICIPALITIES.

1. *Preliminary.*—The proposals in the White Paper, the resolutions of the Executive Committee of the Chamber of Municipal Chairmen and the departmental comments thereon are given in the succeeding paragraphs.

2. *Increase of sanctioned strength of municipal councils.*—*(a) Proposal in White Paper.*—The strength of the Municipal Council for towns with a population exceeding two lakhs may be fixed at 42.

(b) Views of the Executive Committee of the Chamber of Municipal Chairmen.—Agreed.

(c) Point for decision.—The Committee may decide whether it agrees with the proposal.

3. *Election of Chairman.*—*(a) Proposal in the White Paper.*—The present system of election of Chairman from among councillors may be retained.

(b) Views of the Executive Committee of the Chamber of Municipal Chairmen.—Agreed.

(c) Point for decision.—The Committee may decide whether it also agrees.

4. *Motion of No-Confidence.*—*(a) Proposal in the White Paper.*—Three-fifths majority, required to carry a motion of no-confidence against the Chairman and Vice-Chairman may be increased to two-thirds.

(b) Views of the Executive Committee of the Chamber of Municipal Chairmen.—The strength of the majority required for moving no-confidence motion against the Chairman, Municipal Council and Vice-Chairman, Municipal Council, may be increased to three-fourths instead of three-fifths now in force.

(c) Departmental comments.—Under section 40 (a) of the Madras District Municipalities Act, 1920, the Government shall remove from office, the Chairman or the Vice-Chairman of a Municipal Council, if a motion of no-confidence in him is carried with the support of not less than three-fifths of the sanctioned strength of the municipal council. One of the recommendations of the Ratnasabapathy Mudaliar Committee was that the required majority of three-fifths of the sanctioned strength of the Council should be raised to two-thirds. This recommendation was provisionally accepted by the Government in order to afford a greater measure of security to the Chairmen. An announcement to this

effect was also made by the then Minister for Local Administration on the floor of the Legislature in March 1955. This proposal to increase the required majority from three-fifths to two-thirds is accordingly included as item (3) under Section IV of the White Paper on Local Administration. If the majority is raised still further as suggested by the Chamber, the very purpose of the provision in the Act would be lost.

(d) Point for decision.—The suggestion of the Chamber is placed before the Committee for consideration and decision.

5. *Tax Appeals Committee.*—*(a) Proposal in the White Paper.*—A statutory Committee to dispose of tax appeals may be set up.

(b) Views of the Executive Committee of the Chamber of Municipal Chairmen.—Agreed to the proposal and suggests that such a statutory committee should contain one-fourth of the strength of the council subject to a minimum of five members exclusive of the Chairman who will be the ex-officio member of the Committee.

(c) Departmental comments.—There is no specific provision in the Madras District Municipalities Act, 1920, requiring a municipal council to constitute a committee to dispose of tax appeals. But a municipal council may, if it considers necessary, constitute a special committee to dispose of tax appeals and it can do so under sections 23 and 24 of the Act. The Taxation Appeals Committee functioning in the Madras City Corporation comprises only three members, out of whom two are elected by the Corporation Council and the other is appointed by the Government. The person appointed by the Government is the Chairman of the Committee. The strength of each of the statutory committees of a municipal council, namely, the Appointment Committee and the Contract Committee is three—vide sections 73 and 68 of the Madras District Municipalities Act, 1920.

(d) Recommendation of the Local Finance Enquiry Committee.—The Local Finance Enquiry Committee appointed by the Government of India recommended as follows :—

“ While the power to tax should continue to be vested in the local bodies, the detailed work connected with the preparation of the valuation list of all the properties within the jurisdiction of a local body should be entrusted to a central organization (to be created for this purpose) which will consist of trained valuers, as in western countries. A valuation department should be brought into being for all the local bodies in each State.”

The Taxation Enquiry Commission reiterated the recommendation of the Local Finance Enquiry Committee.

(e) Points for decision.—(i) The Committee may decide whether a statutory committee to dispose of tax appeals may be set up as proposed in the White Paper and endorsed by the Executive

Committee of the Chamber of Municipal Chairmen and if so, what its strength may be and whether the present machinery for valuation, assessment, etc., may be continued; or

(ii) whether a valuation department may be set up as recommended by the Local Finance Enquiry Committee and endorsed by the Taxation Enquiry Commission.

6. *Powers of Chairman of a Municipal Council*—(a) *Proposal in the White Paper*.—The Chairman may be made responsible for formulating the general policy of the Council and he may be empowered to draw the attention of the Commissioner to any neglect or waste and to call for information from the Commissioner on any matter relating to municipal administration including the work and conduct of any of the municipal employee.

(b) *Views of the Executive Committee of the Chamber of Municipal Chairmen*.—Agreed.

(c) *Point for decision*.—The Committee may decide whether it also agrees.

7. *Powers to enforce execution of resolutions of Municipal Councils*—(a) *Proposal in the White Paper*.—The Chairman may be given concurrent powers to enforce the execution of resolutions.

(b) *Views of the Executive Committee of the Chamber of Municipal Chairmen*.—Instead of giving concurrent powers to enforce the execution of resolutions to the Chairman, the Chairman may be empowered to exercise the powers of the Collector under section 37 (1) of the Madras District Municipalities Act of 1920 subject to such restrictions and limitations which the Government may prescribe from time to time.

(c) *Departmental comments*.—Section 37 (1) of the Madras District Municipalities Act deals with the emergency powers of the District Collector. It is rarely exercised. The suggestion of the Chamber of Municipal Chairmen is placed before the Committee for consideration.

8. *Term of office of members*—(a) *Proposal in the White Paper*.—The term of office of members of municipal councils may be fixed at five years instead of three years. The term of office of the existing councillors, which expires in 1958 after their present term of three years may be extended by two years, i.e., till November 1960 and elections conducted in 1960. The next elections to municipal councils will be held in 1965. The intention is that there should be an interval of one year in between the elections to local bodies and the general elections to the State Legislature and the Parliament.

(b) *Views of the Executive Committee of the Chamber of Municipal Chairmen*.—Agreed.

(c) *Point for decision*.—The Committee may decide whether the term of office of members of municipal councils may be extended to five years, and if so, whether it may apply to the existing members of the municipal councils, whose term expires on 1st November 1958.

9. *Appointments to posts under municipal councils*—(a) *Proposal in the White Paper*.—Section 77-A of the Madras District Municipalities Act, 1920, empowers the State Government to constitute, by notification, any class of officers or servants of municipal councils into a municipal service for the State and no such notification can be issued unless all the municipal councils constituted under the Act have been consulted and a majority of them support the issue of the proposed notification. Similarly section 73-A empowers the Government to transfer municipal employees after consulting the municipal councils concerned. These provisions have to be reviewed with reference to the proposals for the constitution of panchayat unions which will function as rural municipalities taking over the functions of district boards. These provisions may be amended so as to provide for the constitution of "Local Authorities' Services" on a district, regional or State-wide basis as found necessary and convenient and for vesting in Government the power to frame statutory rules regulating the recruitment, posting, promotion, transfer and other conditions of service of persons appointed to such services. Recruitment to services constituted by such statutory rules will be effected by an independent authority or authorities set up for that purpose under the statutory rules and not by Government.

(b) *Views of the Executive Committee of Chamber of Municipal Chairmen*.—A constitution of Local Authorities' Service need not necessarily be made. Instead all appointments to posts under municipal councils including those under Public Health, the maximum pay of which exceeds Rs. 50 may be made by the Appointment Committee as at present and appointments to posts the maximum pay of which is less than Rs. 50 may be made by the Chairman, Municipal Council, without consulting the Employment Exchange. Any transfers of employees in the municipality from one post to another and from one section to other section made by the Commissioner should be made only subject to the approval of the Chairman, Municipal Council.

(c) *Departmental comments*.—(1) The Rathnasabapathi Mudaliar Committee recommended that section 73 of the Madras District Municipalities Act may be amended so as to provide that all appointments, the basic minimum pay of which is Rs. 30 alone should be made by the Appointment Committee in all departments including Public Health and that all other appointments carrying lower scales of pay the maximum of which did not exceed Rs. 30 should be made by the departmental heads subject to the approval of the Chairman. The recommendation was made on the assumption that the Chairman was to be the Executive Authority of the Municipality and not the Commissioner.

(2) This fundamental basis of the Rathnasahapathi Mudaliar Committee was not accepted by Government who considered it important that the present basis of organization of local administration should continue unchanged with Commissioner as Executive Authority. In view, however, of the desire expressed for increasing the functions performed by the Chairmen, Government then thought that the pay limit in respect of appointments to be made by the Appointment Committee may be reduced to Rs. 30 per mensem; and the Chairman (instead of the Commissioner) may be empowered to make appointments to posts on a pay not exceeding Rs. 30 on the recommendation of the departmental heads concerned. It was also proposed to empower the Chairman (instead of the Commissioner) to make temporary appointments in cases of emergency. An announcement on the above lines was made by the then Minister for Local Administration on the floor of the Legislature in March 1955 and necessary provision was made in the previous White Paper on Local Administration. Since then the Government reconsidered this matter and took the view that the proposal in the original White Paper was an unsatisfactory compromise and should be modified. The Government now take the view that appointments to municipal posts (the holders of which do not belong to a State Service Cadre) should be recruited on a new system which should approximate closely to the system of appointments made by Government on the advice of the Public Service Commission. The details of such a new system have not yet been worked out, because they will depend on the decision to be taken on the main issue whether District Boards are to be replaced by Panchayat Unions or not.

The relevant proposal in the present White Paper is that the law should be amended so as to make *enabling provision* for devising and introducing the new system of appointments referred to above, on a common basis for Municipalities and Panchayat Unions. It should be noted that it is not the intention that Government should make these appointments.

It may also be mentioned in this connexion that it is proposed to make similar provision in respect of holders of classified posts (other than key posts) in the Corporation of Madras also. The Committee may consider the principles to be adopted in respect of reform of the present system of recruitment, appointment, transfers, etc., of employees of local bodies.

10. *Townships*—(a) *Proposal in the White Paper*.—Provision should be made for the constitution by a resolution of the Legislative Assembly of Townships for municipal areas where Townships are considered necessary.

(b) *Views of the Executive Committee of the Chamber of Municipal Chairmen*.—Township Committee may be abolished and constituted as municipalities of the grade to which they belong.

(c) *Departmental comments*.—A separate note on this item is being circulated to the Members of the Committee.

11. *Other matters*.—The Executive Committee of the Chamber of Municipal Chairmen has also made the following proposal :—

In addition to the powers of appointment requested to be vested in the Chairman, the Chairman may be empowered with the following powers :—

(1) To sanction an expenditure without the prior sanction of the council up to a limit of Rs. 200 from the municipal funds similar to the powers vested in the Commissioner under section 16 of the Madras District Municipalities Act.

(2) To sanction an extraordinary expenditure up to a limit of Rs. 500 under rule 53 (1) to (3) of Schedule IV of the Madras District Municipalities Act and to pay the expenses of the municipal officers and servants travelling on municipal business.

Departmental comments.—The proposals do not appear to be practicable or necessary. The proposals are placed before the Committee for consideration.

AGENDA ITEM No. 9—CORPORATION OF MADRAS.

Sub-item (a)—Reform of the composition of the Council Constituencies.

1. *Preliminary*.—The proposals in the White Paper, the recommendation of the Council of the Corporation of Madras and the departmental comments thereon are given in the succeeding paragraphs.

2. *Proposals in the White Paper*—(i) *Existing position*.—For purposes of election the Council of the Corporation, Madras City is divided into fifty territorial divisions. Fifty divisional councillors are elected to fifty general seats at the rate of one for each division. Nine councillors—five from Scheduled Castes and four women—are elected from nine notified divisions. Seven seats reserved for Muslims, Indian Christians and Anglo-Indians remain unfilled, as such reservation was considered *ultra vires* the Constitution. Besides these 66 seats, there are 14 special constituencies—four reserved for labour, eight for trade interests, one for Madras Port Trust and one for Madras University—and five Aldermen. In addition, there are three “Special Councillors” who may be appointed by Government, in consideration of their “special knowledge and experience”. The Director of Public Health, the Sanitary Engineer and the Chairman, City Improvement Trust, are the Special Councillors appointed by the Government.

(ii) *Territorial divisions*.—The number of territorial divisions should be increased from 50 to 100 in order to provide for a large representation of the people. One hundred City Municipal divisions should be delimited afresh on an approximately equal population basis. Each division should be a single-member constituency for returning one divisional councillor.

(iii) *Grouping of divisions to form City Municipal Circles.*—

(a) Contiguous City Municipal divisions should be grouped together so as to form ten City Municipal circles. There are nine Legislative Assembly Constituencies of which one, namely, Perambur, is a double-member constituency. The eight single-member constituencies should each be one City Municipal circle. The double-member constituency should be divided into two City Municipal circles, namely, Perambur East and Perambur West.

(b) All the divisional councillors of every circle should elect one woman councillor for that circle, if none of them is a woman member.

(c) All the divisional councillors of every circle should elect one Scheduled Caste councillor for that circle, if none of them is a Scheduled Caste member.

(d) All the divisional councillors of every circle (together with the indirectly elected woman councillor, if any, and Scheduled Caste councillor, if any, of that circle) should form one Standing Committee for that circle.

NOTE.—A statement showing the manner in which the existing divisions may be grouped and the area, population and voting strength of the circles is furnished (vide annexure to sub-section B in section V of the White Paper).

(iv) *Abolition of special constituencies and reserved seats.*—All special constituencies and reserved seats other than those intended for special representation of women and Scheduled Castes should be abolished. The system of Aldermen also should be abolished.

(v) *Strength.*—The minimum and maximum strength of the Council of the Corporation will then be 103 and 123 respectively, as against the present effective strength of 81.

(vi) *Term of office of Councillors.*—The term of office of councillors should be raised from three years to five years.

3. *Views of the Ad Hoc Committee of the Council and the Council of the Corporation of Madras.*—There is no objection to the proposal of the Government to increase the territorial divisions from 50 to 100. In addition to the 100 councillors elected from the above territorial divisions, the council shall elect (a) six Harijans, (b) six women councillors, (c) three representatives of labour and (d) five aldermen, making the total strength of the council into 120.

4. *Departmental comments.*—The present electoral system was devised long before the introduction of adult suffrage. Parts of the electoral system are obsolete and much of the rest is out of date. The proposals for the reform of the composition of the council and the council constituencies in the White Paper have been drafted with a view to bring about simplification and larger and more equal representation of the people living in different parts of the City.

5. *Points for decision.*—The Committee may decide—

(i) Whether the total number of territorial divisions may be increased from 50 to 100 as proposed in the White Paper and as agreed to by the Council of the Corporation;

(ii) whether the territorial divisions may be grouped as proposed in the White Paper;

(iii) whether representation to women and Scheduled Castes candidates may be given by way of election by all the divisional councillors of every circle, as proposed in the White Paper, or whether the Council may elect six Harijans and six women councillors and three representatives of labour as proposed by the Corporation Council;

(iv) whether the system of Aldermen may be abolished as proposed in the White Paper or may be continued as recommended by the Corporation Council; and

(v) whether the term of office of councillors may be raised from three years to five years as proposed in the White Paper.

As regards the abolition of special constituencies a separate note is placed before the Committee. (Printed at the end of this Part.)

AGENDA ITEM NO. 9—CORPORATION OF MADRAS

Sub-item (b)—*Reorganization of the Standing Committees and Resettlement of their functions.*

1. *Preliminary.*—The proposals in the White Paper, the resolutions of the Council of the Corporation and the departmental comments thereon are given in the succeeding paragraphs.

2. *Proposals in the White Paper.*—(i) *Structural change proposed.*—According to the present set up, every Standing Committee has jurisdiction over the whole city. Each Committee has limited functions to perform. It is proposed that this set up should be abolished and replaced by a new set up with only one Committee—a Central Committee—having jurisdiction over the entire City and ten other committees which may be called "Circle Committees" constituted one for each City Municipal circle.

(ii) *Mode of constitution of Circle Committee.*—Every Circle Committee will consist of all the divisional councillors of that circle, and in addition (in some cases) an indirectly elected woman councillor and an indirectly elected Scheduled Caste councillor. Each Circle Committee will elect one of its members as its Chairman.

(iii) *Mode of constitution of Central Committee.*—The Central Committee should consist of fourteen members as below :—

(a) *Mayor* (1) (who will be elected annually by the Council, as at present; and will be ex-officio member and Chairman of the Central Committee).

(b) *Deputy Mayor* (1) (who will be ex-officio member).

(c) *Chairmen of Circle Committees* (10).—Each of the ten Chairmen of the ten Circle Committees will be ex-officio members of the Central Committee.

(d) *Scheduled Castes Member* (1).—The Council of the Corporation will elect one of the Scheduled Caste members of the Council as a member of the Central Committee.

(e) *Woman member* (1).—The Council of the Corporation will elect one of the woman members of the Council as a member of the Central Committee.

(iv) *Functions of Standing Committees*.—The Act should define the general principle governing the allocation of functions between the Central Committee and the Circle Committee as below :

Subject to the control of the Council, Taxation and Finance should be the function of the Central Committee and it should be excluded from the purview of Circle Committees. Municipal works, institutions and services which are maintained for the benefit of the City as a whole or for the benefit of two or more City Municipal circles should be vested in the Central Committee. Municipal works, institutions and services which are maintained for the benefit wholly or predominantly of a City Municipal circle or part thereof should be vested in the Circle Committee concerned. The Act should authorize the State Government to frame statutory rules giving effect to this distinction by detailed specification of works, institutions and services.

The Central Committee should be empowered to co-ordinate the work of Circle Committees. In order to secure this result, the powers at present exercised and the functions at present performed by the Council of the Corporation should be transferred to and vested in the Central Committee, so far as they relate to the works, institutions and services which are vested in the Circle Committees.

The functions and powers of the Council in relation to the Central Committee should be exactly the same as between the Council and the existing Standing Committees.

Special provision relating to Taxation Appeals should continue as at present.

3. *Views of the Council of the Corporation*.—In view of the fact that even the existing six Standing Committees are not able to cope up with the ever increasing work consequent on the enlargement and expansion of the services rendered by the Corporation, this *Ad Hoc* Committee is not in favour of abolishing the Standing Committees. This Committee is also not in favour of the constitution of Circle Committees and a single Central Committee as envisaged in the White Paper.

The membership strength of each Standing Committee may be increased from 7 to 11 excluding the Worshipful Mayor who will be an ex-officio member of each Standing Committee.

4. *Departmental comments*.—It is proposed to increase the strength of the Council. A large council cannot efficiently carry on its work except through a system of Standing Committees. As the manner in which Standing Committees are constituted and the work of the Council is decentralised has a very important influence on the efficiency of the Corporation, it is proposed to reorganize the entire system of Standing Committees and resettle their functions.

5. *Points for decision*.—The Committee may decide—

(i) whether Standing Committees as constituted at present on a functional basis, having jurisdiction over the entire City in each case should be continued with an increase in the strength of members from 7 to 11 as proposed by the Council of the Corporation; or

(ii) whether the functions and powers of the Council may be decentralised on a territorial basis by the constitution of Standing Committees for a group of divisions formed into a circle, and if so, whether the mode of constitution of circle committees and the constitution of a central committee may be as proposed in the White Paper.

AGENDA ITEM NO. 9—CORPORATION OF MADRAS.

Sub-item (c)—Reform of the system of appointment to key posts in the service of the Madras Corporation.

1. *Preliminary*.—The proposals in the White Paper on this subject will be found in paragraphs 18 to 22 on pages 15 to 16 of the White Paper.

2. *Remarks of the Council of the Corporation*.—The *Ad Hoc* Committee constituted by the Council of the Corporation is not in favour of the proposal of the Government to provincialise the services of the officers of the Corporation.

Departmental comments.—The proposals for the reform of the system of appointment to key posts in the service of the Corporation incorporated in the White Paper on Local Administration have been made with a view to (i) to provide for interchangeability of officers serving the Corporation with officers who serve in district municipalities in the State or in Government in corresponding service cadres, and (ii) to open avenues of promotion to members of the Corporation service.

AGENDA ITEM NO. 9—CORPORATION OF MADRAS.

Sub-item (d)—Amendments to the Madras City Municipal Act, 1919, proposed by the Sub-Committee of the Corporation.

1. *Preliminary*.—The proposals in the White Paper, the recommendation of the Corporation of Madras, and the departmental comments thereon are given in the succeeding paragraph.

2. *Proposals in the White Paper.*—A memorandum dealing with the amendments proposed by the Sub-Committee of the Corporation and the Commissioner of the Corporation and the recommendations of an *Ad Hoc* Committee of the Corporation is appended (Appendix IV). Column (6) of the Appendix gives the reasons for the proposed amendment and column (8) contains the recommendations of the Health, Education and Local Administration Department of Government. These proposals for amendments are presented for consideration by the Legislature in the light of the reforms proposed in Section V of the White Paper.

3. *Recommendation of the Corporation.*—The Corporation has recommended to the Government to amend the Madras City Municipal Act, as per the amendments suggested by the Council in the year 1951 (printed as Appendix IV to the White Paper).

4. *Department comments.*—The amendments have been scrutinized by the departments of Government concerned.

5. *Point for decision.*—The Committee may go through the items and decide in each case.

NOTE REFERRED TO IN PARAGRAPH 5 OF NOTE ON AGENDA ITEM 9—

CORPORATION OF MADRAS—SUB-ITEM (a)—REFORM OF THE COMPOSITION OF THE COUNCIL CONSTITUENCIES.

Abolition of Special Constituencies and Reserved seats.

1. *Preliminary.*—One of the provisional conclusions of Government embodied in the White Paper on the Reform of Local Administration including the Madras City Corporation, which is now before the Legislature Committee, is that all special constituencies and reserved seats other than those reserved for special representation for women and scheduled castes should be abolished. The special constituencies will include eight seats reserved for trade interests, one seat reserved for the Trustees of the Port of Madras and one seat reserved for the Senate of the University of Madras.

2. *Views of the Corporation of Madras.*—The Council of the Corporation has suggested only the raising of the strength of the Council into 120, consisting of 100 divisional councillors, six Harijan councillors, six women councillors, three representatives of Labour and five Aldermen. It seems to have no objection to the proposal for the abolition of special constituencies.

3. *Views of the Madras Port Trust Board.*—The Madras Port Trust Board has represented that its representation on the Corporation Council should be allowed to continue. The Board's letter is appended to this note for information (vide Appendix A).

4. *Views of other bodies.*—Neither any of the trade interests nor the University of Madras has made any representation against the proposal for abolition of special constituencies.

5. *Requests of "the Madras Hotels' Association" and "The Tamil Chamber of Commerce".*—These two bodies have requested that they may be given representation on the Corporation Council.

Letters from the President of the "The Madras Hotels' Association" and "the Honorary Secretary of the Tamil Chamber of Commerce" are given in Appendices B and C, respectively.

6. As it is proposed to abolish all the existing special constituencies and reserved seats other than those intended for special representation of Scheduled Castes and women, there seems to be no case for continuing the representation for the Port Trust alone on the Council of the Corporation. While representation to the existing associations, etc., is being removed, there is no question of giving representation to the new associations. The requests of the Madras Hotels' Association and the Tamil Chamber of Commerce, therefore, need no consideration.

APPENDIX A.

(Paragraph 3 of the above note.)

Copy of the letter from the Chairman, Madras Port Trust, Madras-1, to the Secretary to the Government of Madras, Health, Education and Local Administration Department, Fort St. George, Madras, dated the 26th February 1958, No. G-7111.

[Subject.—White Paper issued by the Government of Madras on the reform of Local Administration in Madras State, including the Madras City Corporation.]

It is observed from paragraphs 9 and 10 of Section V of the above White Paper, dealing with the proposed strength of the Council of the Corporation of Madras, that the Madras Port Trust Board which has at present a seat on the Council will lose it, if and when the reform as contemplated in the White Paper is implemented.

2. The Port Trust Board at its meeting on the 7th February 1958 discussed this question and is of the view that having regard to the considerations briefly mentioned below, the representation of the Trust on the Corporation Council should continue:—

(1) The trade and prosperity of the city are largely linked with the growth of the port and the expansion of its activities.

(2) It is in recognition of this intimate relationship and the various common interests on vital matters which the Trust and the Corporation have, that under the Madras Port Trust Act, there are two representatives of the Corporation on the Board—the Commissioner of the Corporation as an Ex-Officio Trustee and another Trustee elected by the Corporation. Prior to the amendment of the Madras Port Trust Act with effect from the 1st April 1949, the Corporation had only one elected seat on the Board. The Trust has been represented on the Corporation Council since 1904.

(3) Under section 102 (c) of the City Municipal Act, the Trust pays to the Corporation Property tax at 4 per cent of its gross revenues and not on the rateable value of our buildings, etc. In addition, it pays (a) education tax at a rate not exceeding 25 per cent of the property tax—the current rate being 18 per cent and (b) library cess at 6 pies per whole rupee of property tax.

The Trust is one of the heavy tax-payers to the Corporation; the following figures of taxes paid by the Port Trust to the Corporation during the last three years illustrate this:—

1954-55—Rs. 5,31,265-00 nP.
1955-56—Rs. 6,59,199-11 nP.
1956-57—Rs. 10,19,050-87 nP.

The amount being on a percentage basis, it increases with any increase in our rates or trade. The Trust however maintains its own roads and services and gets little direct return for the taxes it pays except that all municipal services are so to speak, right on its doorstep.

(4) The Trust purchases large quantities of fresh water from the Corporation for supply to shipping, etc. The amounts paid by the Trust to the Corporation for supply of water during the last three years are given below:—

1954-55—Rs. 2,27,065-6-0.
1955-56—Rs. 2,25,917.
1956-57—Rs. 1,91,558-10-0.

It may soon be necessary for us to get a direct main from the Kilpauk Water Works to serve the needs of an expanding port.

3. In the light of the above, the Board is strongly of the view that in its own interest as well as the interest of the Corporation which is in charge of the local administration of the City, the mutual representation between it and the Corporation should continue as heretofore.

4. Board's Resolution No. 545, dated the 7th February 1958, copy enclosed, is the authority for this letter.

Extract from the proceedings of the Trustees of the Port of Madras, at a meeting held at the office of the Board, on Friday, the 7th day of February 1958.

545. Read (i) the White Paper on the Reform of Local Administration in Madras State including the Madras City Corporation, issued recently by the Government of Madras in the Health, Education and Local Administration Department and (ii) Note by the Chairman, dated the 30th January 1958, giving his comments on the above reform, as far as the representation of the Port Trust on the Council of the Corporation of Madras, is concerned.

Resolved that the Chairman be authorized to address the State Government on the lines discussed at the meeting.

APPENDIX B.

(Paragraph 5 of the above note.)

Copy of the letter from the President of the Madras Hotels' Association, to the Honourable Minister for Local Administration, Government of Madras, dated the 5th July 1958, No. 114/57.

[Subject.—City Corporation Council—Representation for the Madras Hotels' Association.]

I beg to submit this representation on the above subject for your kind and sympathetic consideration.

2. I am making this in confirmation of the oral appeal made by me on behalf of the Hotel Trade on the occasion of the Annual Meeting of our Association on the 27th June 1957 to give us representation in the City Corporation Council. As I said then, the hotel trade has a very vital link with the Corporation of Madras. Hotel trade in the city has expanded to a large extent and assumed an importance of its own; there are very many matters which directly concern our interests in the day-to-day functioning of the various departments of the Corporation. There are a large number of legislative enactments which directly affect us and we are directly placed under the supervision of the City Corporation through its Health, Sanitary and Food Departments. The Public Health Act and Prevention of Food Adulteration Act administered by the Corporation concerns our trade to a very large extent. Many rules affecting our trade are passed by the Corporation; we do not at present have any opportunity to put forward our view point on these measures before they are finally adopted. The Corporation is deriving a large amount of its revenue from this trade by way of licence fees (which has lately been enhanced to a very high rate), profession tax, property tax, etc.

3. Taking all these into consideration, it is only just and proper that the Madras Hotels' Association representing the Hotel Trade in the City of Madras should have a representation on the Council of the City Corporation so that it could fully co-operate with the municipal administration to the advantage of all concerned. I earnestly hope that when certain other trade bodies with comparatively minor interests or connections with the Corporation are given representations in the Corporation Council, our Association's request for adequate representation for it which undoubtedly has a stronger connection with the Corporation would be favourably considered by the Government and necessary steps taken in that direction.

APPENDIX C.

(Paragraph 5 of the above note.)

Copy of the letter from the Honorary Secretary of the Tamil Chamber of Commerce to the Honourable Minister for Local Administration, dated the 31st December 1957, Ref. No. 261/16.

We beg to submit this memorandum for your serious and favourable consideration to give us a Representation on City Council. The Tamil Chamber of Commerce was founded in 1944 with numerous objects and we have been endeavouring our very best to implement them, keeping in view, our motto "Sincerity, Service, Sacrifice".

We have been recognized by both the Centre and State Governments. We have representations on various committees and our representatives therein have been satisfactorily performing their tasks entrusted to them. Some of the Ministers, including the Chief, Sri Kamaraj Nadar, inaugurated our annual sessions.

Apart from these committees which are mainly connected with the trade and commerce, we, in our own humble way, played our part in the division of linguistic provinces. We feel that with an amount of pardonable pride, our contribution in retaining the City in Tamil Nadu is not too little. We appeared and presented our Memoranda, before and to, Wanchoo and Syed Ali Committees.

Further we have been interesting ourselves, as stated in our Memorandum of Association—3 (2), in and with the problems confronting our—Countrymen abroad. We express that the Problem of Ceylon is not yet—Solved.

That is, in brief, the sum and substance of our activities. For your information, we presented, a few years ago, a Memorandum to Sri Reddiar, then Minister of Local Administration, before the separation of Andhra and he assured us that it would be considered at the proper time while reviewing the City Municipal Act. We, therefore, feel that proper time has come and we request you, as stated earlier, to kindly consider our Memorandum.

R.
Vengal Rao
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