



HEALTH, EDUCATION AND LOCAL ADMINISTRATION
DEPARTMENT

PROCEEDINGS AND CONNECTED
PAPERS OF THE LEGISLATURE
COMMITTEE ON LOCAL
ADMINISTRATION



GOVERNMENT OF MADRAS
1958

THE CONTROLLER OF STATIONERY AND
MADRAS, ON BEHALF OF THE
GOVERNMENT OF MADRAS
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(Other papers placed before the Legislature Committee.)

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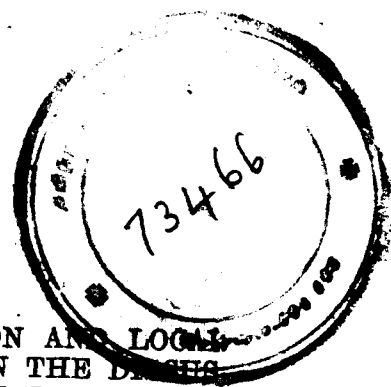
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PART II



(1)

REPORT OF THE HEALTH, EDUCATION AND LOCAL
ADMINISTRATION DEPARTMENT ON THE DISCUS-
SIONS WITH THE REPRESENTATIVES OF THE
STATE PANCHAYAT UNION ABOUT THE REFORM OF
PANCHAYAT ADMINISTRATION.

SECTION I—CONSTITUTION AND ELECTION.

1. *Secret Ballot system for Class II Panchayats.*—At first, the proposals made in the draft of the rules for the conduct of elections to all Class II Panchayats under the Secret Ballot system were put before the representatives of the State Panchayat Union. The representatives wanted that election notice should be issued fifteen days before the date of election instead of ten days fixed in the present rules and that certain days should be allotted for filing of nomination papers and their scrutiny by the Election Officer and for withdrawal of nominations. Secretary, Health, Education and Local Administration Department, explained that it was neither necessary nor feasible for the procedure prescribed for Class I Panchayats and Municipalities to be applied in toto, to some 15,000 Class II Panchayats in the State. Any procedure which requires printing of names of candidates or other similar details, or which requires more than one visit to the village by an officer will prove too costly and unworkable. What was really required as "secrecy" in voting? Did the draft rules suffice to secure this? If not, what was wrong with them? The representatives agreed that secrecy was secured by the draft rules. What they were keen on was an opportunity to effect compromises where possible, so as to eliminate avoidable contests and to achieve the object of unanimity in elections. After discussion, it was agreed that a 24-hour interval would be sufficient for this purpose; and this would be consistent with the requirement that an officer should not have to visit every village twice. On this basis, it was agreed that the period of ten days for issue of election notice would be sufficient and that provision might be made for filing nomination papers of candidates on the day previous to the date of election, i.e., on the ninth day after the publication of notice and that the scrutiny and acceptance of nomination papers might be done at a specified hour on the date of election, allowing for withdrawal of nomination before that hour.

2. *Constituencies.*—The representatives suggested that there might be single-member constituencies, instead of plural-member constituencies as contemplated in the present Madras Village Panchayats Act, 1950. The need for having plural-member constituencies was explained. It was also explained how, as a result of

the proposed increase in the number of members and the further proposal to confer on the voters the right to give cumulative votes minority groups in the village will be able to secure due representation. The representatives of the State Panchayat Union agreed to the continuance of the existing provision in the Act for dividing Class II Panchayat villages into not less than two wards and not more than five wards and also to the proposal to have not less than two members and not more than five members for each ward. The basis of delimitation of wards was discussed; and it was agreed that (since the wards do not have to be even approximately equal) the division of wards should be based on the natural lay-out of houses in blocks, representing distinct and separate habitations, and that such natural blocks should not be cut up into separate parts allotted to different wards.

3. *Representation for women.*—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 the Scheduled Castes was also referred to. The representatives of the State Panchayat Union expressed their view that the existing provision for representation 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.)

SECTION II—FUNCTIONS AND POWERS.

4. The President of the State Panchayat Union read resolution No. 7 of the State Panchayat Union Conference. He stated that the conference welcomed the proposal to abolish district boards and to transfer their functions to Panchayat Unions and the constitution of Panchayat Unions at the National Extension Service Block level. The conference objected to those provisions of the White Paper which envisaged the transfer to Panchayat Unions of any of the functions and resources which are at present vested in Village Panchayats under the Madras Village Panchayats Act, 1950. A detailed review of these functions and resources was then made with reference to the relevant sections of the 1950 Act. It was explained to the representatives of the State Panchayat Union that all the mandatory functions vested in the Village Panchayats under section 50 of the Madras Village Panchayats Act, 1950, would continue to be vested in the Village Panchayats without any exception. It was also pointed out that most of the discretionary

functions vested in the Village Panchayats under section 51 of the Act (including Elementary Education, the most important among them) are found to overlap with the functions of the district boards. In order to eliminate this overlap, it has been proposed that the non-mandatory functions should be initially vested in the Panchayat Unions; but at the same time it has been proposed that the Panchayat Union Council would be given the discretion to retain with itself or to transfer by a resolution passed by it any of those functions to be performed by Village Panchayats as Agency functions. The analogy of the provision in the Constitution regarding the division of subjects into (i) Union, (ii) State and (iii) Concurrent lists was pointed out to the representatives. It was explained that a somewhat similar, though not necessarily identical division of functions is necessary as between Village Panchayats and Panchayat Unions. Thus there would be—

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

(ii) Functions exclusively allotted to the Village Panchayats (e.g., construction and maintenance of village streets and access roads, street lighting, cleansing of streets and latrines); and

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

In regard to functions falling under item (iii) there are two possible alternative courses. One would be to vest those functions in the Village Panchayats with provision enabling Panchayat Unions to take them over when necessary. The other is to vest them in Panchayat Unions with discretion to transfer to Village Panchayats in suitable cases. The latter is the more convenient course and it cannot be open to any objection so long as the Panchayat Union Council is amenable to general opinion of Village Panchayats. It is in order to fulfil this condition that the White Paper has provided that the Panchayat Union Council shall consist of representatives of every Village Panchayat in the area. It is not as if any of the functions and resources are being taken away and vested in an authority which is independent of the Village Panchayats. The Panchayat Union is only a co-operative association of the Panchayats. In the light of this explanation, the representatives of the State Panchayat Union agreed that the general principle adopted for the purpose of division of functions was acceptable. Particular subjects were then discussed.

5. *Elementary Schools.*—At present, district boards maintain most of the elementary schools in panchayat areas and non-panchayat areas and some panchayats maintain elementary schools in their

respective areas. All these schools are financed mostly by Government grants. The elementary schools maintained by the district boards will be transferred to the control of the Panchayat Unions. The need for a single authority having control over the schools and for the constitution of a service regulating the methods of recruitment and conditions of service, appointment, transfer, etc., of the teachers employed in a group of schools was explained to the representatives. In this view, it was pointed out that the elementary schools now maintained by some panchayats should also be transferred to the control of the Panchayat Union concerned. The disciplinary control over the teachers should be vested in the Panchayat Union authorities; but such matters as enrolment, attendance, etc., in those schools and repair and maintenance of the school buildings may be vested in the Village Panchayats. The representatives agreed to these proposals.

6. *Markets.*—In non-municipal areas, there are at present “public markets” maintained by district boards or panchayats and “private markets” maintained by private individuals or authorities. The income from public markets represents the fees levied and collected by the panchayats or the district boards or the amounts paid by the lessees for collecting such fees in those markets. The income from private markets represents the licence fee not exceeding 15 per cent of the gross income from the market collected from private owners. The Government are empowered under the Act to classify both public and private markets “as District Markets” and “Panchayat Markets” and to provide for the control of any such market and for the apportionment of the income derived therefrom between the district board and the panchayat.

The representatives of the State Panchayat Union were informed that the intention is that the present system should continue, with Panchayat Unions taking the place of district boards. That is to say, markets which are classified as district markets would vest in Panchayat Unions and those which are classified as panchayat markets would continue to vest in the panchayats. The existing provision regarding 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 provision in regard to private markets whether classified as panchayat market or not should be transferred to the Village Panchayats concerned, as there was leakage of revenue under licence fees from such private markets. The want of adequate staff for individual Village Panchayats to exercise control and to supervise sanitary arrangements was pointed out to the representatives. Still the representatives pressed the question of transfer of control over all private markets to Village Panchayats; and Secretary, Health, Education and Local Administration Department agreed to consider this question.

SECTION III—FINANCES.

7. *Income from surcharge on stamp duty.*—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 boards 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 realized 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 equalize 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 overhead 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.

8. *Entertainment tax.*—It was agreed that the income from entertainment tax should be credited to Village Panchayat Funds. But some representatives pointed out that the control exercised by the Commercial Taxes Department over the collection of this tax

of revenue was neither close nor regular as a result of which there was leakage of revenue. To avoid this leakage of revenue, they requested that panchayats might be empowered to make surprise checks through their agency over the collections. Secretary, Health Education and Local Administration Department, promised that this request would be considered.

9. *Fuel trees on porambokes.*—The President of the State Panchayat Union pointed out that the rearing of fuel trees like “Babul” trees on porambokes, especially on tank bund, tank-spread porambokes would yield a large revenue to Village Panchayats and that if permission is given to Village Panchayats by the Revenue Department to grow fuel trees on porambokes and to sell them later for fuel, it would be a fruitful source of revenue to Village Panchayats. Secretary, Health, Education and Local Administration Department, promised to examine this question in consultation with the Revenue Department.

10. *Lodging of funds.*—The representatives referred to paragraph 37 of the North Madurai Panchayat Union Memorandum and objected to the maintenance of a single banking account with the Government treasury in the name of the Panchayat Union for all panchayats and also to the condition for presentation of bills for drawing money from the Panchayat Union.

It was explained that there were practical difficulties (experienced already) in the maintenance of numerous small accounts in the Government treasury and these difficulties would multiply when panchayats are constituted for every village. The proposed arrangement is intended to serve the purpose of opening, as it were, a special sub-treasury for Panchayat business, with the office of the Panchayat Union Commissioner functioning like a bank or sub-treasury. A separate account for every individual panchayat will be maintained by the Panchayat Union Commissioner, and money could be drawn by Village Panchayats through cheques instead of bills, if so desired. There was no intention of destroying the separate individuality of Village Panchayat Funds with budgets of their own and merging with them the funds and budget of the Panchayat Union.

The representatives agreed that, if Panchayat Union Office provided these facilities and kept individual panchayat accounts separately from those of the Panchayat Union and money could be drawn on cheque, there was no need for having account with Government treasury or Co-operative Bank. But they thought the need would still remain for existing facilities for deposit in Post Office Savings Bank to continue, as it will facilitate easy remittance and drawing money from nearer place for current expenditure. The last-mentioned point was noted.

SECTION IV—RELATIONS BETWEEN BLOCK DEVELOPMENT OFFICER AND PANCHAYAT UNION COUNCIL.

11. *Block Development Officer to be executive authority of 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 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 Commissioner 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.

12. *Distinction between National Extension Service work and Local Administration work.*—The representatives made enquiries about the position of the Panchayat Union Council *vis-a-vis* execution of Block Development Schemes. The Secretary informed them that, at present, they were concerned only with the Panchayat Union as the successor of the district board. No decision has been taken by Government yet about these aspects of the National Extension Service Scheme (e.g., Agriculture, Animal Husbandry, Co-operation, etc.), which are outside the scope of district boards and panchayats. The work relating to the National Extension

Service Scheme would be kept distinct and separate from Local Administration work. The Block Development Officer would do the duties and perform the functions of Panchayat Union Commissioner only so far as they related to the Panchayat Union, or transferred to the Panchayat Union as agency functions. In other respects, he will function as the Block Development Officer. Whether in respect of these matters the Panchayat Union will take the place of Block Development Advisory Committees or whether the Panchayat Union will be entrusted with responsibility on an Agency basis will be decided later.

SECTION V—RESOLUTION OF THE CONFERENCE OF THE STATE PANCHAYAT UNION.

13. The President of the State Panchayat Union finally read the various resolutions passed at the Conference held on 2nd December 1957, of which Resolutions Nos. 8 and 8-A, 9 and 20 require specific mention as noted below :—

Resolution No. 8.—Pointing out that the proposal to transfer powers of control and supervision over Class II Panchayats from Regional Inspectors to Revenue Divisional Officers and from the Inspector of Municipal Councils and Local Boards to District Collectors is against the Panchayat Movement and that the proposal to place the District Panchayat Officers, Additional District Panchayat Officers and Deputy Panchayat Officers under the control of the Revenue Divisional Officers and to transfer the functions of Local Administration Officers to Revenue Divisional Officers or to place the District Panchayat Officers under the dual control of the Revenue Divisional Officers and the Inspector of Municipal Councils and Local Boards is not conducive to administration and requesting the Government to drop the proposals.

Resolution No. 8-A.—Requesting Government to create a separate department for panchayats.

The Secretary, Health, Education and Local Administration Department, explained that the arrangements outlined in the North Madurai Panchayat Union Memorandum are tentative. What sort of machinery Government should maintain in order to discharge their own responsibilities relating to local bodies will be settled after the White Paper proposals regarding the future of these local bodies is finalized. With a large number of Panchayat Unions replacing a few district boards, decentralization of powers and duties from State headquarters to districts is bound to take place. How exactly this should be effected is a question affecting the general administration of the district as a whole including the arrangements for co-ordination of different departmental agencies. The preference of the representatives of the State Panchayat Union for an agency which is distinct and separate from the Revenue Divisional Officers and Revenue Officers under their control may be noted.

Resolution No. 9.—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 meeting often, an Executive Committee consisting of 15 Members elected by the Panchayat Union Council may be constituted. 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 specialisation in the work of 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 multi-purpose 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-fifth* 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.

Resolution No. 20—Direct Election of Presidents.—It was observed that this resolution was passed by a majority after prolonged discussion and a poll. There was thus no unanimity in passing this resolution and the Conference was divided in its opinion. The Secretary, Health, Education and Local Administration Department, explained to the representatives the considerations which had been already placed before the Legislature by Ministers. He pointed out that so far as the elections due to be held early next year are concerned they can be held only under the amended Act. No authority has been given power to suspend the operation of the Act. It was, however, open to the Legislature Committee, if it thought fit, to reopen this matter. So the views of the State Panchayat Union will be conveyed to the Committee. At the same time, it is desirable that the views of the Panchayats (not merely Panchayat Presidents) should be conveyed. The Secretary, Health, Education and Local Administration Department, therefore, informed the representatives that all Panchayats in the State would be addressed by the Inspector of Municipal Councils and Local Boards to consider the question and send resolutions in support of or against the system of Direct Election if they thought fit, and the opinion thus received will also be brought to the notice of the Legislature Committee.

14. *Resolution No. 7.*—Welcoming the proposal of the Government to constitute Panchayat Block Unions and to transfer to them the powers of District Boards but objecting to the transfer to the said Unions the powers, functions and funds vested in the individual Panchayats under the 1950 Act and requesting that the Block Development Officer may be made Secretary of the Block Union.

Resolution No. 22.—Requesting that the power to license private markets in panchayat areas may be given to Village Panchayats concerned.

Resolution No. 23.—Requesting the appointment of a shroff separately for panchayat work in Government Treasury. The above resolutions (Resolution Nos. 7, 22 and 23) are dealt with in paragraphs 4 to 8, 10 and 11 respectively.

15. *Resolution No. 10.*—Requesting the State Government and the Central Government that Class II Panchayats may be given the right of vote to Local Authorities' Constituency for the Madras Legislative Council.

Resolution No. 11.—Requesting the amendment of the rule prescribing an expenditure of 25 per cent of the gross receipts of panchayats on lighting.

Resolution No. 12.—Requesting to grant concessional rates for street-lighting with electricity similar to those granted for agricultural service connections.

Resolution No. 13.—Requesting removal of restrictions imposed during war time in regard to the stations whose broadcasts alone should be received by radio sets maintained by panchayats and relation of time-limit.

Resolution No. 14.—Requesting that control over tanks, rivers, channels, etc., porambokes in panchayat areas may be vested in the panchayats concerned and that the income from porambokes, fishery rents, lease of grass, etc., may be given to panchayats.

Resolution No. 15.—Requesting transfer of income from cattle pounds to panchayats.

Resolution No. 16.—Requesting permission to contribute from Panchayat Funds the amounts necessary to earn grants under N.E.S. and I.D., and F.P. Schemes in cases where public contributions are not forthcoming.

Resolution No. 17.—Requesting the abolition of the system of appointment of group clerks and empowering panchayats to appoint separate clerks—part time or whole-time, etc.

Resolution No. 18.—Requesting that the President of Class I Panchayats may be given the same powers as Presidents of Class II Panchayats and that the present paid Executive Officers may be made Secretaries of Class I Panchayats.

Resolution No. 19.—Requesting that the Presidents of Class I Panchayats may be empowered to checkmeasure works up to certain limits, in order to expedite execution of works.

Resolution No. 21.—Requesting that panchayats may be permitted to print the form required by them in Co-operative Presses in districts, etc.

In respect of the above resolutions (Resolutions 10 to 19 and 21), the Secretary, Health, Education and Local Administration Department, promised to examine them and bring to the notice of the departments concerned for further consideration.

16. *Resolution No. 1.*—Expressing condolence for the death of Sri A. J. John, Sri P. S. Kumaraswami Raja and Sri C. S. Ratnasabapathy Mudaliar.

Resolution No. 2.—Requesting all political parties to abstain from setting up candidates in the name of the parties for elections to panchayats with a view to develop villages and to secure unity in villages.

Resolution No. 3.—Requesting extension of branches of Bharat Sevak Samaj to villages and requesting Village Panchayats to co-operate with such branch.

Resolution No. 4.—Requesting panchayats to pay to the Red Cross Society the contributions permitted by the Government in order that it may function efficiently.

Resolution No. 5.—Requesting that the amounts collected by the General Secretary of the former Madras Provincial Panchayat Union be credited to the present State Panchayat Union Funds.

Resolution No. 5-A.—Authorising the President of the Union to take necessary steps to collect the amounts from Sri Manickam.

Resolution No. 6.—Approving the resolution of the Executive Committee of the Madras State Panchayat Union, dated the 15th September 1955, in which the Members of the Executive Committee mentioned therein were authorised to perform the functions of the Union.

These resolutions (Resolutions Nos. 1 to 6) call for no remarks except that it may be noted that Resolution No. 2 coincides with certain observations made by Leaders of Parties in the Legislative Assembly. (It may be, therefore, brought up specifically for consideration by the Legislature Committee).

(2)

NOTE ON MANAGEMENT OF FERRIES.

1. *Preliminary.*—At its meeting held on the 17th February 1958, the Legislature Committee on Local Administration, while considering the note on the division of functions between panchayat unions and panchayats, desired that the question of management of ferries by local bodies might be examined. The question is accordingly examined in the note below.

2. *Provisions of the Act.*—Under section 10 (1) (c) of the Madras Canals and Public Ferries Act, 1890 (Madras Act II of 1890), the State Government may assign the management of any public ferry to a local board or municipal council. Under section 10 (4) of the said Act, the local board or municipal council to whom the management of a ferry is assigned may levy tolls upon passengers, animals, vehicles and goods conveyed across the ferry at such rates as it may, subject to the control of the State Government, fix. The net revenues derived from the management of the ferry shall be distributed between the authorities (including the

State Government) maintaining approach roads at either end of the ferry in such proportions and subject to such conditions as the State Government may, from time to time, by notification, direct.

3. *Existing position.*—Under rule 5 of Schedule V to the Madras District Boards Act, 1920 the income from ferries distributed to the district board shall form part of the district board funds. Under section 70 (2) (xiv) of the Madras Village Panchayats Act, 1950, the income from ferries distributed to panchayats shall form part of the panchayat funds. The income from ferries forms only a very small portion of the revenue derived by district boards and panchayats.

The management of ferries by local bodies is an agency function assigned by the State Government under the Madras Canals and Public Ferries Act. The assignment of the function is made by rules and executive orders.

4. *Proposals for the future.*—(i) Ferries which are now under the management of district boards may be transferred to panchayat unions.

(ii) Ferries under the management of panchayats may continue to be under panchayats.

(3)

NOTES ON FUNCTIONS OF PANCHAYATS AND PANCHAYAT UNIONS.

SECTION I—PRELIMINARY.

1. At its meeting held on 2nd January 1958 and 3rd January 1958, the Legislature Committee on the Reform of Local Administration considered two notes on the functions and resources of Panchayat Unions and Panchayats [Agenda item 4—Sub-items (b) and (c)].

2. At the end of the discussion, it was provisionally concluded that so far as functions were concerned, Panchayat Unions and Panchayats should perform between themselves the following functions, namely :—

(i) All functions at present performed or authorized to be performed by the district boards under the Madras District Boards Act, 1920, with the exception of the following :—

(a) Construction and maintenance of travellers' bungalows and rest-houses;

(b) opening and maintenance of Secondary and Sessional schools, Vocational or Industrial Schools and hostels for students; and

(c) construction and working of railway, tramways ropeways, motor omnibus and other transport services.

(ii) All functions at present performed or authorized to be performed by panchayats under the Madras Village Panchayats Act, 1950.

3. In respect of the National Extension Service, the Committee considered the differing views expressed by the Committee on Plan Projects Team and the Conference of the Officers of the State Government and decided to accept the provisional views of the State Government which are reproduced below :—

“(i) The Government accepts the views of the Conference that ‘Democratic Decentralization’ does not necessarily consist in 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 the 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.

(ii) 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 visualized as a gradual development. The conference proposes to leave this process of development of local responsibility undefined for the present.

(iii) 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 realize 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’.

(iv) At the same time, the Government recognizes 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 Development Plan. So long as development of production has to be organized 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.

(v) 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.”

4. The Committee examined how this pool of functions should be divided as between the Panchayat Unions and the panchayats. The conclusion was reached that it was necessary to look into each of these functions, item by item and decide whether it might be allotted wholly to the panchayat or wholly to the Panchayat Union or it should be divided between the Panchayat Union and the panchayat (and in that case, the basis on which it should be divided). The Chairman (Finance Minister) stated that the Health, Education and Local Administration Department would carry out such a detailed item-wise examination and prepare a note setting out proposals for distribution of functions. This note has been prepared accordingly.

SECTION II—LOCAL COMMUNICATIONS AND OTHER LOCAL WORKS.

A. Construction and maintenance of roads and bridges—(1) Provisions of the Acts.—The relevant provisions in the Madras District Boards Act, 1920, are section 112 (1) (i) and rule 1-B (1) of Schedule V under which a district board should make provision for the construction, diversion, improvement and maintenance of the *different classes of roads in its charge* and of all bridges, culverts, road dams and causeways on such roads to such extent as the State Government consider necessary and practicable and should not divert such provision to other purposes without the express sanction of the State Government. The corresponding provision in the Madras Village Panchayats Act, 1950, is section 50 (a) which casts a mandatory duty on a panchayat within the limits of its funds to make reasonable provision for carrying out the requirements of the village in respect of the construction, repair and maintenance of *all public roads in the village (other than district roads and roads which are classified by the Government as National and State Highways)* and of all bridges, culverts, road dams and

causeways on such roads. Section 112 (2) (xxxvii) of the Madras Village Panchayats Act, 1950, empowers the Government to make rules as to the classification of public roads as appertaining to the district board or the panchayat.

(2) *Existing position.*—In pursuance of the Recommendations of the Conference of Chief Engineers held at Nagpur in 1943, the Government have classified the roads in the State as—

- (i) National Highways,
- (ii) State Highways,
- (iii) Major District Roads,
- (iv) Other District Roads, and
- (v) Village Roads.

The Government of India have undertaken the responsibility for the construction and maintenance of the National Highways which are of National importance. The State Government have taken over for maintenance the State Highways and they have laid down as a policy to take over the Major District Roads also for maintenance at State cost. Though such a policy was laid down some years back, the State Government could not take over the entire stretch of Major District Roads in the State and hence about 2,000 miles of Major District Roads are still under the control of district boards. It has been decided that the balance mileage of Major District Roads with the district boards should be taken over by the Government during the next three years, i.e., before the end of the Second Five-Year Plan period. The other District Roads and Village Roads are under the control and maintenance of district boards. The roads in charge of panchayats do not come within the classification of village roads looked after by the Highways Department of Government on behalf of district boards.

No classification of public roads as appertaining to the district board or the panchayat appears to have been made as contemplated in the Madras Village Panchayats Act, 1950. But all village roads under the control and maintenance of district boards are treated as roads appertaining to the district boards and the other village roads not maintained by district boards would fall under panchayat roads.

The Second Five-Year Plan provides for an expenditure of Rs. 284.39 lakhs on roads under the control of district boards. An expenditure of Rs. 24.33 lakhs was incurred out of this provision during 1956-57 (the first year of the Second Five-Year Plan period). It is expected that an expenditure of Rs. 30.71 lakhs would be incurred in the current (Second) Year (1957-58). The balance of the provision is Rs. 229.35 lakhs to be spent in the next three years. A provision of Rs. 30 lakhs has been proposed for the next year (1958-59) only. Out of this provision full grants are paid to district boards. As regards roads in charge of panchayats, separate provision (Rs. 5,00,000) is made for payment of half grants to panchayats for the construction and improvement of roads and bridges.

(3) *Proposals for the future.*—All the National Highways will continue to be under the control of the Union Government. All State Highways and Major District Roads may be with the State Government (the implementation of accepted policy in relation to Major District Roads being expedited and completed as soon as possible). Village streets will, of course, be with panchayats. What should be the basis for allocation of responsibility as regards what are now known as "Other District Roads" and "Village Roads"? The trend of opinion in the Legislature Committee was to the effect that all of them should be the responsibility of the Panchayat Union (with the exception of "Licensed Bus Routes" which should be taken over by Government). It is suggested that this opinion should be reconsidered. The amount of funds likely to be available for this purpose is bound to be limited. Experience in respect of implementation of policy regarding Major District Roads shows that the process of taking-over by Government will take longer than is desired. In these circumstances, it seems to be desirable to limit the responsibility of the Panchayat Union to roads which it can effectively maintain with resources which can be assured for the purpose, and leave the rest to the panchayats to do the best they can about them. If this approach is accepted the proposals for the future will be as below :—

I. The Panchayat Union (General) Fund should include resources which are statutorily earmarked for the maintenance of roads vested in the Panchayat Union.

II. From among roads at present classified as "Other District Roads" and "Village Roads" a selection should be made (in order of importance from the point of view of the Block as a whole), the aggregate being limited by the consideration that the resources (earmarked under I above) would be sufficient to ensure maintenance at a prescribed minimum standard. Roads thus selected should be renamed as "Panchayat Union Roads". Responsibility for their maintenance should be vested in Panchayat Unions.

III. All roads and streets in the Block other than National Highways, State Highways, Major District Roads and Panchayat Union Roads should be classified as "Village Roads and Streets". Responsibility for their maintenance should be vested in Panchayats.

IV. It should be the accepted policy of Government to reclassify "Panchayats Union Roads" as "Major District Roads" and relieve the Panchayat Unions of responsibility for their maintenance after such roads came into use permanently as "Licensed Bus Routes". Whenever such reclassification of "Panchayat Union Roads" into "Major District Roads" is effected, an equivalent number of "Village Roads" should be reclassified as "Panchayat Union Roads".

B. Lighting of public roads and public places—(1) *Provisions of the Acts.*—The relevant provisions are section 50 (b) of the Madras Village Panchayats Act, 1950, which provides that it shall be the duty of the panchayat to make reasonable provision for the lighting of public roads and public places and section 60-A of the Madras District Boards Act, 1920, which provides that it shall be the duty of the district boards to provide at its cost lighting for roads transferred from it to the Government to such extent as the Government may by general or special order direct.

(2) *Existing position.*—This is a mandatory duty laid on the panchayat. As regards district boards, it is implied that the district board has power, but no duty, to light district board roads in non-panchayat areas.

(3) *Proposals for the future.*—(i) This function may be exclusively allotted to panchayats and may continue to be a mandatory function.

(ii) Panchayat Unions need not have any responsibility in this matter.

C. Planting and preservation of trees on the sides of roads—(1) *Provisions of the Acts.*—The relevant provisions are section 51 (a) of the Madras Village Panchayats Act, 1950, under which a panchayat may make such provision as it thinks fit for the planting and preservation of trees on the sides of public roads in the village not being district roads or roads classified as National or State Highways, and section 112 (1) (ii) and rule 1-B (3) (a) of Schedule V to the Madras District Boards Act, 1920, which provides that the district board shall have power to make provision for the planting and preservation of avenues on district roads.

(2) *Existing position.*—The district board maintains avenues on roads under its control and the panchayat on Panchayat Roads.

(3) *Proposals for the future.*—(i) The existing position may be continued. That is to say, panchayats will be responsible for planting and preservation of trees on the sides of Panchayat Roads, while Panchayat Unions may have similar responsibility in respect of Panchayat Union Roads and Major Village Roads.

(ii) This item may continue to be a discretionary function in respect of panchayats.

(iii) As regards Panchayat Unions it may be specifically provided that this will be one of the functions which the Panchayat Union will normally arrange to be performed by the panchayats

concerned as an agency function. Thus the panchayat will plant and preserve avenues on roads maintained by Panchayat Unions which are situated within the territorial units of such panchayats subject to mutually agreed terms and conditions.

D. Extension service.—(1) Roads formed under the National Extension Service Scheme and Local Development Works Scheme may be transferred to the Panchayat Union or the panchayat concerned, the decision regarding allotment in each case being taken on the basis explained under sub-section 'A'.

(2) The Extension Officer for Engineering will be the Panchayat Union Engineer. It has been already proposed that his services should be placed at the disposal of the Panchayat Union free of charge. He should be the technical assistant of the Executive Authority of the Panchayat Union (viz., the Panchayat Union Commissioner) as well as the technical assistant to the Executive Authority of every Panchayat (viz., its President), in respect of the maintenance, improvement and new construction of all "Local Works" in the Block. Such "Local Works" will include all Panchayat Union Roads; all Village Roads and Streets vested in panchayats; school buildings, dispensaries and all other buildings vested in the Panchayat Union or Panchayats, Domestic Water Supply and Drainage works, as well as minor irrigation works, kudimaramat and other agricultural works (if they are entrusted to the Panchayat Union).

SECTION III—LOCAL HEALTH SERVICES.

A. Cleaning of streets and other improvements of the sanitary condition of the Village.—(1) *Provisions of the Acts.*—The relevant provision is section 50 (d) of the Madras Village Panchayats Act, 1950, which provides that it shall be the duty of the panchayat to make reasonable provision within the limits of its funds for the cleansing of streets; the removal of rubbish heaps, jungle growth and prickly-pear; the filling in of disused wells, insanitary ponds, pools, ditches, pits or hollows; and other improvements of the sanitary condition of the village. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (o), which provides that a district board shall have power to make such provision as it thinks fit in respect of all the above matters in non-panchayat areas.

(2) *Existing position.*—This is a mandatory function imposed on panchayats. The district board "has power" (but no duty) to perform this function in non-panchayat areas. In practice it is rarely performed.

(3) *Proposals for the future.*—(i) This may continue to be a mandatory function of panchayats and may be exclusively allotted to panchayats.

(ii) Panchayat Unions need not have any responsibility in this matter.

B. Sinking and repairing of wells, ponds, or tanks for supply of water for drinking, washing and bathing purposes.—(1) *Provisions of the Acts.*—The relevant section in the Madras Village Panchayats Act, 1950, is section 50 (g), under which it shall be the duty of the panchayat to make reasonable provision within the limits of its funds for the sinking and repairing of wells, the excavation, repair and maintenance of ponds or tanks and the construction and maintenance of water works for the supply of water for washing and bathing purposes and of protected water for drinking purposes. The corresponding provision in the Madras District Boards Act, 1920, is section 112 (1) (iii) and rule 1-B (2) (r) of Schedule V, under which a district board shall have power to make such provision as it thinks fit for carrying out the above items of functions in non-panchayat areas.

(2) *Existing position.*—This is a mandatory function imposed on the panchayats. The district board has power (but no duty) to perform this function in non-panchayat areas. In practice, the district board performs this function in a few villages, 'especially in Harijan areas'.

(3) *Proposals for the future.*—(i) This function may be allotted as a mandatory function to panchayats.

(ii) Panchayat Unions need not have any responsibility in the matter.

C. Construction of drains and disposal of drainage water and sullage.—(1) *Provisions of the Acts.*—The relevant provision in the Madras Village Panchayats Act, 1950, is section 50 (c), under which it shall be the duty of the panchayat to make provision within the limits of its funds for the construction of drains and the disposal of drainage water and sullage. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (n), under which a district board shall have power to perform this function in non-panchayat areas.

(2) *Existing position.*—This is a mandatory function imposed on the panchayats. The district board has power (but no duty) to perform this function in non-panchayat areas. In practice it is rarely performed.

(3) *Proposals for the future.*—(i) This item may be allotted as a mandatory function to panchayats.

(ii) Panchayat Unions need not have any responsibility in this matter.

D. Provision of public latrines and cleansing of latrines public or private.—(1) *Provisions of the Acts.*—The relevant provision in the Madras Village Panchayats Act, 1950, is section 50 (e), under which it shall be the duty of the panchayat to make reasonable provision within the limits of its funds for the provision of public latrines and arrangements to cleanse latrines whether public or private. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (p) of Schedule V under which a district board shall have power to perform this function in non-panchayat areas.

(2) *Existing position.*—This is a mandatory function imposed on the panchayats. The district board has power (but no duty) to perform this function in non-panchayat areas. In practice it is rarely performed.

(3) *Proposals for the future.*—(i) This may be allotted as a mandatory function to panchayats.

(ii) Panchayat Unions need not have any responsibility in this matter.

E. Opening and maintenance of burial and burning grounds.—(1) *Provisions of the Acts.*—The relevant section in the Madras Village Panchayats Act, 1950, is section 50 (f), under which it shall be the duty of the panchayat to make reasonable provision within the limits of its funds for the opening and maintenance of burial and burning grounds. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (q) of Schedule V, under which a district board shall have power to make such provision as it thinks fit to do this item.

(2) *Existing position.*—This is a mandatory function imposed on the panchayats. The district board has power (but no duty) to perform this function. In practice the district board performs this function in rare cases.

(3) *Proposals for the future.*—(i) This item may be allotted as a mandatory function to panchayats.

(ii) Panchayat Unions need not have any responsibility in this matter.

F. Preventive and remedial measures connected with epidemics—(1) *Provisions in the Acts.*—The relevant provision in the Madras Village Panchayats Act, 1950, is section 50 (h), under which it shall be the duty of the panchayat to make reasonable provision within the limits of its funds for undertaking preventive and remedial measures connected with any epidemics, or with malaria. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (i), under which a district board shall have power to make such provision as it thinks fit for carrying out preventive and remedial measures connected with epidemics except in panchayat areas such measures as may have been carried out by the panchayats under the Madras Village Panchayats Act, 1950.

(2) *Existing position.*—This is a mandatory function imposed on the panchayats. The panchayats do not have sufficient health staff to carry out this function in all cases. The district board is performing this function effectively in panchayat and non-panchayat areas.

(3) *Proposals for the future.*—(i) This may be allotted to the Panchayat Union as one of its mandatory functions.

(ii) General provision may be made of the categories of cases in which the Panchayat Union will have the power to require the panchayats to render such assistance to the Panchayat Union in respect of the performance of functions vested in the Panchayat Union; provided that no financial liability may be imposed thereby without the consent of the panchayat. This may be cited specifically as one of the categories of such case.

G. Vaccination—(1) *Provisions of the Acts.*—There is no provision in the Madras Village Panchayats Act, 1950, regarding vaccination. The relevant provisions in the Madras District Boards Act, 1920, are sections 137 and 138 and rule 1-B (2) (hh) of Schedule V.

(2) *Existing position.*—The district board is performing this function in both panchayat and non-panchayat areas through its health staff. The total number of vaccinators (who are now designated as Health Assistants) employed by district boards is 384. The Health Inspectors who are State Government employees are supervising their work.

(3) *Proposals for the future.*—(i) This function may be assigned exclusively to Panchayat Unions. The vaccinators (Health Assistants) may be transferred to the service of the Panchayat Union. The Health Inspector in the Primary Health Centre will supervise their work.

(ii) Panchayats need not have any special responsibility in this matter.

H. Control of fairs and festivals—(1) *Provisions of the Acts*—The relevant provisions are section 51 (e) of the Madras Village Panchayats Act, 1950, and rule 1-B (2) (m) of Schedule V to the Madras District Boards Act, 1920.

(2) *Existing position.*—The district board is concerned with fairs and festivals which are classified as district fairs and festivals in panchayat areas and all fairs and festivals in non-panchayat areas. The panchayat is concerned with fairs and festivals other than those classified as district fairs and festivals.

(3) *Proposals for the future.*—(i) Power may be vested in the Panchayat Union to classify any fair or festival as one reserved for control by the Panchayat Union.

(ii) The control of any fair or festival which is not so classified will be vested in the panchayat, within whose territorial limits it is held.

I. Establishment and maintenance of Maternity and Child Welfare Centres—(1) *Provisions of the Acts.*—The relevant provision in the Madras Village Panchayats Act, 1950, is section 51 (o) under which a panchayat may make such provision as it thinks fit for the establishment and maintenance of maternity and child welfare centres. Section 52 of the Madras Village Panchayats Act, 1950, provides that two or more panchayats may establish and maintain common child welfare centres. Rule 1-B (2) (f) and (g) of Schedule V to the Madras District Boards Act, 1920, provides that a district board shall have power to make such provision as it thinks fit for all Central Public Health Establishments which serve the needs of the district as a whole including reserve staffs of medical officers, nurses and midwives.

(2) *Existing position.*—This is a discretionary function in respect of panchayats. Four Maternity Homes with a bed strength of 22, forty-five Maternity and Child Welfare Centres with a bed strength of 90 and 203 centres without beds are maintained by district boards and panchayats. Besides this, Government are maintaining six Maternity Homes with a bed strength of 32 in the Poonamalle Health Unit, 12 Maternity and Child Welfare Centres with a bed strength of 12 and 83 centres without beds under backward areas scheme, 96 centres without beds under the Second Five-Year Plan and 217 centres in other areas including 192 in National Extension Service and Community Development Blocks. The total number of centres to be opened under the Second Five-Year Plan is 480 and the entire expenditure on this scheme in the Plan is to be met by the Government. It is proposed to make use of the services

of the indigenous midwives (Thayis) on whom a large proportion of the village folk depend, by giving them training in aseptic midwifery and bringing them into the maternity and child welfare organization. Three thousand and six hundred Thayis will be trained during the Second Five-Year Plan period and the entire expenditure on their training other than contingent expenditure will be met by the Government of India during the plan period.

(3) *Proposals for the future.*—(i) This function may be exclusively allotted to the Panchayat Unions.

(ii) This may be cited specifically as one of the categories of cases in which the Panchayat Union will have power to require the panchayat to render such assistance as may be needed by the Panchayat Union.

(iii) It is suggested that much greater emphasis should be laid on this service than hitherto and that the statutory description of this function may be amplified to include specific reference to the following purposes :—

(a) improvement of 'Thayi' services; and

(b) family-planning advice and assistance for mothers.

J. Establishment and maintenance of hospital and dispensaries—(1) *Provisions of the Acts.*—The relevant section in the Madras Village Panchayats Act, 1950, is a section 51 (n) under which a panchayat may make such provision as it thinks fit for the establishment and maintenance of dispensaries and the payment of subsidies to rural medical practitioners. Section 52 of the Madras Village Panchayats Act, 1950, provides that two or more panchayats may establish and maintain common dispensaries. Rule 1-B (2) (h) of Schedule V to the Madras District Boards Act, 1920, provides that a district board shall have power to make such provision as it thinks fit to provide for (a) the establishment and maintenance of hospitals, (b) the establishment and maintenance of dispensaries in non-panchayat areas and of dispensaries other than those classified as panchayat dispensaries in panchayat areas and (c) every other kind of medical relief in non-panchayat areas and every other kind of medical relief not given by the panchayat in panchayat areas.

(2) *Existing position.*—Nine Class I Panchayats and seven Class II Panchayats maintain dispensaries of their own and there

was no case in which a hospital or dispensary was maintained by more than one panchayat. The total number of medical institutions maintained by the district boards is as shown below :—

I. Western System.

Category.	Number.
(i) Hospitals	32
(ii) Regular Dispensaries	200
(iii) Rural Dispensaries	134
Total* ..	366

II. Indian System.

(i) Siddha	91
(ii) Ayurvedic	101
(iii) Unani	5
Total ..	197
Unclassified ..	plus 71

Grand total—Medical institutions .. 634

Besides these institutions, there were 101 municipal institutions, 130 Government and 59 private institutions in the districts other than Madras and Kanyakumari. Under a planned programme, the taluk headquarters hospital are being taken over by the Government for maintenance as State institutions.

(3) *Views of the Legislature Committee.*—The Committee took the view that all hospitals should be maintained by the Government and that the Panchayat Unions should maintain dispensaries.

(4) *Proposals for the future.*—(i) All hospitals may be with the Government (the implementation of the proposal to take over taluk headquarters hospitals being expedited and completed before an appointed date to be fixed this year and other hospitals which could not be taken over by the Government being converted into dispensaries).

(ii) All dispensaries may be allotted to Panchayat Unions.

(iii) Panchayat need not maintain any dispensary or undertake any responsibility for provision of medical relief.

K. Extension Service (Primary Health Centre)—(1) *Organization.*—The Primary Health Centre serves as the nucleus of medical organization in rural areas. These centres are set up under a

scheme formulated by the Government of India for the provision of combined curative and preventive health services. Each centre has a small dispensary (with a few beds for in-patient treatment in emergencies) where a team of itinerant health workers is maintained in order to serve the surrounding areas. For the convenience of mothers and children, maternity sub-centres with a maternity assistant and ayah are located at suitable points away from the main centre. The following is the staffing pattern of the Primary Health Centre :—

(i) Medical Officer	..	..	..	..	One.
(ii) Health Visitor	..	..	..	..	One.
(iii) Health Inspector	..	..	..	..	One.
(iv) Maternity Assistants	..	..	..	..	Four.
(v) Pharmacist	..	..	..	..	One.
(vi) Driver	..	..	..	..	One.
(vii) Nursing orderly	..	..	..	..	One.
(viii) Cook-cum-waterman	..	..	..	..	One.
(ix) Sweeper	..	..	..	..	One.

(2) *Finance.*—The Primary Health Centres are eligible for financial aid from the Government of India on the following scale for a period of five years :—

(a) *Non-recurring.*—Seventy-five per cent of the initial non-recurring expenditure up to a total of Rs. 37,200 on each unit as shown below, except in respect of buildings up to a limit of Rs. 30,000—

	RS.
(i) Cost of equipment	6,000
(ii) Furniture	600
(iii) Bedding and clothing	600
(iv) Building	30,000
Total	37,200

(b) *Recurring.*—Recurring expenditure up to Rs. 20,120 per unit per year will be met by the Central and State Governments during the Second Five-Year Plan period in the following proportion :—

Period.	Central. PER CENT.	State. PER CENT.
First 6 months	100	Nil.
Next 12 months	66-2/3	33-1/3
Next 12 months	50	50
Next 30 months	33-1/3	66-2/3

The financial responsibility for running the centre after the plan period is that of the State Government.

(3) *Object of the scheme.*—The object of the scheme is that the responsibility for providing the basic medical needs of the block area should be taken over by the Government so that an improvement in the standard of equipment and medical personnel is secured at the block level and they may be directly linked with Government hospital organizations at taluk and district headquarters. Under the scheme of provision of Primary Health Centres, preventive and curative work is dovetailed into each other.

(4) *Proposals for the future.*—(i) The organization of a Primary Health Centre consists of three distinguishable parts and they should be distinguished. That part which is concerned with Medical relief may be treated as the Medical Branch of the institution. It may be maintained and managed as a Government institution, like hospitals. The Medical Officer in charge of the Centre will attend to medical relief proper. He should not form part of the staff of the Panchayat Union and will not be under the administrative control of the Panchayat Union Commissioner. It will be his duty to furnish advice and assistance to the Executive Authority of the Panchayat Union in respect of the management and supervision of dispensaries (if any) which may be maintained or aided by the Panchayat Union. He will not normally have any executive responsibility for the management or supervision of the local health services. But in an emergency caused by epidemic disease, he should have the statutory power and duty to assume control of the health staff and undertake necessary control measures.

(ii) The Health Inspector attached to the Primary Health Centre should be the Panchayat Union Health Inspector. He should be under the administrative control of the Panchayat Union Commissioner like other Extension Officers. His duties are as given in the Public Health Code. They are briefly :—

- (1) Health Survey.
- (2) Health Education.
- (3) Verification of births, deaths, vaccination and keeping records.
- (4) Investigation and control of notified diseases.
- (5) Smallpox vaccination, T.A.B. and anti-cholera inoculations, etc.
- (6) Observation of cases of tuberculosis, leprosy, yaws, etc.
- (7) Carrying out intensive latrine construction work
- (8) Inspection of wells, latrines, hotels, slaughter-houses, markets, etc., and verification of improvements.
- (9) Abatement of nuisance (fly and mosquito control measures).
- (10) Inspection of school sanitation once a year.

(11) Keeping of records of his work and furnishing of periodical special reports when called for.

(12) Inspection and supervision of work of Health Assistants, and Village Sanitary workers.

(13) Public Health arrangements for fairs and festivals in the area.

(14) Enforcement of Public Health Act.

NOTE.—Statutory duties of Health Inspectors as per Public Health Act, Births and Death Registration Act, Prevention of Food Adulteration Act and the rules thereunder shall be scrupulously discharged.

The Panchayat Union Commissioner shall be the Executive Authority for purposes of Madras Public Health Act, 1939, and the Health Inspector will assist him in the performance of his duties as Executive Authority under the Madras Public Health Act. The Health Inspector will be the Health Adviser for Panchayats and their Presidents.

(iii) The Health Visitor attached to the Primary Health Centre should be the Panchayat Union Health Visitor. She should be under the administrative control of the Panchayat Union Commissioner. The duties of the Health Visitors are as follows:—

(1) She will be responsible for the development of Maternal and Child Health services in the area. She will work under the immediate supervision of the Medical Officer and the technical supervision of the Health Officer of the district or the Woman Medical Officer of the district if there is one.

(2) She will conduct ante-natal clinics, wellbaby and Toddlers clinics and family planning clinics.

(3) She will arrange to give group talks to expectant mothers, laying stress on "personal hygiene", Nutrition and environmental sanitation and using Extension-Technique as far as practicable. This work may be done during her visits for conducting ante-natal clinics.

(4) She will carry out Home visits both at her headquarters village, and at the Panchayat Union Centres. During these visits she should give advice not only about Maternal and Child Health but about "Environmental Sanitation", "Nutrition", and prevention of communicable disease and also "Personal Hygiene". She should also demonstrate simple practical methods of relieving minor ailments such as lousiness, scabies, sore-eyes, etc.

(5) She will be responsible for organizing the training of the Thais in her area. She will supervise the work of Maternity Assistants conducting one or two deliveries under home conditions. On this occasion she should try her best to improve technical work of the Maternity Assistant, as well as her human relationship skills.

(6) She should always hold herself in readiness to respond to an urgent call from a Maternity Assistant or a Thai.

(7) She will maintain an inventory of all equipments, instruments, furniture and other articles connected with her work, and check the same at specific periods as prescribed by existing rules.

(8) She will scrutinize and approve the indents submitted by the Maternity Assistants.

(9) She will ensure that ante-natal and post-natal cards are maintained for mothers, and infants and toddlers card for the children in the Maternity Centres in her area.

(10) She will be responsible for the maintenance of records, preparation and submission of the reports and returns.

(11) When an abnormal case comes to her notice, she will render all assistance for transporting such cases, to the nearest hospital. Whenever transport is available with the Medical Officer priority should be given for the transport of such cases.

(12) It will be her duty to see that the equipment provided for Maternity Centres, is adequate and also that the same is maintained properly.

(13) She will assist the Medical Officer in the development of the school health programme and also in the medical examination of girl students.

(14) She will hold staff conferences with her Maternity Assistants and such of the Thais as can be persuaded to attend once a month.

(15) She will submit an evaluation report of the work done in her area once in every quarter. This should reach the Medical Officer by the 7th of the month following the quarter.

SECTION IV—LOCAL EDUCATION.

A. Opening and maintenance of elementary schools.—(1) *Provisions of the Acts.*—The relevant section in the Madras Village Panchayats Act, 1950, is section 51 (k) under which a panchayat may make such provision as it thinks fit for the opening and maintenance of elementary schools. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (cc) of Schedule V which provides that a district board shall have power to make such provision as it thinks fit for the opening and maintenance of elementary schools except in any panchayat area where a contribution is paid by the district board to the panchayat on the scale fixed by the State Government for the opening and maintenance of elementary schools.

(2) *Existing position.*—Thirty-seven Class I Panchayats maintained 43 elementary schools and there were 993 elementary schools maintained by Class II Panchayats. The district boards

maintained 10,993 elementary schools in non-panchayat and panchayat areas. The total number of aided elementary schools in districts (non-municipal areas) was 6,637. In the case of aided schools as well as panchayats schools the Government are meeting the entire expenditure on pay and allowances of teachers plus 15 per cent of teaching grant as maintenance grant for schools. In the case of district boards, Government sanction fixed grants towards all schools opened prior to 1st April 1921 and certain schools opened after 1st April 1921 and grants towards the proceeds of education cess up to 9 pies in the rupee of land revenue.

(3) *Proposals for the future.*—(i) This function may be analysed as below :—

I. Public Elementary Schools—

- A. Opening of new schools.
- B. Maintenance of schools.
- C. Expansion and/or improvement of schools.

II. Private Elementary Schools—

- A. Opening of new schools.
- B. Maintenance of schools.
- C. Expansion and/or improvement of schools.

(ii) A Panchayat Union Education Service Cadre should be organized on a statutory basis in every block on the lines explained in detail in a separate paper [Appendix A to the Memorandum on the Panchayat Union (Education) Fund]. Teaching posts borne on this cadre should be statutorily 'listed' on the establishments of private as well as public elementary schools and specifically reserved for being filled by members of the cadre. The organization, maintenance and/or expansion of the Panchayat Union Education Service Cadre should be distinguished as a function entirely distinct and separate from the opening and maintenance and/or expansion of any particular elementary school. The function as thus defined and delimited should be vested in the Panchayat Union exclusively; and panchayats should not have any responsibility in relation to it.

(iii) Subject to the foregoing, all other functions [as analysed in sub-paragraph (i) above] may be provided for as follows :—

I-A. This may be vested in the Panchayat Unions exclusively.

I-B and I-C. These may be vested in the Panchayats, subject to—

(a) payment of grants on the same basis as those assessed for private elementary schools, and

(b) supervision by Panchayat Union acting as the agent of Government both for payment of grants and for ensuring fulfilment of conditions attached to grants.

II-A. This may be vested in the Panchayat Union exclusively. That is to say, no new private schools should be recognized, on a grant-in-aid basis, except on the recommendation of the Panchayat Union.

II-B and II-C. These may continue to vest in private managements subject to the following changes in present arrangements :—

(a) All or some of the teaching posts in every private elementary school should be 'listed' and 'reserved' for being filled up by members of the Panchayat Union Education Service Cadre. The pay and allowances of the holders of such "listed" posts should be excluded from the grant payable to private elementary schools and disbursed direct by the Panchayat Union.

(b) The grant payable to private elementary schools should be assessed according to statutory rules so as to cover all recurring charges of maintenance and management of the school, including the pay and allowances of non-cadre teachers holding unlisted teaching posts; but not including the pay and allowances of cadre teachers holding listed posts referred to in (a) above. The Panchayat Union will be responsible for acting as the Agent of Government in respect both of the payment of such grants and also the exercise of supervision to the extent necessary for enforcing fulfilment of conditions attached to grants.

(iv) The following allocation of functions to Panchayat Unions or Panchayats may be made—

(a) on a mandatory basis in respect of school standards I to V, and

(b) on a discretionary basis in respect of school standards higher than V.

B. Opening and maintenance of Reading Rooms and Libraries—

(1) *Provisions of Madras Village Panchayats Act, 1950 and Madras District Boards Act, 1920.*—The relevant section in the Madras Village Panchayats Act, 1950, is section 51 (1) under which a panchayat may make such provision as it thinks fit for the opening and maintenance of Reading rooms and of Libraries which are not classified as district libraries. The corresponding provision in the Madras District Boards Act, 1920, is rule 1-B (2) (dd) under which a District Board shall have power to make such provision as it thinks fit for the opening and maintenance of libraries and reading rooms in non-panchayat areas and of libraries and reading rooms classified as district libraries and district reading rooms in panchayat areas.

(2) *Provisions of Madras Public Libraries Act, 1948.*—For the purpose of organizing and administering public libraries in the State, Local Library Authorities have been constituted, one for the

Madras City and one for each district. Every Local Library Authority is expected to maintain one main library as the minimum and more if the area under its jurisdiction demands it and one branch library for each town, i.e., a locality with a population between 5,000 and 50,000 and one delivery station for each village, i.e., a locality with a population between 1,000 and 5,000 and one for each group of three contiguous hamlets, i.e., localities with a population below 1,000.

(3) *Existing position.*—(i) Under the Madras Village Panchayats Act, 1950, and the Madras District Boards Act, 1920, panchayats, district boards and municipal councils still continue to maintain libraries, though the Madras Public Libraries Act was passed as early as in 1948, it was brought into force from 1st April 1950. Two hundred and twenty-seven Class I Panchayats and 1,123, Class II Panchayats maintained libraries in 1955-56. Similarly in that year 279 Class I Panchayats and 2,384 Class II Panchayats maintained reading rooms. District Boards maintained seven libraries and three reading rooms in that year.

(ii) Under the Madras Public Libraries Act, the Local Library Authority maintained one main library in each district and branch libraries numbering 229 libraries and 212 delivery stations. The Local Library Authorities also maintained 93 reading rooms.

(4) *Proposals for the future.*—(i) The present organization of the Public Library system in districts should be reviewed in the light of changes in the organization of school-education as well as local administration and revised suitably.

(ii) The "main libraries" referred to in paragraph 2 above may be named "District Libraries". There should be one District Library for every Development district. They will be outside the purview of Panchayat Unions; and will be maintained by an *ad hoc* statutory authority at "Development district" level. The "District Library" should serve as a technical co-ordination centre for the libraries referred to in (iii) below.

(iii) The Branch Library system should be reorganized so as to provide a Panchayat Union (Central) Library in every Development Block (as also a Municipal Library in every municipal town).

(iv) "Delivery Stations" should be reorganized as Panchayat Union (Branch) Libraries. They should serve as the link between the Panchayat Union (Central) Library and the Panchayat Reading Rooms referred to in (v) below.

(v) The function of maintaining reading rooms may be exclusively allotted to panchayats as a discretionary function.

C. Establishment and maintenance of wireless receiving sets, play-grounds, parks, sports, clubs and centres of physical culture—

(1) *Provisions of the Acts.*—The relevant provisions are section 51 (m) of the Madras Village Panchayats Act, 1950, and rule 1-B (2) (t) of Schedule V to the Madras District Boards Act, 1920, under which the panchayats have discretion to perform this function in their areas and the district boards in non-panchayat areas.

(2) *Existing position.*—This function is very rarely performed by panchayats or district boards.

(3) *Proposal for the future.*—This function may be vested in panchayats to be performed on a discretionary basis.

D. Opening and maintenance of Secondary and Sessional Schools, Vocational or Industrial Schools and hostels for students—

(1) *Provisions of the Acts.*—There is no provision in the Madras Village Panchayats Act, 1950, enabling panchayats to perform this function. Rule 1-B (2) (d) of Schedule V to the Madras District Boards Act, 1920, provides that a district board shall have power to make such provision as it thinks fit for performing this function.

(2) *Existing position.*—Two panchayats (Arkonam and Valparai) maintain high schools. All district boards maintain high schools. Tanjore and Coimbatore district boards maintain industrial schools. No vocational schools are maintained by district boards. District Boards maintain hostels for students.

(3) *Proposal for the future.*—The Legislature Committee has taken the view that this function should be transferred from district boards and vested in the Government department concerned or in *ad hoc* Statutory Agencies to be set up under the Education Act. On this basis, it may be excluded from the scope of functions of panchayats as well as Panchayat Unions.

E. Adult Education.—(1) Prior to 1948, Government effort in the field of adult literacy was almost nil. The Government were aiding some night schools, but not methodically. In 1948, they framed a regular scheme with the two objects of (i) liquidating illiteracy of adults and (ii) improving the knowledge and education already possessed by adult literates. For the purpose of the scheme, persons falling between the age limits of 13 and 40 years were treated as 'adults'.

(2) During the period from 1940-53, Government effort in the sphere of adult education was expanded. A grant of Rs. 8.13 lakhs was received from the Government of India and, besides that amount an equal sum was spent from State funds. But, the results were disappointing.

(3) In 1954, this Government re-examined the whole policy and procedure in regard to adult education. Past experience showed that aged adults lacked the enthusiasm to learn. There was also lack of supervision and control over the schools. Hence, it was considered desirable to concentrate effort in two respects; first pupils to be admitted to the literacy schools were limited to the age-group between 8 and 18 years (as against the former age-group 13 to 40); and secondly, the operation of the new scheme was limited to the areas covered by the Community Projects and National Extension Service Scheme where (in addition to officers of the Education department) the services of Extension Officers could be utilized. The scheme, as thus revised, may be better described as a "Grown-up-Children-Literacy-Scheme" rather than an "Adult Education" Scheme. The funds provided for this scheme are very limited. Only Rs. 5 lakhs has been provided for, in the Second Five-Year Plan, for all the five years.

(4) The opening and maintenance of "Literacy Centre" may be classified along with items B and C of this section as "Social Education". This particular item may (like item C) be allotted to panchayats, as one of their 'discretionary' functions.

F. Extension Service.—(1) There are two posts of Social Education Organizers sanctioned for every Development Block. One of them is to be held by a male officer and the other a female officer. The services of the holders of these posts—it has been already proposed—should be made available free of charge to the Panchayat Union.

(2) It will be necessary to redefine the nature of the duties to be performed by the holders of these two posts and their relationship to the established Service-Cadres; and, on the basis of such redefinition, to resettle the arrangement regarding the selection and training of personnel appointed to hold these posts. The necessary review can be undertaken when other questions relating to the organization of the Panchayat Union are finalized.

(3) As the basis for such review, it is suggested that one of the two posts of Social Education Organizers should be borne on the cadre of the Panchayat Union Education Service as a selection post in the cadre. The duties attached to the posts should be

defined as the rendering of technical assistance to the Panchayat Union Commissioner in respect of the following categories of duties :—

(i) Organizing and supervising the administration of Statutory rules regarding compulsory enrolment and attendance in Standards I to V of all elementary schools;

(ii) organizing and supervising the system of Free-School Meals for poor children including local inspection of the accounts of School-Meal-Funds;

(iii) organizing and supervising the working of the Panchayat Union (Central) Library; Panchayat Union (Branch) Libraries and Panchayat Reading Rooms;

(iv) organizing and supervising the establishments and maintenance of wireless receiving sets, playgrounds, parks, sports clubs and Centre of Physical Culture; and

(v) organizing and supervising the working of "Panchayat Literacy Centres".

(4) The other post of Social Education Organizer, which is at present reserved for female officer to work among women, may be redesignated as that of "Assistant Health Visitor" of the Panchayat Union. The "Assistant Health Visitor" should assist the Health Visitor of the Panchayat Union in the performance of all the duties under paragraph 4 (iii) of item K of section III.

SECTION V—AGRICULTURAL SERVICE.

1. *Provisions of the Acts.*—Under Agriculture, would fall functions of (a) improvement of agriculture, (b) Veterinary relief, (c) protection and maintenance of village irrigation work and kudimaramat, (d) regulation of use of porambores and management of unreserved forests. There is no provision in the Madras District Boards Act, 1920, regarding these items except veterinary relief in respect of which rule 1-B (2) (j) of Schedule V to the Act, provides that a district board shall have power to make such provision as it thinks fit for the establishment and maintenance of Veterinary hospitals and dispensaries in the district. The relevant provisions in the Madras Village Panchayats Act, 1950, relating to these items are—

(a) Section 51 (i) empowering a panchayat to make such provision as it thinks fit for improvements of agriculture and agricultural stock and holding of agricultural shows.

(b) Section 51 (p) regarding veterinary relief.

(c) Section 59 regarding protection and maintenance of village irrigation work and kudimaramat.

(d) Sections 60 and 61 regarding regulation of porambores.

2. *Existing position.*—The Panchayat Act provisions are not mandatory and have not been availed of so far. The functions relating to Agriculture are very important from the point of view of Productive Development. The differences of opinion which existed regarding the role of Panchayat Unions and panchayats in respect of Productive Development Schemes generally (i.e., Agriculture, Animal Husbandry including Veterinary Service, Village Industries and Co-operative organization of the foregoing), has been described already (vide paragraph 3 of section I of this Note). The Legislature Committee has accepted the view that the Panchayat Unions and panchayats should be entrusted with definite responsibility on an agency basis, for all these schemes subject to retention by Government of power necessary for securing conformity of local development schemes to the State Development Plan; and the exercise of powers thus retained through the Collector. On this basis, the Secretary, Food and Agriculture Department was requested to review the schemes with which his department is concerned and suggest suitable allocation of functions.

3. *Views of the Secretary to Government, Food and Agriculture Department.*—The following are the views of the Agriculture Secretary :—

I. *The need for delegation.*—Agricultural production is now being carried on by thousands of individual farmers who form the units of production. The Government tenders them advice and gives them certain facilities for carrying out the advice. But actually, the work has to be done by the individual farmer. The success of the Government plans will therefore depend on a very uncertain factor, viz., the extent to which farmers implement the advice and avail of the services. At present, planning for agricultural production is undertaken in an empirical manner and often there are big shortfalls in some items. It can be expected that by bringing the local bodies into the picture, a better view can be obtained of the reactions of the farmer and so, planning would be more realistic. Further, the association of local leaders in this fashion will also mean the assumption by them of some responsibility for achieving the targets they themselves lay down.

The urgent need for association of the local farmers in all these matters has been felt all along by the departments and this was achieved, in a manner, by the organisation of Village Agricultural Associations. But these associations have been *ad hoc* bodies and are not capable of maintaining sustained enthusiasm. Further, the Association has no direct responsibility for implementing any of the schemes. If a local representative body takes over this function along with some definite responsibility in the matter, the position would be considerably improved.

II. *Agricultural*—(1) *Administration.*—I visualise the position of Extension Officer for Agriculture to something like a County Agent in the United States of America, who is an Officer of the

County administration, but is under the general control of the Extension Director of the State, so far as technical matters are concerned. Our Extension Officer can function under the double control of the Local Body as well as of the District Agricultural Officer; but in all technical matters, the District Agricultural Officer would have full control. The position will be very much like that of a Municipal Health Officer or Highways Engineer. There is no need to be pessimistic about the ability of this arrangement to work, because such dual control has been a familiar feature of the administration in many departments. Even more than primary education and public health, the success of agricultural extension work depends upon our ability to associate the local people in planning and implementation. On the basis of such a division of functions, the position may be considered in greater detail.

The work of the Extension Officer for Agriculture consists of certain specific duties as well as giving general advice. Such advice will relate not only to technical matters, but will also extend to the services available to him from the Government as well as the best means of availing of these services.

The specific duties of the Extension Officer for Agriculture may be classified as follows :—

Technical.

- (i) Selection of seeds for the locality;
- (ii) Recommendations about agronomic practices;
- (iii) Demonstration of Japanese method;
- (iv) Recommendations about manuring;
- (v) Advice regarding preparation of compost;
- (vi) Agricultural Engineering and implements.

Services.

- (i) Seed multiplication and distribution;
- (ii) Extension of rural compost;
- (iii) Distribution of fertilizers;
- (iv) Supply of insecticides;
- (v) Supply of pumpsets and other agricultural implements.

The position relating to each of these items may be considered in greater detail.

(i) *Seed-multiplication.*—At present, the seeds supplied from the Government farm are multiplied in two stages in the primary seed farm and the village seed farm, before actual distribution to the farmer. The Government have the responsibility of procuring the seeds from the primary seed farms and making them available to the village seed farm; but the distribution of the

ultimate seed from the village seed farms to the ryots is by exchange, of course, under the supervision of the agricultural officer. When the State seed farms have been established, the Government will be producing all the primary seeds needed, but the last stage of multiplication in a village seed farm and the actual distribution, are the concern of the local people. This fact can be recognised and the local body can take over the responsibility from that stage. The National Extension Service Block may probably be too big a unit for this purpose and smaller units of the size of the circle which we contemplate may be more appropriate. Each circle must have its net-work of village seed farms, and a specified plan of producing and distributing the seeds.

(ii) *Development of Compost*.—Recently, an elaborate scheme for the development of compost and other local manurial resources has been sanctioned and each National Extension Service Block will have a Compost Inspector now, whose sole responsibility will be to develop the local manurial resources. It is his job to push our compost programmes and also to see that some use is made of the night soil of the bigger villages. It will be very appropriate if this officer works under the local body in close co-operation with his sanitary-counter-part.

The development of local fuels has a direct bearing on the fertiliser position, because if alternative fuel is available, cow-dung can be released for use as manure. There is a suggestion that small bits of forests which cannot be reserved and properly maintained by the Forest Department might be handed over to the local bodies for this purpose. This will give the local bodies some responsibility in the maintenance of village fuel coupes.

(iii) *Chemical Fertilisers*.—At present, the Commissioner for Food Production is in charge of the distribution of Ammonium Sulphate while the other chemical fertilisers are the concern of the private trade. The District Co-operative Stores is the wholesale agent for Ammonium Sulphate and there is a network of dealers in each district. In the National Extension Service Block, the co-operative organizations have the monopoly of distributing Ammonium Sulphate. The whole organization is under the control of the Collector. Distribution of chemical fertilisers is really a huge commercial operation and involves handling of large amounts of money and it would not be advisable for any local body to get involved in this. The present arrangement will have to continue.

(iv) *Insecticides*.—At present insecticides and pesticides are stocked by Agricultural Demonstrators in their depots and sold to the farmers. In case of some pests affecting a large area, these chemicals are sold at half rate, the balance of the price being subsidised by the Government. The depot also stocks some special types of seeds such as seeds of groundnut, green manures, etc. Each National Extension Service Block has a depot under the

control of the Extension Officer for Agriculture. There is no objection to the whole of the depot being taken over by the local body. The objection relating to chemical fertilisers does not apply here, because the transactions are usually small in their value.

(v) *Agricultural Engineering*.—There are some tractors maintained by this department, but that is a line of activity from which we are rapidly retreating. Tractors, any way, cannot be the concern of the local body and have to be maintained by the District Agricultural Officer through some centralised agencies. There are also a number of pumpsets maintained for being let out on hire. Till recently, they were kept centralised in the district; but now they have been dispersed over the taluks. The maintenance of these pumpsets can well be entrusted to the local bodies. A third line of Agricultural Engineering relates to the drilling of tube wells which is now dealt with by the Director of Industries; but is likely to be transferred to the Agricultural Engineering Sections. For the time being, this may also be retained with the District Agricultural Officer as the machinery can be more effectively used in a larger area.

III. *Animal Husbandry*.—We have now one Extension Officer for Animal Husbandry in each National Extension Service Block. Usually, he is a Livestock Inspector or a Stockman. In some blocks, we have Veterinary Dispensaries and in such cases, a Veterinary Assistant Surgeon is in charge of the dispensary as well as Extension work for the block. In some blocks, where there are no Veterinary Dispensaries, we have First-Aid Centres in charge of Stockmen.

The functions of the Extension Officer for Animal Husbandry can be classified as technical and service functions as follows:—

Technical.

- 1 Treatment of animals.
- 2 Advice on poultry farming.
- 3 Advice on feeding and nutrition of cattle.
- 4 Inspection of breeding bulls.

Service.

- 1 Artificial insemination.
- 2 Castration of stray cattle.
- 3 Preventive inoculation.
- 4 Running of the First-Aid Centre or Dispensary.

In the case of Animal Husbandry work, the Extension Officer can come under the double control of the local body as well as the District Veterinary Officer, the technical control vesting solely with the latter. Where a dispensary has been maintained, it can assume the same status as regards control as Health Centres maintained by the Medical Department.

The object of this delegation is obviously to increase the efficiency by ensuring greater local contact. Another means of increasing the efficiency will be to separate the development functions such as work relating to agriculture, animal husbandry and co-operation from the other functions such as Public Health, Education, etc., at the Grama Sevak level. You are aware that I have all along maintained that such a separation is necessary in the interests of efficiency. If the arrangement I visualise is given effect to, the implementing of the agricultural programme for any Panchayat Circle will give full-time occupation for one Grama Sevak and so it might be possible to employ some Grama Sevaks solely for the Agricultural and Animal Husbandry Programme of the Panchayat Circle.

4. *Comments of Secretary, Health, Education and Local Administration Department.*—(i) The views of Secretary, Food and Agriculture Department may be accepted as the basis for specification of the scope of functions for which responsibility may be transferred from Government Department agencies and vested in Panchayat Unions.

(ii) Attention is invited to the view expressed by Secretary, Food and Agriculture Department regarding the suitability of the "Circle" (in preference to the "Block") as the territorial unit for administration of "Seed-multiplication" Schemes. Similar considerations apply to most (but not all) of the other schemes in this field. These considerations call for a re-examination of the question of "Panchayat Union Circle Committees" being set up as "Standing Committees" of the Panchayat Union. The Legislature Committee took the view that the constitution of such Committees may be provided for through an enabling provision; but they need not be insisted upon as an essential feature of Panchayat Union Organization. It is suggested, in view of the extreme importance of these schemes that the Constitution of "Panchayat Union Circle Committees" should be insisted on as a necessary condition of entrustment of responsibility in this field.

(iii) If this view is accepted, provision may be made for co-option to every Panchayat Union Circle Committee of one or two practical farmers of local repute as experts.

(iv) Panchayats may be placed under obligation to assist, if called upon by the Panchayat Union, but need not have any specifically allotted responsibility.

SECTION VI—LOCAL INDUSTRIES AND TRADE.

A. Cottage Industries—(1) *Provision of the Acts.*—Section 51 (j) of the Madras Village Panchayats Act, 1950, provides that a panchayat may make such provision as it thinks fit for the promotion of cottage industries. There is no provision for this item in the Madras District Boards Act, 1920.

(2) *Existing position.*—No steps were taken by any panchayat to perform this function except the panchayats of Valparai (which encouraged Bee-Keeping) and Cheranmahadevi (which encouraged pottery).

(3) *Proposal for the future.*—This function may be allotted to Panchayat Unions.

B. Opening and maintenance of public markets—(1) *Provisions of the Acts.*—The relevant provisions are section 51 (b) of the Madras Village Panchayats Act, 1950, under which a panchayat may make such provision as it thinks fit for the opening and maintenance of public markets other than markets which are classified as district markets and rule 1-B (2) (1) of Schedule V to the Madras District Boards Act, 1920, which provides that a district board shall have power to make such provision as it thinks fit for the opening and maintenance of public markets which are classified as district markets in panchayat areas and all public markets in non-panchayat areas.

(2) *Existing position.*—There may be some markets (daily) which will serve exclusively one village and there may be some which will serve more than one village. So far as weekly markets are concerned there may be no weekly market which will serve a particular village. Section 86 of the Madras Village Panchayats Act, 1950, empowers the Government to classify markets (public as well as private) as district markets and panchayat markets. This power has been delegated to the Inspector of Municipal Councils and Local Boards. Markets classified as district markets are maintained by district boards and those classified as panchayat markets are maintained by panchayats. There is also provision for apportionment of income from markets between district boards and panchayats.

(3) *Proposal for the future.*—The function of opening and maintenance of new public markets may be vested in the Panchayat Union as a discretionary function. As regards existing markets those classified as district markets and maintained by district boards may be transferred to Panchayat Unions and those classified as panchayat markets may continue to be maintained by

Panchayats. The power to classify markets as district markets and panchayat markets which is now vested in the Government and delegated to the Inspector of Municipal Councils and Local Boards may, in future, be vested in Panchayat Unions. The existing system of apportionment of income may be continued.

C. Licensing of private markets—(1) Provisions of the Acts.—The relevant provisions are sections 81 to 86 of the Madras Village Panchayats Act, 1950, and sections 171 to 183-B of the Madras District Boards Act, 1920.

(2) *Existing position.*—Just as public markets, section 86 empowers the Government to classify private markets also as district markets and panchayat markets. The income from private markets represents the licence fee of 15 per cent of the gross income of the owner and there is provision for the apportionment of this income also.

(3) *Proposal for the future.*—The State Panchayat Union has suggested that the power to enforce licensing provisions may be vested in Panchayats in the case of both district markets and panchayat markets. This may be agreed to.

D. Opening and maintenance of public slaughter-houses—(1) Provisions of the Acts.—Section 51 (e) of the Madras Village Panchayats Act, 1950, provides that a panchayat may make such provision as it thinks fit for the opening and maintenance of public slaughterhouses, while rule 1-B (2) (s) and Schedule V to the Madras District Boards Act, 1920, provides that a district board shall have power to make such provision as it thinks fit for the opening and maintenance of public slaughter-houses in non-panchayat areas.

(2) *Existing position.*—Panchayats maintain slaughterhouses in their areas and the district board rarely performs this function in non-panchayat areas.

(3) *Proposal for the future.*—This function may be allotted exclusively to panchayats as a discretionary function.

E. Opening and maintenance of public landing places, halting places and cart-stands—(1) Provision of the Acts.—The relevant provisions are sections 51 (d) and 87 of the Madras Village Panchayats Act, 1950, and sections 184 to 187 of the Madras District Boards Act, 1920.

(2) *Existing position.*—The panchayats perform this function in panchayat areas and the district board in non-panchayat areas.

(3) *Proposal for the future.*—This function may be allotted exclusively to panchayats, as a discretionary function.

F. Opening and maintenance of public cattle sheds—(1) Provisions of the Acts.—Section 51 (d) of the Madras Village Panchayats Act, 1950, provides that a panchayat may make such provision as it thinks fit to open and maintain public cattle sheds. There is no provision in the Madras District Boards Act, 1920, for this item.

(2) *Existing position.*—This function is rarely performed by panchayats.

(3) *Proposal for the future.*—This function may be allotted to panchayats, as a discretionary function.

G. Licensing of places used for dangerous and offensive trades and permission for the construction of factories and the installation of machinery—(1) Provisions of the Acts.—The relevant provisions are sections 91 and 92 of the Madras Village Panchayats Act, 1950, and sections 193 and 194 of the Madras District Boards Act, 1920. The district board in non-panchayat areas and panchayats in panchayat areas are empowered to notify that no places in their respective areas, shall be used for purposes of dangerous and offensive trades which are specified under section 7 of the Madras District Boards Act, 1920, and under the rules framed under the Panchayats Act. There is similar provision in the Madras District Municipalities Act, 1920; but the Madras District Municipalities Act confers powers on municipal council to control such trade outside the municipal limits also up to a distance of three miles.

(2) *Existing position.*—It cannot be said that the district boards or panchayats are performing this function as satisfactorily as it should be, because they do not have the required supervisory staff.

(3) *Proposal for the future.*—As Panchayat Unions are modelled on the lines of municipalities and in fact they are really rural municipalities, it seems desirable and necessary to vest control in Panchayat Unions and to delete provisions for control by municipalities outside the area. The Panchayat Unions will have the required staff of Health Inspectors, etc., and they may be expected to perform this function satisfactorily.

SECTION VII—WELFARE.

A. Registration of births and deaths—(1) Provisions of the Acts.—Section 51 (h) of the Madras Village Panchayats Act, 1950, provides that a panchayat may make such provisions as it thinks fit for the registration of births and deaths. There is no corresponding provision in the Madras District Boards Act, 1920.

(2) *Existing position.*—This is a municipal function and under section 286 of the Madras District Municipalities Act, 1920, it is obligatory on a municipal council to register all births and deaths. In regard to panchayats, this is a discretionary function. The panchayats do not perform this function. The village headmen perform this function and the connected records are first sent by village headmen to the taluk office annually and they are transferred to the Sub-Registrar's Offices later.

(3) *Proposal for the future.*—This function is an important one which a local authority should perform. In the case of municipalities specific provision is made under "Chapter XIII—Vital Statistics and the Prevention of disease" and section 286 wherein provides that the municipal council shall register all births and deaths occurring in the municipality and that information of births and deaths shall be given and also that their registration shall be made and enforced in the prescribed manner. It is proposed to allot the function of Maternity and Child Welfare to the Panchayat Unions, which are concerned with ante-natal cases, child births and child health. The village Thayis will assist the midwives employed by the Panchayat Union in respect of maternity cases. After the child is born, its welfare has to be looked after by the Panchayat Union and later for enforcement of compulsory education of children, the Panchayat Union requires necessary data regarding child births. In respect of deaths also the Panchayat Union is concerned about the cause of the death and prevention of diseases which are responsible for causing preventible death. Thus Maternity and Child Welfare, health protection and school education have to be linked up and looked after by a single authority, viz., the Panchayat Union. It will be convenient, however, to allocate specific duties to the panchayats and Panchayat Unions separately and vest in the latter the power to supervise and control the performance by the former of its duties. On this basis, the panchayat may be made responsible for actual registration of reported births and deaths as and when they occur, including the conduct of all enquiries necessary for ensuring that all births and deaths are reported. The Panchayat Union to be responsible for—

- (i) Supervision and verification of the correctness and completeness of registration of births and deaths;
- (ii) Consolidation and submission of returns regarding births and deaths to Government; and
- (iii) Custody and Preservation of Birth-Death Registration records.

B. Extension of village sites and regulation of buildings.—(1) *Provisions of the Acts.*—The relevant provisions are section 51 (g) of the Madras Village Panchayats Act, 1950, and section 112 (1) (iii) of the Madras District Boards Act, 1920.

(2) *Existing position.*—Except panchayats in bigger towns, panchayats and district boards do very little in performing this function.

(3) *Proposal for the future.*—This function may be allotted to Panchayat Unions, as this is a municipal function and as panchayats do not have the required staff to perform this function; and as direct executive responsibility of Panchayat Union Commissioner will be necessary for avoidance of local disputes.

C. Establishment and maintenance of choultries.—(1) *Provisions of the Acts.*—The relevant provisions are section 51 (f) of the Madras Village Panchayats Act, 1950, and rule 1-B (2) (c) of Schedule V to the Madras District Boards Act, 1920.

(2) *Existing position.*—The panchayats maintain choultries other than those classified as district choultries and the district boards maintain all choultries in non-panchayat areas and choultries classified as district choultries in panchayat areas.

(3) *Proposal for the future.*—The existing position may be continued and the choultries maintainable by district boards may be vested in Panchayat Unions.

D. Construction and maintenance of travellers' bungalows and rest-houses on all public roads in the district.—(1) *Provisions of the Acts.*—The relevant provision in the Madras District Boards Act, 1920, is rule 1-B (2) (b) of Schedule V and there is no corresponding provision in the Madras Village Panchayats Act, 1950.

(2) *Existing position.*—There are certain travellers' bungalows and rest-houses maintained by the district boards.

(3) *Proposal for the future.*—The Legislature Committee on Local Administration has suggested that this function may be excluded from the purview of panchayat unions and panchayats. This will be carried out.

E. Management of charitable endowments transferred by the Board of Revenue.—(1) *Provisions of the Acts.*—The relevant provisions are section 54 of the Madras Village Panchayats Act, 1950, and section 63 of the Madras District Boards Act, 1920.

(2) *Existing position.*—Both panchayats and district boards manage the charitable endowments transferred to them.

(3) *Proposal for the future.*—The management of charitable endowments may be vested in the panchayat unions as this will facilitate direct executive responsibility being entrusted to the Panchayat Union Commissioner.

F. Administration of Communal property or income—(1) Provisions of Acts.—The relevant provision in the Madras Village Panchayats Act, 1950, is section 58. There is no corresponding provision in the Madras District Boards Act, 1920.

(2) Existing position.—This provision is for vesting in panchayats of communal property or income which by custom belongs to or has been administered in common, of village land generally or of land of a particular description or of lands under a particular source of irrigation.

(3) Proposal for the future.—This item may be vested in panchayats. In this connexion it may be stated that the State Panchayat Union pointed out that the rearing of fuel trees like 'Babul' trees on porambokes especially on tank bund, tank spread porambokes would yield a large revenue to village panchayats and that if permission is given to village panchayats by the Revenue Department to grow fuel trees on porambokes and sell them later for fuel, it will be a fruitful source of revenue to village panchayats.

G. Residuary—Discretionary.—Section 51 (q) of the Madras Village Panchayats Act, 1950, and rule 1-B (3) (d) of Schedule V to the Madras District Boards Act, 1920, are exactly similar and provide that a panchayat or a district board may make such provision as it may think fit to carry out measures, of public utility calculated to promote the safety, health, comfort or convenience of the inhabitants. This is a general provision and may be made in respect of both panchayats and panchayat unions.

H. Residuary—Government Agency.—Section 53 (1) of the Madras Village Panchayats Act, 1950, provides for the transfer by the Government, the Board of Revenue, the Collector or the Revenue Divisional Officer or the District Board or its President or any person or body of persons to a panchayat the management of any institution or the execution or maintenance of any work or the exercise of any of power or the discharge of duty. Similarly section 65-C of the Madras District Boards Act, 1920, provides for the transfer by the Government of any institution, etc., to a district board. Similar provision may be made in respect of panchayats and panchayat unions in the proposed enactment.

Under this item will fall the transfer of management of ex-panchayat forests, ex-zamin forests which are not forming compact part blocks, or the transfer of kudimaramat and management of irrigation sources or registration of documents for which specific provisions have been made in the Madras Village Panchayats Act, 1950—vide sections 53, 59 and 133 of the Madras Village Panchayats Act, 1950.

I. Residuary—Non-Government Agency.—Section 55 of the Madras Village Panchayats Act, 1950, and section 64 of the Madras District Boards Act, 1920, provide for the acceptance by panchayats or district boards any trusts exclusively to the furtherance of any purpose to which their funds might be applied. This is a general provision and may be continued in respect of both panchayat unions and panchayats.

(4)

DRAFT RECOMMENDATIONS OF THE TEAM FOR THE STUDY OF COMMUNITY DEVELOPMENT AND NATIONAL EXTENSION SERVICES.

Chapter D.D.—Democratic Decentralisation.

SECTION I—NEED FOR THE CONSTITUTION OF PANCHAYAT UNIONS (OR BLOCK BOARDS).

A. Paragraphs 1 to 10 of Draft Chapter D.D., including Recommendations D.D.-1 and D.D.-2.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Team's recommendation (D.D. 2) has been already anticipated by the Cabinet Sub-Committee. The "Block-Board" proposed by the Team (for which the Team recognizes the need for a better name) is the same as the "Panchayat Union" decided upon by the Cabinet Committee. The Constitution of a panchayat union has been worked out in detail in relation to a selected Block in Madurai district. This panchayat union has been legally constituted and it was formally inaugurated on the 15th September 1957. A proto-type of the organization which the Team has in mind has thus been already brought into existence in this State.

(2) The conference is unable to accept the Team's recommendation (D.D.-1) in the terms in which it has been formulated. Having defined "development work", as including "agriculture, animal husbandry, minor irrigation works, village industry, primary education, local communications, sanitation, health and medical relief, local amenities and similar subjects", the Team asserts that there is urgent need for creating a body which "will have entire charge of all development work within its jurisdiction". Then it proceeds to assert that such a body will be unable to function with any vigour, initiative and success unless the Government divest themselves completely of ultimate as well as immediate responsibility and "devolve" upon this newly created body "all of its own functions in these fields within the body's jurisdiction, reserving to itself the functions of guidance, supervision and higher planning; and, where necessary, providing extra finances". The

Team lays special emphasis on such "devolution", as distinguished from mere "delegation" which entails continued retention by Government of ultimate responsibility for the action of the authority to whom power is delegated and consequently also the exercise of control over the authority in respect of the use of delegated power.

Delegation may bring about decentralisation; but it will not bring about "democratic decentralization", for which in the opinion of the Team a hard and fast transfer of responsibility is essential.

(3) "Democratic Decentralization", is indeed, a good description of the guiding principle involved. The conference accepts this principle. But it sees no reason why it should be limited to outright transfer of powers. Any reform which enables elected representatives of the local people to play a more effective part in the maintenance and development of any public service which the local people need should be regarded as furthering the process of "democratic decentralization" of the machinery of public administration. It is true that the delegation of responsibility and power is normally made only to a public servant in the employment of Government. But if in pursuance of deliberate policy, such delegations were effected in favour of a local body (with the willing consent of such body), the conference sees no reason why it should not be regarded as "democratic decentralization". Such relations exist between the Central Government and the State Government. This can be brought into existence between the State Government and a panchayat union. In one case, as in the other, there is "democratic decentralization". The conference would indeed, go further and claim that even if there were no "transfer of power" or "delegation of power"; and the elected representatives of the local people were only associated in an advisory capacity, with the local officers of Government who perform delegated functions such "advisory association" would mark a definite stage in the process of democratic decentralization of the machinery of public administration.

(4) Put shortly, the Team considers it necessary that all development work should be statutorily "devolved" on the panchayat union. In the opinion of the conference, there should be statutory devolution in respect of certain functions, executive delegation in respect of certain others, and advisory association in respect of all others. This is an important difference in initial approach. All other differences of opinion will be found to be traceable to it.

(5) The need for constituting a panchayat union arises, not because of an allegedly urgent need for a local body to which outright "transfer of power" has to be effected by the Government in respect of all "development work" in the local area for which

the body is constituted. The conference would prefer to rest the case in favour of the constitution of the panchayat union on two grounds as set out below:—

(i) *Need for implementing Article 40 of the Constitution.*—Article 40 of the Constitution of India requires that "the State should take steps to organize Village Panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of Self-Government". In Madras, a law was enacted in 1950, whereby Village Panchayats were endowed with powers and authority necessary for enabling them to perform much more extensive functions as units of Self-Government than before 1950 (including practically all the functions performed by District Boards). Experience has shown that Panchayats are unable to perform these Post-1950 functions. A study of the underlying reasons has led the Government to the conclusion that the Post 1950 functions cannot be performed, unless the Panchayats of contiguous villages situated in a sufficiently large local area are united in a common organization representing all of them; and the performance of all post-1950 functions is entrusted to such common organization. The Panchayat Union is the name given to such common organization. The need for a Panchayat Union arises primarily because there is no other satisfactory method of giving full effect to the intention underlying Article 40 of the Constitution.

(ii) *Need for durable arrangements for mobilisation of local resources of a local initiative for local development.*—The working of the National Extension Service Scheme has shown that it is possible to mobilise local resources for local development, by enlisting the interest of local people in specific schemes. The needed arrangements were made on an *ad hoc* basis. But development is a continuing task. The services and facilities which are brought into existence through the execution of Development schemes require to be continually maintained and improved. It is necessary, therefore, that the *ad hoc* Committees should be replaced by bodies set up on a statutory basis permanently.

If Panchayat Unions are constituted for the purpose already mentioned, they will also be the most suitable agencies for meeting this need.

C. Views of the State Development Committee.—(1) The State Development Committee agrees with the Cabinet Committee on Local Administration that District Boards should be abolished and replaced by Panchayat Unions at block level. This is also the principal recommendation of the Committee on Plan Projects Team. The name "Panchayat Union" is suitable, because it is necessary to emphasise the fact that this block level body will not be constituted by a process of direct election independently of village panchayats. The Panchayat Union will be a co-operative Union of all the Village Panchayats in the block; and will consist of elected representatives of these Village Panchayats.

(2) Why is it necessary to abolish District Boards and replace them by Panchayat Unions?

It is desirable that no room should be left for misunderstanding on the question. This is not a matter of condemnation of district boards; for it can be argued with justice that, if district boards have been generally ineffectual during the last decade, it was because of inadequacy of financial resources as well as of trained personnel. If these inadequacies are now going to be rectified, if funds available for local development are to be channelled through local authorities; and if trained personnel are to be provided in adequate numbers; it would be reasonable to ask why these facilities should not be made available to District Boards as constituted as at present. The Madras Government take the view that it is preferable to make these facilities available to Panchayat Unions (constituted at block level) instead of the District Boards (constituted as at present). The relevant considerations are explained below:

(3) A specific duty is cast on the State Government under Article 40 of the Constitution to develop Village Panchayats and endow them with greater powers. Accordingly, in 1950, an Act was passed which conferred on Village Panchayats almost all the functions of the District Boards, and, in addition, certain powers to raise local resources by local taxation which were not conferred on District Boards. In practice, however, these provisions have remained inoperative because the village is too small a unit for viable organization of the needed public services on a permanent basis. The remedy for this situation was, however, provided in the Act itself. A number of panchayats for a group of contiguous villages could be brought together and united under a Statutory Joint Committee for the provision of services needed by all of them. The Government came to the conclusion that if full effect is to be given to Article 40 of the Constitution, as well as the Village Panchayats Act, 1950, it is necessary to organize such Statutory Joint Committees and thereby enable the Panchayats to perform (either individually or jointly) all the functions envisaged in the 1950 Act. The "Panchayat Union" was conceived primarily as a method of implementing Article 40 of the Constitution.

(4) Then the question arose: What is the optimum size of the local area for which a Panchayat Union is to be constituted. The answer was provided by the National Extension Service Scheme. This scheme has been formed already, on an All-India basis, on the Block pattern. The Block Development Establishment (consisting of one Development Officer, various Extension Officers at block level, and a number of Grama Sevaks) has been designed; and training arrangements have been organized on the basis of requirements of the blocks. Experience has been gained in co-ordinated working of the Block Development Establishment in close association with representatives of the local people (Block Advisory Committees). The Government of India

have now declared that this organization should form the permanent pattern of administration and have also undertaken to share the cost of this establishment on a continuing basis. In these circumstances the block has to be accepted as the most convenient unit for organizing the Panchayat Union; because only on that basis, 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.

(5) 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 up 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). This is a decisive consideration.

(6) 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.

(7) The scope of functions of the Panchayat Union, as visualized already by the Government of Madras has been set out clearly in the North Madurai Panchayat Union Memorandum. The Committee on Plan Projects Team proposes that the functions devolved on the Panchayat Union should include all the schemes of "Local Development" as defined by the Team; and that, in respect of such schemes there should be outright transfer of powers by Government divesting themselves of responsibility in the matter. The Conference does not accept this recommendation and proposes instead a "gradualist approach" to democratic decentralization. The State Development Committee is inclined to take a middle view, which is set out fully in section III.

SECTION II—MODE OF CONSTITUTION OF PANCHAYAT UNION OR BLOCK BOARDS.

A-I. Paragraphs 11 to 15 of Draft Chapter D.D., including Recommendations D.D.-3, D.D.-4 and D.D.-5.

A-II. Paragraphs 19 to 25 of Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comment).—(1) D.D.-3. Indirect elections from Village Panchayats.—The Team proposes the division of block into (about 20) village groups; and setting up an electoral college consisting of all the members of all the panchayats of the village group; as the constituency for electing one Panchayat Union Councillor. Though this proposal has the advantage of yielding a conveniently limited number of Councillors for the Panchayat Union, it is open to the more serious objection that the Panchayat Union thus constituted will fail to provide a representative for each village panchayat individually.

The conference regards such individual representation to be the essence of the Panchayat Union concept; and accordingly prefers the arrangements described in paragraph 21 (1) of the Panchayat Union Memorandum. The resulting disadvantage, (viz., the unwieldy size of the Panchayat Union Council) will be largely overcome by the provision that the Council will normally work through the Panchayat Union Circle Committees constituted (without further election) under paragraph 23 of the Panchayat Union Memorandum.

(2) D.D.-3. *Co-option of Scheduled Caste Representatives.*—This may be accepted in the form provided already in paragraph 21 (2) of the Panchayat Union Memorandum.

(3) D.D.-3. *Co-option of Women.*—This is a good suggestion. The conference suggests that statutory provision may be made for ensuring that every Panchayat Union Circle Committee has at least one woman member, co-option being resorted to, where it is necessary for this purpose.

(4) D.D.-4. *Rural Municipalities.*—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 case. 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.

(5) D.D.-5. *Co-operation Representative.*—The Conference believes that the system of election of Panchayat Union Councillors proposed in the Panchayat Union Memorandum is such that a few among the Directors of Co-operative Societies are normally sure to find place in the Council. If, in any case, it is found that there

is not even one Director of any Co-operative Society in the Council, the conference agrees that there should be provision requiring the Council to co-opt one.

The Conference does not consider it necessary to go beyond this and reserve any particular proportion of the total strength for representation of co-operative societies. Any such provision would be undesirable as it might open the door to claim for special representation to such an extent as to alter the basic character of the Panchayat Union, viz., that it is a Union of Village Panchayats.

SECTION III—FUNCTIONS AND POWERS OF PANCHAYAT UNIONS (OR BLOCK BOARDS).

A-I. Paragraphs 16 and 17 of the Draft Chapter D.D. including Recommendation D.D.-16.

A-II. Paragraphs 27 to 31 of Panchayat Union Memorandum.

B. Conclusions reached in the conference (with explanatory comment).—(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 D.D.-6.

(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 the Panchayat Union.

(3) In the opinion of the conference, as already explained, "democratic decentralization" 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 decentralization" must be visualized 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 within 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 Service 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 organization 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 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 on 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.

C. Views of the State Development Committee.—(1) The State Development Committee accepts the view of the Conference that "Democratic Decentralization" does not necessarily consist in 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 visualized as a gradual development. The Conference proposes to leave this process of development of local responsibility undefined for the present.

(3) The State Development Committee 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 State Development Committee recognizes 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 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 State Development Committee 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.

SECTION IV—FINANCIAL RESOURCES TO BE ALLOCATED TO PANCHAYAT UNIONS (OR BLOCK BOARDS).

A-I. Paragraphs 18 and 19 of the Draft Chapter D.D. including Recommendations D.D.-7, D.D.-8 and D.D.-9.

A-II. Paragraphs 39 to 43 of Panchayat Union Memorandum.

B. *Conclusions reached in the Conference (with explanatory comment).*—(1) The extracts from the Panchayat Union Memorandum given above 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 grants-in-aid have been clearly specified; and have been distinguished from (ii) the resources to be assigned to the Village Panchayats and the resources to be provided to the Village Panchayats 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) D.D.-7. *Resources other than a share of the Land Revenue.*—The Conference has no comment on items (b) to (m) in the proposed list 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) D.D.-7. *Assignment of a share of the Land Revenue.*—The proposal [listed as item (a) of D.D.-7] 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 realize—

(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) D.D.-8. *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 predetermined proportion thereof, by Development Grants. In respect of primary education, this predetermined 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) D.D.-9. The Conference agrees that Central and State funds should be pooled together and spent in the Block area through the block set-up.

C. Views of the State Development Committee.—The State Development Committee agrees with the Conference.

SECTION V—MACHINERY AND CONTROL.

A-I. Paragraphs 20 to 22 of Draft Chapter D.D. including Recommendations D.D.-10 and D.D.-11.

A-II. Paragraphs 45 to 49 of Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comment)—(1) *D.D.-10. Block Development Officer, Extension Service Engineer (or Supervisor)—Social Education Organizers and Village Level Workers.*—The recommendations of the Team in respect of these officers is in line with the provisions of the Panchayat Union Memorandum. The Conference agrees that they are suitable. The Block Development Officer, it is to be noted, will be the Executive Authority of the Panchayat Union and his powers and duties will be regulated by law and statutory rules. The relationship between the Council of the Panchayat Union and its Chairman on the one hand and the Panchayat Union Commissioner on the other will be the same as between the Council and the Chairman of a Municipality on the one hand and a Municipal Commissioner on the other.

As regards other officers, their powers and duties and relationship to the Panchayat Union will be the same as that of officers in State Government Service whose services are lent to a Municipality and who are placed under the administrative control of the Municipal Commissioner.

(2) *D.D.-10. Extension Officers for Agriculture, Animal Husbandry, Co-operation.*—If (as recommended by the Conference earlier) responsibility is entrusted to the Panchayat Union (on an agency basis) for execution of Development Schemes relating to all or any of these officers, their services may also be placed at the disposal of the Panchayat Union, on the same basis as in D.D.-10

(3) *D.D.-10. Other services.*—(i) The Conference observes that according to provision made in the Panchayat Union Memorandum, neither the Panchayat Union nor the Village Panchayats will undertake the collection of taxes due to them and this work will not be entrusted to staff whose services are freely placed at their disposal. It has been provided that the Revenue Department will be called upon to arrange for tax collection through the village officers who collect land revenue. It is understood that this represents a considered decision, based upon the expressed wishes of the representatives of the local people who were consulted on the constitution of the North Madurai Panchayat Union. The Conference is aware that this is not an innovation and that provision exists even under the present law for such services being performed on behalf of Panchayats or District Boards. While the Conference

agrees that this decision may be justified on practical grounds, it suggests, that consideration should be given to the issue of principle involved. It is necessary, for the healthy growth of a sense of responsibility, that the Panchayat Union should learn not only to shoulder the responsibility for levying the taxes necessary for maintenance and development of the services in its charge; it should also accept responsibility for the collection of taxes levied by it. The Conference accordingly recommends that Government should accept, in principle, the need for giving effect to this principle at the end of 5 years after the initial constitution of every Panchayat Union.

(ii) The Team has observed that the staff of the Panchayat Union at lower levels will be "recruited and appointed by either the District Council or the State Government as is found most convenient". The Conference does not agree with the reference in this passage to the District Council. The District Council, in its view should not be entrusted with any administrative functions. An employee is either a Government servant or a servant of the Panchayat Union. If he is the former, the machinery and procedure applicable to recruitment and appointment to the State Government Service to which he belongs will apply. If he is a Panchayat Union servant, the responsibility for recruiting and appointing him will be that of the Panchayat Union, subject to such statutory rules, if any, as may be framed by Government prescribing the procedure for making such appointments. The position of a Panchayat Union, in this respect, should be exactly the same as that of a municipality.

(4) *D.D.-10. Approval of Budget.*—(i) The present position in respect of the budget of local authorities in this State is as follows:—

Every local authority sanctions its own budget. But it has to submit the sanctioned budget for approval by a statutory authority. This statutory authority is the Government in respect of municipalities and district boards; it is the Regional Inspector in respect of Class I Panchayats; and the District Panchayat Officer in respect of Class II Panchayats. It is not open to the statutory authority to revise the budget at its discretion. It is charged with the duty of scrutinising the budget, so as to satisfy itself that certain specified statutory requirements are fulfilled (e.g., adequacy of provision for meeting obligatory charges, repayment of loans, etc., adequacy of cash balance, correctness of estimate of receipts, etc.). The system has been working smoothly for a very long time and provides a safeguard which is essential in the interests of the local authority itself and its creditors.

(ii) The Conference was given to understand that, upon the constitution of the Panchayat Union, the Collector should perform the functions hitherto performed by the Government in

respect of district boards. The Team's proposal should be understood as proposing that the District Council should perform this function instead of the Collector or the Government.

The Conference is clearly of the opinion that this is not a suitable function to be entrusted to the District 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 Union for managing its own funds.

The Conference agrees that the decentralization of this function from the Government to the Collector is correct. In order however, to ensure that responsibility for the Panchayat Union Budget is squarely placed on the Panchayat Union and is not shared by the Collector, the Conference suggests that the existing statutory procedure should be amended so as to provide that after the budget is prepared by the Panchayat Union Commissioner and before it is sanctioned by the Council of the Panchayat Union, it should be submitted to the Collector for technical scrutiny, comments and advice on the matters specified in statutory rules. The Panchayat Union should be held fully accountable for the decisions it takes after receiving such comments and advice. There should be no occasion for approval by an external authority, after the budget is sanctioned.

(5) *D.D.-11. Government control.*—The nature of control exercisable by Government and the circumstances in which supersession may be ordered are well understood and established by settled practice in this State. The position of Panchayat Unions in this respect should be the same as that of municipalities—no more and no less. The Team has recommended that the Revenue Divisional Officer should be the official Chairman of every Panchayat Union during the first two years of its life. The Conference does not endorse this recommendation. It is impracticable because there will be on the average, about a dozen Panchayat Unions in a revenue division. It is not also necessary because the Conference is of the opinion that if the services of a Block Development Officer and other trained personnel are made available to them as proposed, the elected representatives of village people will function as members and Chairman of Panchayat Unions; no less efficiently than elected representatives of urban people who function at present as members and Chairman of Municipal Councils.

C. Views of the State Development Committee.—The State Development Committee agrees with the Conference.

SECTION VI—VILLAGE PANCHAYATS—TERRITORIAL JURISDICTION AND MODE OF CONSTITUTION.

A. Paragraphs 23 and 24 of Draft Chapter D.D. including Recommendation D.D.-12.

B. Conclusions reached in conferences (with explanatory comments.)—(1) D.D.-12. Delimitation of Panchayat Villages.—Flexible provision for delimiting the "Panchayat Village" (as distinguished from the Revenue Village) is necessary. The formula approved by the Cabinet Sub-Committee which prescribes a legally obligatory minimum of 500 and a working minimum of 1,000 (in all but exceptional cases) for the population of a Panchayat Village is suitable in the conditions of this State.

The Conference examined the possibility of carrying the idea of grouping of village much further, so as to arrive at a Panchayat Village with 4,000 to 5,000 population. If this can be done (and if the Team's proposal regarding the doubling of the present number of Grama Sevaks is accepted) then one Grama Sevak can be allotted for every Panchayat Village. The Conference, however, concluded that such grouping should not be attempted. The most important result to be secured by the constitution of a Village Panchayat is to establish a body possessing an indisputably representative character and accepted as such by the village people. For this purpose, it has to be based on an area which the people themselves consider to be the natural residential unit. Even now, when panchayats are formed with revenue villages which comprise large and scattered hamlets, they evince a strong desire to split up into their component hamlets.

The Conference is, therefore, clearly of the view that the principle of grouping should not be resorted to except to the extent necessary for ensuring the minimum population specified by the Cabinet Sub-Committee.

It will follow, that it will not be possible to provide one Grama Sevak for every Village Panchayat. This is not a fatal objection. It entails the consequence that the functions to be entrusted to Village Panchayats should be so simple that every Village Panchayat President can perform them as executive authority, without the assistance of specially trained officers. This position has to be accepted.

(2) *D.D.-12. System of Representation.*—(i) In this State, the law provides for the division of the Panchayat Village into wards and election by adult suffrage.

(ii) There is statutory reservation of seats for Scheduled Castes. The Team proposes a system of co-option. The Conference is inclined to consider this to be preferable and suggests that it may be considered.

(iii) There is no provision at present for ensuring the presence of women members in the Village Panchayat. The Conference suggests that such provision should be made. If no woman member is returned by election, the panchayat should be required by law to co-opt one woman member.

(iv) The Conference agrees with the Team that there should be no other special representation on the Village Panchayat.

SECTION VII—FINANCIAL RESOURCES OF VILLAGE PANCHAYATS.

A-I. Paragraph 25 of Draft Chapter D.D. including Recommendation D.D.-13.

A-II. Paragraph 39 of the Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference presumes that the reference to "water-rate" in the Team's list of resources is intended to mean a charge levied for domestic water-supply and it is not an irrigation charge. On this basis, the Conference agrees that the list is generally suitable.

(2) But a rigid uniformity for all States is not possible. In particular, the allocation of resources as between the Panchayat Union and the Village Panchayats has to be carefully related to local conditions.

(3) From this point of view, the Conference agrees that the allocation made in the Panchayat Union Memorandum is suitable for this State.

SECTION VIII—COLLECTION OF LAND REVENUE BY VILLAGE PANCHAYATS.

A-I. Paragraph 26 of Draft Chapter D.D. including Recommendation D.D.-14.

A-II. Paragraph 44 of the Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference has no doubt whatever that this recommendation is impracticable in the local conditions of this State. If the idea is that the unpaid services of the Panchayat President will replace the paid services of the Village Headman; and, thereby, the emoluments of the Village Headman can be saved and utilised for Panchayat purposes, the Conference is satisfied that it will not happen. Nor is the adoption of this suggestion a necessary and suitable method of ensuring that the financial resources allocated to the Village Panchayat are adequate.

(2) In view of the anticipated disinclination of the Panchayat Union to accept responsibility for collection of the taxes voted by itself (a disinclination which, in the opinion of the Conference, the Panchayat Union should be helped to outgrow within five years) the impracticability of the Team's proposal is obvious.

C. Views of the State Development Committee.—The State Development Committee agrees with the Conference.

SECTION IX—LABOUR TAX AND CHAUKIDARI TAX.

A-I. Paragraphs 27 and 28 of Draft Chapter D.D. including Recommendations D.D.-15 and D.D.-16.

B. Conclusions reached in Conference (with explanatory comment).—(1) There is no Chaukidari tax in this State.

(2) The Conference agrees with the Team that there should be no compulsory Labour tax.

(3) As regards the suggestion that the usual taxes should, in certain circumstances, be permitted to be paid in kind or labour, the Conference is unable to visualise any circumstances in which this can be done without risk of abuse and loss of revenue. The Conference, accordingly, suggests that the provision in existing law which authorises Statutory rules being made for this purpose may be dropped when the law is next amended.

SECTION X—VILLAGE PANCHAYATS—FUNCTIONS AND POWERS.

A-I. Paragraph 30 of Draft Chapter D.D. including Recommendations D.D.-18.

A-II. Paragraph 26 of Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comments).—(1) The Conference prefers the approach of the Taxation Enquiry Commission to that of the Local Self-Government Ministers' Conference. Consistently with this approach the Conference prefers the specification of functions and powers contained in paragraph 26 of the Panchayat Union Memorandum to that set out by the Team in D.D.-18.

(2) What the team refers to as "compulsory duties" and the Panchayat Union Memorandum as "Mandatory functions" should not, in the opinion of the Conference include any function which is to be vested in the Panchayat Union; much less should it include functions for which Government should continue to retain responsibility even though they may be delegated to Panchayat Unions, on an Agency basis.

(3) The foregoing general observation applies to the following items specifically:—

(i) *Land management.*—This is too broad to serve as a description of functions. If it refers to management of unreserved lands and certain types of porambokes (referred to in sections 53 and 60 of the Village Panchayats Act), it will be a function resting in the Panchayat Union, subject to control of the Revenue Department. The same remarks will apply to management of Communal property or inams, endowments, resumed inams, etc.

Village Panchayats may be called on by the Panchayat Union to perform a supervisory function on behalf of the Union; but this will be without prejudice to the Statutory responsibility of the Panchayat Union.

(ii) *Collection and maintenance of Statistics and maintenance of records relating to cattle.*—These are unsuitable functions to be performed as "Compulsory duties" of Village Panchayats. Whether, and if, so, to what extent the Panchayat Union and the Village Panchayat can be of assistance in the improvement of Village Statistics is a matter for study; but the conference is clear in its mind that the responsibility for exercising control over the Village Headman and the Karnam in respect of the records and registers they have to maintain and the statistical returns they have to furnish—should continue to vest in their Superior Officers of the Revenue Department.

(4) The Conference agrees that on many matters entrusted to the Panchayat Union it will find it necessary to utilise the services of the President and Members of the Village Panchayat, especially in a supervisory capacity. This remark is especially relevant to Primary Schools; while the teachers will be employees of the Panchayat Union; and the development of primary education must be a special responsibility of the Union, the Village Panchayat may well perform a supervisory role, help in making arrangements for school meals and so on. Such co-operation will be facilitated by the fact that a member of the Village Panchayat will also be a councillor of the Panchayat Union.

Nevertheless, it is necessary that there should be no blurring of the distinction between the mandatory functions which the village panchayat is exclusively responsible for and must perform as a definite statutory obligation; and other functions which it may perform, as the local agent of the Panchayat Union, if it thinks fit to do so.

SECTION XI—DISTRICT COUNCILS—CONSTITUTION AND FUNCTIONS.

A. Paragraph 32 of Draft Chapter D.D. including Recommendation D.D.-19.

B. *Conclusions reached in Conference (with explanatory comments).*—(1) The conference accepts the need for the body which the Team refers to as a "District Council" and which the Cabinet Sub-Committee has called the "District Planning and Development Board". The Conference suggests the name "*District Development Council*", as preferable to both. (The word "Council" is preferable to the word "Board" in order to remove the impression that this body will perform any of the functions at present performed by District Boards.)

(2) In accepting the need for this body, the Conference assumes that the observation made by the Team "that there is very little left for any higher executive body other than the Government" is limited to the District Board (and the District School Board in those States where such a body also exists) and has no application to the District Collector, the Revenue Divisional Officer, or the Principal District Officers of Development departments (e.g., District Agricultural Officer, District Health Officer, District Educational Officer, etc.).

(3) Comparing the composition of this body as proposed by the Team with that proposed by the Cabinet Committee, the Conference observes that there is practical identity except for items (iv) (a) and item (vi) of paragraph 4 of the Cabinet Sub-Committee's decisions.

Item (iv) (a) is clearly transitory and will cease to be operative after the next three years during which panchayat Unions are to be constituted in all Blocks.

The Conference suggests that item (vi) should also be regarded as a transitory arrangement to be replaced at the end of three years by a system of co-option.

(4) As regards functions, the Conference makes two observations:—

(i) With reference to the observation made by the Team that "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", the Conference would like to make it clear that the Council will only *advise* on the distribution; and the actual decision should be taken by the Collector or departmental officer, to whom the appropriate financial power may have been delegated.

(ii) The Cabinet Sub-Committee intends that this body should have, in effect, a monopoly of the advisory function at district level; and that all other advisory bodies at present functioning should be abolished. The Conference accepts this multi-purpose conception of the advisory function, as necessary and suitable.

(5) It has been suggested that the "District Development Council should be given statutory status, even though its functions are to be purely advisory". The Conference endorses this suggestion for the reason that the Council will serve a very important purpose and it should be regarded as an essential feature of the process of "Democratic Decentralization".

(6) Incidentally, the Conference considered the role of Government officers (other than the Collector) in this Council. It is evident that they should participate fully and freely in the deliberations. Normally, the Council should not find it necessary to take votes. But, if the occasion arises, should the officers vote or not? If they voted, would they vote as a block or according to

individual opinion? In the opinion of the Conference it is desirable that the officers should not vote; and the Collector should exercise a vote as Chairman only in the event of a tie. This is necessary in order to make it unmistakably clear that the advice given by the District Development Council is the advice given by the elected representatives of the local people.

SECTION XII—VILLAGE PANCHAYAT BUDGETS.

A-I. Paragraph 29 of the Draft Chapter D.D. including Recommendation D.D.-17.

A-II. Paragraph 38 of the Panchayat Union Memorandum.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference has already explained its view (in relation to D.D.-10) that the budget procedure should provide for technical scrutiny; comments and advice *after* the preparation of the budget by the Panchayat Union Commissioner and *before* it is sanctioned by the Council of the Panchayat Union.

(2) The Conference agrees that the procedure specified in paragraph 3 of the Panchayat Union Memorandum, viz., the preparation of a consolidated financial statement incorporating the budgets of all Village Panchayats of the block together with the budget of the Panchayat Union has its advantages and may be followed before the consolidated financial statement is referred to the Collector. The technical scrutiny of Village Panchayat Budgets should be carried out by the Panchayat Union Commissioner before they are incorporated in the financial statement.

After return from the Collector, the Council of the Panchayat Union should sanction the Panchayat Union Budget, and every village panchayat should sanction its own budget.

(3) The conference considers it to be important that the prescribed procedure should emphasize the specific financial responsibility of each body for its own budget; and this responsibility should not be blurred by an external authority according "approval" after the budget is "sanctioned".

SECTION XIII—DECENTRALIZATION AT DISTRICT LEVEL PHASING.

A. Paragraphs 33 to 38 of Draft Chapter D.D. including Recommendations D.D.-20 and D.D.-21.

B. Conclusion reached in Conference (with explanatory comment).—(1) *The remarks made by the Team.*—While minor adaptations are always necessary and possible, major changes in the organizational structure of Public Administration should not be made at frequent intervals, and without clear conviction of the workability of such changes. The conference regards the abolition of district boards, the setting up of Panchayat Union Boards, the

linkage of Panchayat Union Boards and the National Extension Service Establishment and the establishment of District Development Councils, as constituting an integrated programme of reform of local administration as well as of rural development organization. The conference has satisfied that the changes which it has accepted are both necessary and feasible. It does not envisage a near future when the territorial basis of Panchayat Unions will cease to be the block or the functions of the District Development Council will be extended in scope to include the performance of delegated administrative duties.

(2) *D.D.-20. Phasing.*—The Conference agrees that phasing is necessary though not because of any doubts entertained by it about the changes proposed. The Cabinet Committee has decided that the foregoing changes should be embodied in a Three-Year Programme and carried out during the year 1958-59 to 1960-61. The Conference thinks that this is the minimum period required in order to ensure orderly change-over.

(3) *D.D.-21. Size of districts.*—The Conference notes that there is no proposal at present to reconstitute the districts into smaller charges for general administrative purposes. It is proposed, however, to subdivide the larger districts into two units each for purpose of development co-ordination only. The Conference suggests that each of these units (which will have a separate District Development Council) may be referred to as a "Development District". This name is preferable to "Local Fund District."

SECTION XIV—TRAINING IN ADMINISTRATIVE MATTERS TO PERSONS ELECTED TO LOCAL BODIES.

A. Paragraph 39 of the Draft Chapter D.D.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference does not consider it appropriate or practicable that institutional training should be organized for the instruction of elected representatives of the village people.

(2) The Conference has, no doubt, that the contribution which these representatives can make on the basis of their personal knowledge of rural life and agriculture and understanding of the needs of the people will be valuable, and sufficient to make a success of the changes proposed.

(3) The Conference hopes that when responsible senior officers visit any block, arrangements will be made for their meeting the Councillors of the Panchayat Union and freely discussing their problems.

(4) Such arrangements (of a purely informal nature) will amply serve the purpose which the Team has in view and prove to be no less beneficial to the officers than to the Panchayat Union Councillors.

Chapter 'A.P.C.'—Administrative Pattern and Co-ordination.

SECTION I—REDUCTION OF SIZE OF VILLAGE LEVEL WORKER CIRCLE AND INCREASE OF NUMBER OF VILLAGE LEVEL WORKERS.

A. Paragraphs 2 to 5 and 7 and 8 of Draft Chapter A.P.C. including Recommendations A.P.C.-1 to A.P.C.-4.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference would, at the outset, invite attention to the fact that even if the Team's proposal is accepted and the number of Village Level Workers, doubted, it will be impossible to allot one Village Level Worker to every Panchayat Village. The officer will have to be in charge of a group of contiguous villages. The question is not, therefore, whether his charge is to be a village or a group of villages; the question is how large or how small the village group should be. In order to avoid the misleading implication that a single-village charge is visualized, the conference would like to refer to this officer as Grama Sevak and not as Village Level Worker.

(2) The conference agrees with the Team that the number authorized at present, viz., ten Grama Sevaks for blocks is insufficient for the performance of all the functions of Grama Sevaks (if they include all or nearly all of the items listed by the Team in A.P.C.-10).

(3) The conference has carefully considered the *minimum number* of Grama Sevaks which should be regarded as the normal establishment which must be sanctioned for every block. For purposes of organization of the Panchayat Union in this State, it has been proposed that every block should be divided into *Panchayat Union Circles*, each circle comprising a population of not less than 10,000 and not more than 20,000; and averaging as nearly as may be, five Panchayat Union Circles in every block.

The Conference takes the view that there should be a *Standing sanction* of one Grama Sevak, Grade I, and two Grama Sevaks, Grade II, in every Panchayat Union Circle. This staff should be made available to every Panchayat Union free of charge; and the cost should be shared equally by the Central Government and the State Government.

For the State as a whole, the normal establishment of Grama Sevaks will thus be 15-N Grama Sevaks where N is the total number of blocks sanctioned for the State.

(4) At this stage it seems necessary to offer some remarks on the duties of a Grama Sevak and the size of a Grama Sevak's charge. The duties of a Grama Sevak are detailed by the Team in paragraph 14 of the Draft Chapter A.P.C. The conference agrees that the multi-purpose training of a Grama Sevak should be such as to prepare him for performing all these duties. But it has grave

doubts whether a block set-up in which every Grama Sevak is required to perform all these duties, is one calculated to make the best use of their services. It is true that by combining duties, a smaller territorial charge is achieved, and the Grama Sevak will be more easily accessible to the people living in his village group. But this advantage will be offset by certain disadvantages.

(i) The smaller the village group, the larger the number of Grama Sevaks with which each of the Block Level Officer has to deal. There is a limit to the number of lower level officers with whom a higher level officer can transact business efficiently.

(ii) The greater the variety of duties entrusted to a Grama Sevak, the larger the number of Block Level Officers with whom each Grama Sevak has to deal. This again, after a point, is apt to prove a serious handicap.

(iii) It is necessary to bear in mind the need for assuring a satisfactory career for every person who is directly recruited as a Grama Sevak. The avenue for promotion is apt to be limited because higher posts in the Public Works, Education, Health, Agricultural and Veterinary Departments will require professional qualifications which a Grama Sevak cannot acquire. From this consideration it follows that the total number of Grama Sevaks in every block should be relatively small; or else a substantial proportion of Grama Sevak should be selected from among persons who will be content to serve in the block without promotion and retire as Grama Sevak.

(5) With reference to the foregoing considerations, the conference proposes that the services of the three Grama Sevaks allotted to every Panchayat Union Circle (vide paragraph 3 above) should be utilized as below:—

(i) Every Panchayat Union Circle should be divided into *two Village Groups*: For each village group one Grama Sevak, Grade II, should be allotted. He should be in charge of Agriculture, Animal Husbandry and Co-operation. He should have nothing else to do.

(ii) *Grama Sevak, Grade I*, should be in charge of the entire Panchayat Union Circle. He should attend to all other items of work (listed by the Team in APC 10) except Agriculture, Animal Husbandry and Co-operation. He should be, *ex-officio* Secretary of the Circle Committee of the Panchayat Union.

(6) It is possible that experience will show that more staff will be needed. Such need is unlikely to be felt uniformly in every circle of every block. Where it is felt, it should be a matter for local decision whether a fully trained Grama Sevak should be appointed, or some special staff without multi-purpose training will suffice. If such extra staff can be provided through "Pooling" of

the type referred to by the Team, without entailing increased expenditure, it may be done. Otherwise, if additional expenditure is unavoidably necessary, the Government of India should share it with the State Government on a fifty-fifty basis.

(7) The conference suggests that one Grama Sevak per 4,000 population in every block (1951 Census) should be regarded as the authorized maximum number of posts to be sanctioned for the performance of all Grama Sevak functions (as listed in A.P.C. 10); and that this should include the normal establishment referred to in paragraph 3 above, as well as the special additional establishment referred to in paragraph 6 above.

(8) The conference desires to emphasize the importance of specific decisions being taken on the recommendations of the Team with precise financial commitments, so that firm decisions may be taken about the organizational set-up of blocks and arrangements for recruitment and training of Grama Sevaks.

SECTION II—ADDITIONAL FIELD STAFF SANCTIONED TO BE USED AS TEMPORARY ADDITION TO THE CADRE OF VILLAGE LEVEL WORKERS.

A. Paragraph 6 from Draft Chapter A.P.C. including Recommendation A.P.C.-2.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) The conference is unable to accept this recommendation. It is an established principle that the arrangements necessary for work which is both temporary and of a special nature should be made on an *ad hoc* basis without disturbing normal work.

(2) The proposal will not work unless fully trained Grama Sevaks are available in numbers in excess of normal requirements; and they are capable of doing normal work as well as special work with equal competence. This is very unlikely.

(3) Much disorganization is bound to be caused by altering the territorial jurisdiction of Grama Sevaks doing normal work. This should be avoided as a normal rule.

C. *Views of the State Development Committee.*—The State Development Committee agrees generally with the Conference; and specifically on

(i) uniform increase in the number of Grama Sevaks by 50 per cent; and

(ii) the need for flexibility in the mode of utilization of the services of Grama Sevaks.

SECTION III—DELIMITATION OF BLOCKS.

A. Paragraphs 9 to 11 from Draft Chapter A.P.C. including Recommendations A.P.C.-5, 6 and 7.

B. *Conclusions reached at Conference.*—The recommendations may be accepted.

SECTION IV—DUPLICATION OF STAFF—NATIONAL EXTENSION SERVICE AND DEPARTMENTAL IN NATIONAL EXTENSION SERVICE AREAS AND CONCENTRATION IN OR WITHDRAWAL FROM OF STAFF OF NATIONAL EXTENSION SERVICE AREAS.

A. Paragraphs 12 and 13 from Draft Chapter A.P.C. including Recommendations A.P.C.-8 and 9.

B. *Conclusions reached in Conference.*—The recommendations may be accepted, subject to the views expressed in Section I about mode of utilization of the services of Grama Sevaks.

SECTION V—FUNCTIONS OF GRAMA SEVAK (VILLAGE LEVEL WORKER).

A. Paragraph 14 from Draft Chapter A.P.C. including Recommendation A.P.C.-10.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) The aggregate of functions herein proposed may be accepted as Grama Sevak functions, subject to the exceptions and modifications referred to below :—

(2) *Items (ii) and (iii).*—The conference is not sure that it would be wise to require Grama Sevaks to inoculate cattle and vaccinate children. This may be left to local decision. The Panchayat Union Councillors are likely to have their own views in the matter.

(3) *Item (vi).*—It is unnecessary that any Grama Sevak should be the Secretary of any Village Panchayat, for the reason that part-time clerical assistance likely to be needed by non-official President of the village panchayat who will be the executive authority under the law of the State can be arranged more conveniently otherwise (vide paragraph 5 below). On the other hand there will be a definite advantage, if, as has been suggested in section I, a Grama Sevak, Grade I, is available in every Panchayat Union Circle and he is ex-officio Secretary of the Circle Committees of the Panchayat Union.

(4) It would be convenient, in view of the paramount importance of that work, that Agriculture, Animal Husbandry and Co-operation should form one group of Extension Service functions allotted to one Grama Sevak who is given no other work to do, and whose territorial charge is limited to a small village group comprising one-half of the Panchayat Union Circle. All other Extension Service functions may be combined and allotted to one Grama Sevak whose territorial charge may extend over the entire Panchayat Union Circle.

(5) So far as Village Panchayats are concerned, a post of part-time clerk may be created. The post should carry an allowance not exceeding Rs. 5 per cent of the Village Panchayat revenue or 10 per cent per mensem whichever is less. The choice of the

part-time clerk may be left to the decision of the village panchayat, if the panchayat desires to have the service of a school teacher or the karnam, and the offer is accepted, the services should be made available to the panchayat.

SECTION VI—HONORARY WORKERS TO RELIEVE GRAMA SEVAKS.

A. Paragraph 15 from Draft Chapter A.P.C. including Recommendation A.P.C.-11.

B. Conclusion reached in Conference (with explanatory comment).—(1) Any one who is likely to do unpaid public work is probably likely to have become a member of a Village Panchayat

(2) If, in any case, there is some one who is not a member and who offers his services in an honorary capacity, he should be welcomed.

(3) Two safeguards are necessary—

(i) The Village Panchayat should specifically approve the choice.

(ii) The nature of the work to be done by him and the nature of the control to be exercised over his work should be clearly defined; so as to avoid overlap and friction.

SECTION VII—GRAMA SEVAK'S (VILLAGE LEVEL WORKER'S) RELATIONSHIP WITH THE PANCHAYAT.

A. Paragraph 16 from Draft Chapter A.P.C.-16 including Recommendation A.P.C.-12.

B. Conclusion reached in Conference (with explanatory comment).—(1) The conference is unable to accept the recommendations as framed by the Teams but it suggests a modification which it thinks will be workable.

(2) The Grama Sevak must be responsible to and controlled by the Panchayat Union Commissioner. He cannot also be under the control of a number of different village panchayats. This will only cause confusion.

(3) It is, of course, eminently desirable that there should be a system of monthly progress reports of the progress of Extension Service work and other development schemes in the villages. The report should be prepared for every Panchayat Union Circle by the Grama Sevak, Grade I, who will be in charge of that circle and who will be the Secretary of that Committee. He should incorporate in his report, the reports of the two Grama Sevaks, Grade II (each in charge of the two village groups of the Circle). This report should be placed before the Panchayat Union Circle Committee. This Committee, as explained earlier, will be composed of Panchayat Union Councillors elected by every Village Panchayat in the Circle with a co-opted woman member and a co-opted Harijan member.

(4) So far as extension services are concerned, the Conference has already indicated its view that the Panchayat Union will function as the agent of the Government. The entire procedure regarding review of progress should be governed by executive instructions.

SECTION VIII—CONDITIONS OF SERVICE OF GRAMA SEVAK.

A. Paragraphs 17 to 19 from Draft Chapter A.P.C. including Recommendations 13 to 21.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference accepts the Recommendations A.P.C.-13, 14, 16, 17, 18, 19 and 21.

(2) It does not accept APC 15, as it considers the payment of bonus to be an unsuitable form of remuneration for duties of the nature entrusted to Grama Sevaks.

(3) It does not accept APC 20 for the reasons that "inner democratisation" within the organization of the permanent public services of the State is unsound in theory and unworkable in practice. The Grama Sevaks must be subject to the administrative control of the Block Development Officer (that is, Panchayat Union Commissioner) and not of any "Team" Captained by him. The Captain, will, no doubt, be influenced by the members of his team when he has to make decisions; but the decision must be his and his alone.

SECTION IX—BLOCK TO BE TREATED AS THE ADMINISTRATIVE BLOCK.

A. Paragraphs 20 (1) to (4) from the Draft Chapter A.P.C. including Recommendations 22 to 26.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference agrees that these recommendations may be accepted in principle, and given effect to as far as practicable.

(2) It will help towards a better understanding of the administrative relations involved, if every department of the State Government takes note of the fact that there is (or will presumably be) a Panchayat Union in every block and that the Panchayat Union has the same statutory functions and powers as a municipality; and it will, in addition, be the agent of Government for the execution of specific development schemes. Departments are already familiar with the relationship between the Municipal Commissioner, the Municipal Health Officer and the Municipal Engineer *inter se* and vis-a-vis the heads of Government Departments which control the services to which they belong. Practical experience extending over three decades has evolved workable arrangements for bringing together Government officers controlled by different departments of Government and enabling them to work as a harmonious team in the service of a statutory local authority.

What is proposed to be set up in Panchayat Unions during the next three years is merely the introduction and further development of administrative relations of the same nature.

SECTION X—BLOCK LEVEL OFFICER'S RELATIONSHIP WITH DISTRICT LEVEL OFFICERS.

A. Paragraph 20 (5) from the Draft Chapter A.F.C. including Recommendation A.P.C.-27.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) This recommendation is unacceptable.

(2) The unsuitability of this recommendation can be made clear by an analogy. Should Municipal Commissioner be responsible to and should his work be assessed by the Inspector of Municipal Councils and Local Boards only? Or should he be severally responsible to the Inspector, the Director of Public Instruction, the Director of Public Health, the various Chief Engineers and so forth and be assessed by each of them.

(3) The Block Development Officer-cum-Panchayat Union Commissioner should be responsible to and controlled by the Collector and the Collector only.

SECTION XI—BLOCK LEVEL OFFICER'S RELATIONSHIP WITH BLOCK ADVISORY COMMITTEE OF THE BLOCK PANCHAYAT.

A. Paragraph 21 from Draft Chapter A.P.C. including Recommendations A.P.C.-28 and 29.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) In matters of administrative organization, it is extremely important that there should be no doubt or ambiguity about where in any given case executive responsibility lies. It is, therefore, essential that a "Block Advisory Committee" should be clearly distinguished from what the team calls a "Block Board" in some places and a "Block Panchayat" elsewhere.

(2) No Government officer can be made responsible to a "Block Advisory Committee".

(3) A Panchayat Union is a different matter. It would be a local authority established by law. The location of responsibility will, in such a case, be based on the Act and Statutory Rules and executive instructions (if any) governing the delegation of functions to Panchayat Unions on an agency basis.

(4) It is an important provision of the law relating to Municipalities (which, in this respect, is to be made applicable to Panchayat Unions) that the Municipal Commissioner is the Executive Authority. His powers and duties and relationship to the Municipal Council are well settled by law, rules and established practices.

The Government officers (other than the Block Development Officer) whose services are to be placed at the disposal of the Panchayat Union will be administratively responsible to the Executive Authority of the Panchayat Union that is to say, the Panchayat Union Commissioner. The Council of the Panchayat Union will be in exactly the same position in relation to those officers as a Municipal Council, nor more and no less.

SECTION XII—BLOCK DEVELOPMENT OFFICER'S STATUS AND FUNCTIONS.

A. Paragraph 22 from Draft Chapter A.P.C. including Recommendations A.P.C.-30.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) The recommendation may be accepted, subject to the observations made below, about 'Gazetted' status.

(2) The Conference is of the view that the status and pay-scale of the Block Development Officer should be identical with those of the Tahsildar.

(3) Whether the pay scales of Tahsildars should be raised and they should be made gazetted officers in a question for separate examination—

(i) that the higher pay and gazetted status already accorded to a few Block Development Officers should be treated as personal to such officers (so long as they continue to hold office as Block Development Officers); and

(ii) that the proposal in paragraph 2 above be given effect to as the general rule applicable to all posts of Block Development Officers already created and to be created in future.

SECTION XIII—STAFFING PATTERN.

A. Paragraph 23 from the Draft Chapter A.P.C. including Recommendations A.P.C.-31 to 46.

B. *Conclusions reached in Conference.*—The recommendations are generally acceptable.

SECTION XIV—SCALES OF PAY OF BLOCK LEVEL OFFICERS.

A. Paragraph 24 from Draft Chapter A.P.C.-24 including Recommendation A.P.C.-47.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) The Conference is unable to agree that there is any special problem about pay-scales.

(2) Every Block Level Officer has to be equated to the Officer in the parent department with whom he is to be inter-changeable and his pay has to be fixed on that basis.

(3) If, as a result of doing this, different officers of different departments serving in the same block happen to be paid unequally, the result has to be accepted. The Conference sees no particular anomaly or hardship in such a position.

SECTION XV—BLOCK DEVELOPMENT OFFICERS' RECRUITMENT AND CONDITIONS OF SERVICE.

A. Paragraphs 25 and 26 of Draft Chapter A.P.C. including Recommendation A.P.C.-48, 49 and 50.

B. *Conclusions reached in Conference.*—The recommendations may be accepted.

SECTION XVI—TAHSILDAR'S ROLE.

A. Paragraph 27 of Draft Chapter A.P.C. including Recommendation A.P.C.-51.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) The Conference holds the view that there should be complete integration of land revenue staff with the administrative staff of Block Development Organization on the lines already recommended by an *ad hoc* Committee in this State (presided over by Sri M. V. Subramaniam).

(2) So long as such integration is not effected and so long as "regulatory services" are kept separate from "developmental services", the Conference advises that the Tahsildar should be kept out of the picture altogether and should not be mixed up in any manner with the block set-up.

SECTION XVII—SUBDIVISIONAL OFFICERS' ROLE.

A. Paragraph 28 of Draft Chapter A.P.C. including Recommendations A.P.C.-52, 53 and 54.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) Though the aim in this State has been to put the Revenue Divisional Officer firmly in the Development picture as proposed in these recommendations, it cannot be said that this has been satisfactorily accomplished. It is doubtful whether the position will become much clearer, in the absence of firm decision regarding integration of Land Revenue and Development administration.

(2) Meanwhile, the Conference suggests that the effect may be given to these recommendations to such extent as may be practicable.

SECTION XVIII—ORGANIZATION AT DISTRICT HEADQUARTERS.

A. Paragraphs 29 to 41 of Draft Chapter A.P.C. including Recommendations A.P.C.-55 to 67.

B. *Conclusions reached in Conference (with explanatory comment).*—(1) While, for reasons given below, it will not be possible to accept these recommendations as they stand, the Conference agrees that the headquarters organization of the Collector will have to be reviewed and resettled; and, in any such resettlement, the matters raised by the Team should be considered and suitable provision made.

(2) The limiting factors to be borne in mind are the following:—

(i) Many districts in this State constitute exceptionally heavy territorial charges, compared to districts in many other States. Yet they are unlikely to be reconstituted into lighter charges for general administrative purposes, at any rate for some years.

(ii) Maintenance of law and order and what are known as "regulatory services" in a heavy enough burden. Administrative Co-ordination of the work of different department agencies and the local authorities within the general framework of a National Plan is a complex and difficult task. The responsibility for both must, however, be carried by the same officer. Otherwise both types of work will suffer from the weaknesses of diarchy. There can be only one head of the district.

(iii) The Head of the District will be responsible to and controlled by the Government and by the Board only. He cannot be severally answerable to a multiplicity of Heads of Departments.

(iv) There is, therefore, no escape from the necessity of providing him with administrative staff assistants. He may delegate the responsibility to them. But the Government will look to him and not to his assistants for results. The Chief District Officers of other departments will look to him for direction and not from his assistants.

(3) The Conference observes that the Collector is to take over the functions of the District Board and its President, as Special Officer (under legislation to be enacted). It is understood he will have a responsible administrative officer assigned to assist him. This Officer, together with the Office of the District Board, which will be taken over may be regarded as the nucleus of a District Development Office. This office can be strengthened so as not only to carry on the work of the District Board, but also to carry out the

three-year programme of devolution of the District Boards functions to Panchayat Unions to be newly organized. For this purpose, the District Panchayat Officer will have to be located in it. At the same time this office may provide the Secretarial assistance which will be needed by the District Development Councils to be set up.

The Conference believes that the needed strengthening and improvement of organization at the headquarters of the district is likely to come about if it is visualised as the part of the process of execution of the three-year programme decided upon by the Cabinet Committee.

SECTION XIX—REGIONAL ORGANIZATION.

A. Paragraphs 42 to 44 of Draft Chapter A.P.C. including Recommendations A.P.C.-68 to 70.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference is of opinion that the setting up of integrated regional organization is a matter of importance only to large States.

(2) In this State, the Board of Revenue is unlikely to be regionalized, and, therefore, the administrative cement necessary for integrating regional agencies of technical departments will not exist. There can be no Regional Team; and consequently no need for regional headquarters common to all departments.

(3) It follows that each department may be left free to decide whether it needs regional intermediaries between the Head of Department and District Offices; and, if so, how the regions should be delimited and where the regional headquarters should be.

SECTION XX—ORGANIZATION AT STATE HEADQUARTERS.

A. Paragraphs 61 to 63 and 64 and 65 from Draft Chapter A.P.C. including Recommendations A.P.C.-71 to 78 and 82 to 86.

B. Conclusions reached in Conference (with explanatory comment).—(1) The Conference reserves its opinion on A.P.C. 72, 74, 78 and 85, which need more detailed consideration of their implications than has been possible within the time available.

(2) The other recommendations are generally acceptable, being in line with practice already followed in this State.

SECTION XXI—INTEGRATION OF REVENUE AND DEVELOPMENT SET-UP AND MERGER OF THEIR FUNCTIONS.

A. Paragraphs 67 to 69 and 73, 77 and 78 of Draft Chapter including Recommendations A.P.C. 87, 88 and 89.

B. Conclusions reached in Conference (with explanatory comment).—(1) In the opinion of the Conference, there is no future for Grama sevaks unless the Grama Sevak-Block Development Officer set-up is integrated with the set-up of Revenue Inspectors and Tahsildars. The subject has been dealt with exhaustively in the report on the "National Extension Service Organization in the Post-intensive stage" submitted by a Committee presided over by Sri M. V. Subramaniam.

(2) The Conference suggests that the principle of integration may be accepted and its implementation carried out in two successive phases as detailed below:—

First phase.—At this stage, the personnel may be brought together in common cadres as member of the same service, while the posts will remain separate. That is to say, Block Development Officers will not also be Tahsildars and Grama Sevaks will not also be Revenue Inspectors during this phase. The "regulatory services" will not be combined with "Developmental Services" in the same post. But the holders of these posts will constitute a common service, with a common system of recruitment, training, pay scales, promotions and other conditions of service. An Officer may hold the post of Block Development Officer for a few years and then be transferred to hold the post of Tahsildar for the next few years.

Second phase.—The foregoing arrangements may be in force for the next five years which may be regarded as a transitional period, during which the Panchayat Unions are brought into being, and the personnel needed for the initial constitution of the combined service are recruited, trained, and acquire experience. Thereafter, a further reorganization should be carried out in which the "Block" will become the territorial unit of public administration for all purposes. The Block Development Officer should be the multipurpose local agent at Block level of the State Government, besides being the Panchayat Union Commissioner. And one of the Grama Sevaks in every Panchayat Union Circle should perform exactly similar functions at Circle level.

(3) It may be mentioned in passing that the Subramaniam Committee visualised the possibility of two contiguous Blocks being combined under a single Block Development Officer for purposes of performing the functions of Tahsildars. This will not be possible if (as the Conference now visualizes) the duties of the Tahsildars and the duties of the Panchayat Union Commissioner are combined in one and the same Officer.

C. Views of the State Development Committee.—(1) The Committee is not impressed by the objection to combination of "regulatory" functions with "local development" functions;

and would be prepared to accept an integrate scheme involving such combination in so far as it was conducive to economy and efficiency. In this view, there is no special need for phasing the integration.

(2) The State Development Committee is, therefore, in favour of providing with the integration Scheme already formulated by the *Ad Hoc* Committee, subject only to the modification that the block basis should be retained, and contiguous blocks would not be combined.

(5)

Letter from Dr. V. K. JOHN, BAR-AT-LAW, M.L.C., High Court Buildings, Madras-1, to the Secretary to Government, Health, Education and Local Administration Department, Madras, dated the 13th December 1937.

[SUBJECT.—White Paper on the Reform of Local Administration in Madras State including Madras Corporation.]

Thanks for your circular letter, dated 2nd.

I shall feel obliged if you will kindly enable the members of Joint Select Committee to consider certain suggestions which I want to put forward. My suggestions are as follows:—

I take it that we are implementing Article 40 of the Constitution of India which provides that the State shall take steps to organize village panchayats and endow them with such powers and authority as may be necessary to enable them to function as units of self-government. I suggest that we find the agency for organising village panchayats.

As regards this agency, my suggestion is that district boards functioning hereafter under Special Officers are charged with the responsibility for organising Village Panchayats within their respective jurisdictions. This will be their primary function. A period may be fixed for such organization. The Government may undertake the organization of Panchayats which District Boards cannot organize. Village Unions may be organized by the same agencies and a period fixed for such organization.

The Members of the Legislature and the public may be kept informed from time to time of the progress of the organization of Village Panchayats and Village Unions.

The next question is what powers and functions should be given to these Village Panchayats. I suggest that a Village Panchayat must ultimately be given the responsibility to create and promote a Welfare State within its jurisdiction, that is a State in which no person who can be employed is unemployed and no person

is without food, clothing, shelter, education, sanitary conditions of life, medical assistance, recreation and provision for old age, for widows, for orphans and for others in need. These powers and functions may be given in progressive stages. The best developed Panchayats would be given all the functions and there must be a body to decide what powers and functions a panchayat is fit to exercise. Panchayats may be classified on the basis of their ability to exercise the whole or part of these functions. A Bulletin issued every month may record the progress made by Panchayats in discharging these functions. The Bulletin distributed to all Panchayat Members will be a source of information and inspiration.

As far as unemployment is concerned, I suggest that the Panchayat functions through the agency of a Co-operative Society which will rehabilitate in various stages all adults within the jurisdiction of the Panchayat and this rehabilitation should be in producing employment. It should be rehabilitation and not relief, self-help and not charity. The Society in my opinion should never be the creditor, but should be the debtor and must be able to find the finance to buy the implements and raw materials which are necessary for rehabilitation and market the produce. The Government must give the Co-operative Society a loan repayable with interest. No grant or charity will be given. The members of the Panchayat and other welfare minded and well-to-do local persons will run this Co-operative Society.

Regarding the finances required for the Panchayat, I suggest that there need be only the minimum paid staff, to pay whom the Panchayat will collect money from the residents. Grants may be given by the Government to Panchayats which require financial help, but this grant should progressively be reduced in the course of a few years and finally withdrawn.

Certain definite functions ought to be assigned to Unions of Panchayats, such as running of schools for secondary and higher education, the maintenance of roads, protected water-supply, etc.

Regarding townships, Municipalities and City Corporation, I would suggest that their powers and functions should be similar to those of the Panchayats and they must also function as units of self-government, and it must be their concern, their responsibility and if I may say so, their pride and privilege to create and promote within their respective jurisdiction a Welfare State.

In my opinion, the local bodies should occupy visa vis the State Government, a position similar to the one occupied by the State Government in relation to the Central Government.

I shall feel obliged if you can find your way to circulate copies of this letter to the members of the Committee and add in the agenda for the meeting an item for discussing my suggestions.

Resolution of the Ad Hoc Committee appointed by the Council of the Corporation of Madras.

No. 53.—White Paper on the Reform of Local Administration in Madras State including Madras Corporation.

Read the Commissioner's Note, dated 20th November 1957, placing before the Council for its views, the White Paper issued by the Government containing proposals on the Reform of Local Administration in Madras State including Madras Corporation.

Read also Commissioner's further note, dated 14th December 1957, furnishing his remarks on the White Paper.

Read proceedings of the Council, dated 20th December 1957, constituting an *Ad Hoc* Committee to go into the question of consolidated proposals regarding the White Paper to be submitted to the Government for their consideration and adding that the Committee shall submit the proposals to the Select Committee and Government before the 25th December 1957.

This *Ad Hoc* Committee while recommending to the Select Committee and the Government to amend the Madras City Municipal Act as per the amendments suggested by the Council in the year 1951, resolves as follows :—

(1) There is no objection to the proposal of the Government to increase the territorial divisions from 50 to 100.

(2) 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.

(3) This *Ad Hoc* Committee is not in favour of the proposal of the Government to provincialise the services of the Officers of the Corporation.

(4) 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 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.

(5) 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.

The Committee resolves that the Commissioner do circulate copies of the above proceedings of the *Ad Hoc* Committee to the members of the Select Committee appointed by the Government.

(DRAFT) MADRAS DISTRICT MUNICIPALITIES
(AMENDMENT) BILL, 1958.

A Bill further to amend the Madras District Municipalities Act, 1920.

WHEREAS it is expedient further to amend the Madras District Municipalities Act, 1920 (Madras Act V of 1920), for the purposes hereinafter appearing;

Be it enacted in the Ninth Year of the Republic of India as follows :—

1. *Short title.*—This Act may be called the Madras District Municipalities (Amendment) Act, 1958.

2. *Extension of term of office of councillors of municipalities expiring on the 1st November 1958.*—(1) The State Government shall have power to direct that the term of office of the councillors of every municipality constituted under the Madras District Municipalities Act, 1920 (Madras Act V of 1920), hereinafter referred to as the said Act), which extends up to noon on the first day of November 1958 shall extend instead up to noon on such date, as may be fixed by the State Government.

(2) The State Government may, from time to time, advance or postpone the date fixed under sub-section (1) and fix another date instead.

(3) No date fixed under sub-section (1) or sub-section (2) shall be later than the thirtieth day of April 1959.

3. *Date of elections and term of office of councillors.*—The provisions of the said Act shall have effect, subject to the following modifications, namely :—

(a) The State Government shall cause elections to be held to every municipality concerned, so that the newly elected members may come into office on the date fixed as aforesaid.

(b) The term of office of the newly elected councillors shall expire at noon on the first day of November immediately succeeding the expiry of three years from the date referred to in clause (a).

4. *Power to remove difficulties.*—If any difficulty arises in giving effect to the provisions of this Act, or of the said Act, as amended by this Act, the State Government may, as occasion may require, by order do anything which appears to them necessary for the purpose of removing the difficulty.

STATEMENT OF OBJECTS AND REASONS.

The term of office of the existing councillors will expire on the noon of 1st November 1958 by efflux of time. The ordinary elections to municipal councils are due this year. Normally, the elections will have to be conducted

It is found administratively difficult to conduct the elections on the due dates, especially on account of the elections to a large number of panchayats going on at present in the State. It is, therefore, proposed to postpone the elections by six months and to continue the existing councils during the period of postponement. The six months' period will be only an outer limit and elections will be held within that period, having regard to factors like administrative convenience.

The Bill seeks to achieve the above objects.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clause 4 of the Bill empowers the State Government to remove by order any difficulty arising in giving effect to the provisions of the Bill when enacted. The delegation is normal and is not of an exceptional character.

(8)

(DRAFT) MADRAS CITY MUNICIPAL (AMENDMENT) BILL, 1958.

A Bill further to amend the Madras City Municipal Act, 1919.

WHEREAS it is expedient further to amend the Madras City Municipal Act, 1919 (Madras Act IV of 1919), for the purposes hereinafter appearing;

BE it enacted in the Ninth Year of the Republic of India as follows:—

1. Short title.—This Act may be called the Madras City Municipal (Amendment) Act, 1958.

2. Amendment of section 3 and certain other provisions of Madras Act IV of 1919.—In the Madras City Municipal Act, 1919 (Madras Act IV of 1919) (hereinafter referred to as the principal Act),—

(1) the words "or an alderman" shall be omitted wherever they occur in the following provisions, namely:—

Sections 3 (8), 29, 51 (2), 52 (2), 53 (4), 137-A and 358;

(2) the words "or alderman" shall be omitted wherever they occur in the following provisions, namely:—

Sections 19, 25, 25-A, 32 (1), 34 (excluding the Explanation), 35, 53 (1) and (3), 53-A (3) and (4), 54 (1), 71, 400, 400-A and 406 and the entries relating to section 34 (1) in Schedule VII.

3. Amendment of section 3, Madras Act IV of 1919.—In section 3 of the principal Act, clauses (1) and (12-A) shall be omitted.

4. Substitution of new section for section 5, Madras Act IV of 1919.—For section 5 of the principal Act, the following section shall be substituted, namely:—

5. Constitution of council.—(1) The council shall consist of—

(a) one hundred divisional councillors;

(b) six councillors belonging to the Scheduled Castes elected by the councillors referred to in clause (a) in accordance with the system of proportional representation by means of the single transferable vote; and

(c) six women councillors elected by the councillors referred to in clause (a) in accordance with the said system of proportional representation by means of the single transferable vote:

Provided that the number of members to be elected under clauses (b) and (c), shall be irrespective of, and in addition to, the number of Scheduled Castes and women councillors, if any, already elected to the council under clause (a).

(2) The council shall, by name of the 'Corporation of Madras' be a body corporate, and have perpetual succession and a common seal and may by such name sue and be sued."

5. Amendment of section 8, Madras Act IV of 1919.—In section 8 of the principal Act, for sub-section (2), the following sub-section shall be substituted, namely:—

"(2) The State Government may, at any time, remove the Commissioner from office and shall do so if such removal is recommended by a resolution of the council passed at a special meeting called for the purpose and supported by the votes of such number of councillors as shall constitute not less than three-fourths of the sanctioned strength of the council"

6. Amendment of section 32, Madras Act IV of 1919.—In section 32, sub-section (4) of the principal Act, for the words "councillor or alderman", the words "or councillor" shall be substituted.

7. Amendment of section 34, Madras Act IV of 1919.—In section 34 of the Principal Act, in the Explanation, for the words "councillor or alderman", the words "or councillor" shall be substituted.

8. Amendment of the heading of Chapter III, Madras Act IV of 1919.—In the heading of Chapter III of the principal Act, the words "and alderman" shall be omitted.

9. Amendment of the heading relating to sections 45 to 54, Madras Act IV of 1919.—In the heading relating to sections 45 to 54 of the principal Act, for the words "councillors and alderman", the words "and councillors" shall be substituted.

10. Amendment of section 45, Madras Act IV of 1919.—In section 45 of the principal Act—

(i) in clause (a) of sub-section (1), for the word “fifty” in both the places where it occurs, the words “one hundred” shall be substituted;

(ii) for sub-section (2), the following sub-section shall be substituted, namely :—

“(2) Each of the territorial constituencies of the Madras Legislative Assembly in the City shall, subject to the provisions of clause (b) of sub-section (1) of section 45, be a unit for the purposes of the municipal government of the City, and each unit shall be divided into ten divisions :

Provided that the one double-member constituency shall be considered as two units.”

11. Substitution of new section for section 46, Madras Act IV of 1919.—For section 46 of the principal Act, the following section shall be substituted, namely :—

“46. Number of councillors for each division.—Only one councillor shall be elected for each division.”

12. Amendment of section 46-A, Madras Act IV of 1919.—In section 46-A of the principal Act, for the words “to any seat in that division, whether reserved or not” the words “to the seat in that division” shall be substituted.

13. Omission of section 46-B, Madras Act IV of 1919.—Section 46-B of the principal Act shall be omitted.

14. Amendment of section 47, Madras Act IV of 1919.—In section 47 of the principal Act, for Explanation (3), the following Explanation shall be substituted, namely :—

“Explanation (3).—In this section and in section 48, ‘territorial constituency’ shall have the same meaning as in the law made in pursuance of the Constitution.”

15. Amendment of section 48, Madras Act IV of 1919.—In section 48 of the principal Act—

(i) in sub-section (1)—

(a) the words “and labour” shall be omitted;

(b) for the words and figures “the Government of India Act, 1935”, the words “the law made in pursuance of the Constitution” shall be substituted;

(c) for the words “fifty divisions”, the words “one hundred divisions” shall be substituted; and

(d) the words, figures and letter “and to each of the labour electorates referred to in section 46-B” shall be omitted;

(ii) in sub-section (2), for the words “fifty divisions”, the words “one hundred divisions” shall be substituted;

(iii) in sub-section (3), the words, figures and letter “or for any labour electorate referred to in section 46-B” and the words “or labour electorate” shall be omitted;

(iv) in sub-section (4), the words, figures and letter “or for any labour electorate referred to in section 46-B” and the words “or by the labour electorate concerned” shall be omitted.

16. Omission of section 49, Madras Act IV of 1919.—Section 49 of the principal Act shall be omitted.

17. Amendment of section 51, Madras Act IV of 1919.—In section 51 of the principal Act—

(1) in sub-section (1)—

(a) in clause (a), for the word “fifty” in both the places where it occurs, the words “one hundred” shall be substituted;

(b) for clause (b), the following clause shall be substituted, namely :—

“(b) as a councillor in respect of the seats reserved for members of the Scheduled Castes or women, unless—

(i) such person is a member of the Scheduled Caste concerned, or a woman, as the case may be;

(ii) his or her name is included in the electoral roll of any of the one hundred divisions aforesaid;” and

(c) clauses (c) and (d) shall be omitted.

(2) in sub-section (2), clause (i) of the first proviso and the word “or” shall be omitted.

18. Amendment of section 52, Madras Act IV of 1919.—In section 52 of the principal Act,—

(1) the words “or for election as an alderman” wherever they occur, shall be omitted;

(2) in sub-section (2), in clause (f), the word “either” shall be omitted.

19. Amendment of section 53, Madras Act IV of 1919.—In section 53, sub-section (1) of the principal Act, the proviso shall be omitted.

20. Amendment of section 53-A, Madras Act IV of 1919.—In section 53-A of the principal Act, the words “or elected an alderman” whereby they occur and the words “elected an alderman” shall be omitted.

21. Amendment of section 54, Madras Act IV of 1919.—In section 54 of the principal Act, the words “or elected as an alderman” shall be omitted.

22. Amendment of section 55, Madras Act IV of 1919.—In section 55 of the principal Act, the words "and alderman" shall be omitted.

23. Omission of section 56-B, Madras Act IV of 1919.—Section 56-B of the principal Act shall be omitted.

24. Substitution of new section for section 56-C, Madras Act IV of 1919.—For section 56-C of the principal Act, the following section shall be substituted, namely:—

"56-C. *Election of councillors belonging to the Scheduled Castes and women councillors.*—(1) Vacancies arising by efflux of time in the office of councillors elected under clauses (b) and (c) of sub-section (1) of section 5, shall be filled by election at a meeting of the persons who on the 1st day of November on which such vacancies will arise, will enter upon office under clause (a) of the said sub-section. Such meeting shall be convened by the Mayor and shall be held on such day in the month of October immediately preceding the vacancies as he may, with the approval of the State Government, determine.

(2) A casual vacancy in the office of such a councillor shall be filled by election at a meeting of the councillors elected under clause (a) of sub-section (1) of section 5 convened by the Mayor as soon as may be after the occurrence of the vacancy.

(3) A councillor elected at a casual election held under sub-section (2) shall enter upon office forthwith but shall hold office so long only as the councillor in whose place he is elected would have been entitled to hold office if the vacancy had not occurred.

(4) If from any cause one or more councillors for whose election a meeting is held under sub-section (1) or (2) are not elected, the Mayor shall fix a day for a fresh election.

(5) The term of office of the councillor elected at an election held under sub-section (4) shall expire at the time at which it would have expired if he had been elected at the ordinary or the casual election, as the case may be."

25. Substitution of new section for section 57, Madras Act IV of 1919.—For section 57 of the principal Act, the following section shall be substituted, namely:—

"57. *Election of same person for more than one division.*—(1) If any person has been elected for two or more divisions, he shall, within three days from the date of the last of such elections, intimate to the Commissioner, the division for which he chooses to serve.

(2) In default of such intimation, the Commissioner shall determine by lot and notify the division for which such person shall serve

(3) The said person shall be deemed to have been elected only for the division so chosen or so notified, as the case may be, and the vacancies thereby arising in the representation of the other divisions shall be filled by fresh elections."

26. Amendment of section 58, Madras Act IV of 1919.—In section 58 of the principal Act, for the words "Deputy Mayor and alderman", the words "and Deputy Mayor" shall be substituted.

27. Amendment of section 59, Madras Act IV of 1919.—In section 59 of the principal Act, in clause (c) of sub-section (2), for the words "councillors or aldermen", the words "or councillors" shall be substituted.

28. Amendment of Schedule II, Madras Act IV of 1919.—In Schedule II to the principal Act,—

(i) for rule 1, the following rule shall be substituted, namely:—

"1. In these rules, 'member' means a councillor";

(ii) in rule 5, sub-rule (1), for the words "not less than twelve members", the words "such number of members, as shall constitute not less than one-fifth of the sanctioned strength of the council" shall be substituted;

(iii) in rule 10 and in sub-rule (2) of rule 12, for the words "not less than thirty members", the words "such number of members as shall constitute not less than two-thirds of the sanctioned strength of the council" shall be substituted.

29. Extension of term of office of councillors and aldermen of the Corporation of Madras expiring on the 1st day of November 1958.—(1) The State Government shall have power to direct that the term of office of the councillors and aldermen of the Corporation of Madras constituted under the principal Act which extends up to noon on the 1st day of November 1958 shall extend instead up to noon on such date as may be fixed by the State Government.

(2) The State Government may, from time to time, advance or postpone any date fixed under sub-section (1) and fix another date instead.

(3) No date fixed under sub-section (1) or sub-section (2) shall be later than the 30th day of April 1959.

(4) The provisions of the principal Act shall have effect subject to the following modifications, namely:—

(a) The State Government shall cause elections to be held to the council so that the newly elected councillors may come into office on the date fixed as aforesaid.

(b) The term of office of the newly elected councillors shall expire at noon on the 1st day of November immediately succeeding the expiry of three years from the date referred to in clause (a).

(c) The election of the Mayor, Deputy Mayor and members of the standing committees shall be held at the first meeting of the

council held after the date referred to in clause (a), and the election of the chairman of each standing committee shall be held at the first meeting of such committee.

(d) The State Government shall have power to direct that the election of the Mayor and Deputy Mayor shall not be held, as required by sub-section (1) of section 28 of the Madras City Municipal Act, 1919 (Madras Act IV of 1919), at the first meeting of the council held after the 1st day of November immediately succeeding the date referred to in clause (a).

30. Power to remove difficulties.—If any difficulty arises in giving effect to the provisions of this Act or of the principal Act as amended by this Act, the State Government may, as occasion may arise, by order, do anything which appears to them necessary for the purpose of removing the difficulty.

STATEMENT OF OBJECTS AND REASONS.

The term of office of the existing councillors and aldermen of the Corporation of Madras will expire at noon on 1st November 1958 by efflux of time. Normally the ordinary elections to the Corporation Council will have to be conducted during August and September 1958. But it is considered desirable to overhaul thoroughly the present electoral system which was devised long before the introduction of adult suffrage and to draft a revised constitution in order to bring about simplification and larger and more equal representation of the people living in different parts of the City. It is accordingly proposed—

(i) to increase the number of territorial divisions from 50 to 100, each territorial division being a single member constituency returning one divisional councillor,

(ii) to consider each Assembly Constituency as a unit (the Perambur constituency being considered as two units) and to divide each unit into ten divisions,

(iii) to elect six persons belonging to Scheduled Castes and six women councillors by means of single transferable vote on proportional representation the election to be by the divisional councillors, irrespective of the number of such persons of Scheduled Castes and women already elected as divisional councillors by the electorate, and

(iv) to abolish all special constituencies and the system of aldermen.

In order to carry out the above proposals, it is necessary to amend the Madras City Municipal Act, 1919.

2. It is also considered desirable to carry out the reforms outlined in the above paragraph and then conduct the next elections to the Corporation of Madras. On account of this, it will not be possible to hold the elections on the due dates. It is, therefore, proposed to postpone the elections by six months, but this six months' period is only an outer limit and elections will be held within that period having regard to factors like administrative convenience. As there is no provision in the Madras City Municipal Act, 1919, for the postponement of elections to the Corporation of Madras, legislation is necessary for the purpose.

The Bill seeks to achieve the above objects. Certain consequential amendments to section 8 and rules 5, 10 and 12 of Schedule II of the Act due to the increase in the number of councillors have also been incorporated.

MEMORANDUM REGARDING DELEGATED LEGISLATION.

Clause 20 of the Bill empowers the State Government to remove by order any difficulty arising in giving effect to the provisions of the Bill when enacted. The delegation is normal and is not of an exceptional character.

(9)

(DRAFT) MADRAS DISTRICT DEVELOPMENT COUNCILS BILL, 1958.

A Bill to provide for the constitution of District Development Councils in the State of Madras.

WHEREAS it is expedient to provide for the constitution of District Development Councils in the State of Madras;

BE it enacted in the Ninth Year of the Republic of India as follows:—

1 Short title, extent and commencement.—(1) This Act may be called the Madras District Development Councils Act, 1958.

(2) It extends to the whole of the State of Madras.

(3) It shall come into force on such date or dates as the Government may, by notification, appoint and different dates may be appointed for different parts of the State.

2. Definitions.—In this Act, unless the context otherwise requires—

(1) "district" means the revenue district referred to in sub-section (1) of section 3 or the local area constituted into a district under sub-section (2) of that section as altered by the notifications, if any, issued under sub-section (3) of the same section;

(2) "Government" means the State Government;

(3) "panchayat" and "panchayat union council" have the meanings assigned to them in the Madras Panchayats Act, 1950 (Madras Act X of 1950);

(4) a person is deemed to have his "residence" or to "reside" in any house if he sometimes uses any portion thereof as a sleeping apartment, and a person is not deemed to cease to reside in any such house merely because he is absent from it or has elsewhere another dwelling in which he resides, if he is at liberty to return to such house at any time and has not abandoned his intention of returning;

(5) "revenue district" means any local area which for the purposes of revenue administration is under the charge of a District Collector;

(6) "year" means the financial year.

3. Districts.—(1) Save as otherwise provided in this section every local area which on the date of the commencement of this Act is a revenue district shall be deemed to be a district for the purpose of this Act.

(2) The Government may, in special circumstances, by notification, declare any compact local area in a revenue district or in more than one revenue district, to be a district for the purposes of this Act and specify the name of the district.

(3) The Government may, by notification,—

- (i) exclude from any district, any local area comprised therein, or
- (ii) include in any district any local area in the vicinity thereof; or
- (iii) cancel a notification issued under sub-section (2); or
- (iv) alter the name of any district.

(4) Before issuing a notification under sub-section (2) or sub-section (3), the Government shall give the District Development Council or District Development Councils which will be affected by the issue of such notification a reasonable opportunity for showing cause against the proposal and consider the explanations and objections, if any, of such District Development Council or District Development Councils.

(5) Every notification issued under sub-section (2) or clause (i) or clause (ii) of sub-section (3) shall contain a statement of the reasons therefor and shall be laid before both Houses of the State Legislature.

4. Establishment of District Development Councils.—(1) The Government may, by notification and with effect from such date as may be specified therein, cause to be established for any district a District Development Council consisting of the following members, namely :—

- (a) the District Collector, ex-officio;
- (b) Members of Parliament and Members of the State Legislature chosen to represent a constituency which consists of, or comprises or which relates to the district or any portion thereof or who reside in the district;
- (c) all chairmen of panchayat union councils in the district;
- (d) all chairmen of municipal councils in the district;
- (e) such Gazetted Officers of the Government connected with planning and execution of development schemes in the district as are nominated by the Government.

If the district comprises, or parts of two or more revenue districts, the Government may, by notification, declare which officer shall be considered to be the District Collector in respect of that district for the purposes of this Act.

(2) The District Collector referred to in sub-section (1) shall be the Chairman of the District Development Council.

(3) (a) No Member of Parliament and no Member of a State Legislature shall be a member of more than one District Development Council.

(b) A Member of Parliament or a Member of the State Legislature chosen to represent a constituency which consists of, or comprises or which relates to a district or any portion thereof other than a district in which he has his residence shall decide as to the district in which he desires to serve as a Member of the District Development Council and intimate his decision to the District Collector concerned within such period as may be prescribed. A decision once made and intimated to the District Collector shall be final and shall not be liable to be modified.

(4) Where a person ceases to be a Member of Parliament or a Member of the State Legislature or the chairman of a panchayat union council or the chairman of a municipal council in the district, he shall cease to be a member of the District Development Council from the date on which he ceases to be such member or chairman.

5. Functions of District Development Councils.—(1) The District Development Council shall advise the Government on all matters concerning the activities of panchayats, panchayat union councils and municipal councils in the district, as well as on other matters relating to the development of the economic resources of the district and the services maintained therein for promoting the culture and welfare of the inhabitants of the district.

(2) In particular, it shall be the duty of the District Development Council to perform the following functions, namely :—

(a) advising the Government in all matters relating to the services maintained by and all development schemes undertaken by all local authorities in the district as well as those agencies in the district, which are under the administrative control of the Government in the following departments, namely :—

- (i) Food and Agriculture,
- (ii) Industries, Labour and Co-operation,
- (iii) Public Works, and
- (iv) Health, Education and Local Administration;

(b) watching the progress of the measures undertaken by the Government, local authorities and departmental agencies in respect of the services and development schemes aforesaid;

(c) advising the Government on matters concerning the implementation of any provision of law or any order, specifically referred by the Government to the District Development Council, such as—

- (i) classification of markets as panchayat markets and panchayats union markets and fixing rates of contribution payable by one authority to the other;

(ii) classification of fairs and festivals as **panchayat** fairs, panchayat festivals and panchayat union fairs and panchayat union festivals;

(iii) classification of public roads (other than roads classified by the Government as National Highways, State Highways and major district roads) as panchayat union roads and village roads.

6. Meetings of District Development Council.—A District Development Council shall meet at such times and places and shall observe such rules of procedure in regard to the transaction of business at its meetings as may be prescribed.

7. Vacancy in District Development Council, etc., not to invalidate acts or proceedings.—No act or proceedings of the District Development Council shall be deemed to be invalid by reason only of the existence of any vacancy in the District Development Council or any defect in the nomination of a member thereto.

8. Appointment of Standing Committees.—(1) (a) For the purpose of assisting the District Development Council in exercising such of its powers, discharging such of its duties and performing such of its functions as may be specified by the Government, a District Development Council may, and if so required by the Government shall, constitute standing committees for dealing with—

- (i) Food and Agriculture,
- (ii) Industries and Labour.
- (iii) Public Works.
- (iv) Education.
- (v) Health and Welfare.

(b) A District Development Council may, with the previous sanction of the Government, constitute additional standing committees for such purposes as the District Development Council thinks fit.

(2) Each standing committee referred to in sub-section (1) shall consist of such number of Gazetted Officers of the Government as are nominated by the Government from out of the members of the District Development Council.

Provided that it shall be open to the Government to nominate the same person to more than one standing committee.

(3) The other members of the District Development Council shall be chosen to the standing committee in such manner as may be prescribed :

Provided that the same person shall not be a member of more than one standing committee :

Provided further that it shall be open to a person who has been chosen as a member of one standing committee to opt to serve as a member of another standing committee in the place of a member of such committee with the consent of such other member and for such period as may be mutually agreed upon.

(4) In addition to the members nominated under sub-section (2) or chosen under sub-section (3), the Government may appoint as a member of a standing committee any person, who in their opinion possesses special knowledge and experience in matters that may come up before the District Development Council, although he is not a member of the District Development Council or the standing committee of the District Development Council may invite any such person to serve as a member thereof of a standing committee :

Provided that the number of members so appointed by the Government shall not exceed two in respect of any standing committee.

(5) The members of a standing committee who are not members of the District Development Council shall have the right to attend the meetings of the standing committee and take part in the discussions thereat but they shall not have the right to vote at such meetings.

(6) The Chairman of the District Development Council shall nominate for each standing committee a non-official member of the committee as its chairman.

(7) The District Development Council shall lay down by regulations the procedure for the functioning of the standing committee.

9. Staff of District Development Council.—Subject to such control as may be prescribed, the District Collector may, for the purpose of enabling the District Development Council to efficiently perform its functions or exercise its powers under this Act, appoint such officers as he may think fit and determine their functions.

10. General powers of District Development Councils.—For the purpose of efficiently performing its functions under this Act, every District Development Council may, within the limits of its jurisdiction—

- (a) undertake such measures as it deems necessary,
- (b) collect such data as it deems necessary;

(c) publish statistics or other information relating to the various aspects of the regulation or development of the activities of municipal councils, panchayat union councils and panchayats in the district;

(d) require any municipal council, panchayat union council or panchayat to furnish such information as may be required by it in relation to the measures undertaken by that municipal council, panchayat union council or panchayat for the regulation or development of its activities and such other matters as may be prescribed.

11. Annual report.—The District Development Council shall prepare in such form and at such time each year as may be prescribed, an annual report giving a true and full account of its activities during the previous year and copies thereof shall be forwarded to the Government.

12. Returns and reports.—Every District Development Council shall furnish to the Government such returns, statistics, and other information with respect to its activities as the Government may from time to time require.

13. Delegation of powers.—A District Development Council, may, by general or special order in writing, delegate to the chairman or any other member or any officer of the District Development Council, subject to such conditions and limitations, if any, as may be specified in the order, such of its powers and functions under this Act as it may deem necessary for the efficient running of the day-to-day administration of the District Development Council.

14. Members and Officers of District Development Council to be public servants.—All members and officers of a District Development Council and of its standing committees shall, when acting or purporting to act in pursuance of any of the provisions of this Act, be deemed to be public servants within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

15. Protection of action taken in good faith.—No suit or other legal proceeding shall lie against any member or officer of a District Development Council or of any standing committee in respect of anything which is in good faith done or intended to be done in pursuance of this Act.

16. Power to make rules.—(1) The Government may, by notification, make rules to carry out the purposes of this Act.

(2) In particular, and without prejudice to the generality of the foregoing power, such rules may provide for all or any of the following matters, namely :—

(a) the allowances of members of the District Development Council;

(b) the matters in respect of which a District Development Council may require a municipal council, panchayat union council or panchayat to furnish information;

(c) the form in which, and the time within which, the annual report of the District Development Council may be prepared and forwarded to the Government;

(d) the returns and information which a District Development Council may be required to furnish to the Government;

(e) the manner of recruitment of the officers of a District Development Council and the terms and conditions of services of such officers;

(f) regulating the meetings of the District Development Council and the procedure for conducting meetings thereat;

(g) regulating the manner in which and the purposes for which, standing committees may be appointed;

(h) any other matter which has to be or may be, prescribed.

(10)

**(DRAFT) MADRAS VILLAGE PANCHAYATS
(AMENDMENT) BILL, 1958.**

A Bill further to amend the Madras Village Panchayats Act, 1950.

WHEREAS it is expedient further to amend the Madras Village Panchayats Act, 1950 (Madras Act X of 1950), for the purposes hereinafter appearing ;

BE it enacted in the Ninth Year of the Republic of India as follows :—

1. Short title and commencement.—(1) This Act may be called the Madras Village Panchayats (Amendment) Act, 1958.

(2) It shall come into force on such date, not being later than the second day of October 1961, as the Government may by notification appoint and different dates may be appointed for different provisions of this Act or for different areas :

Provided that the Government may in respect of all or any of the provisions of this Act by notification substitute some subsequent date or dates, not being later than one year on each occasion as the date or dates on which those provisions are to come into operation in any area :

Provided further that the Government may, by notification, direct that any of the provisions of the Madras Village Panchayats Act, 1950 (Madras Act X of 1950) (hereinafter referred to as the principal Act), as amended by this Act, shall apply to the Nilgiri district subject to such restrictions and modifications as may be specified in the notification.

2. Amendment of the long title and preamble to Madras Act X of 1950.—(1) In the long title to the principal Act, for the words “for the administration of village affairs by panchayats”, the words “for the organization of village and town panchayats and for the constitution of panchayat union councils for development blocks in the State of Madras” shall be substituted.

(2) In the preamble to the principal Act, for the portion preceding the words “It is hereby enacted as follows”, the following shall be substituted, namely :—

“Whereas it is expedient to make better provision for organizing village panchayats and endowing them with such powers and authority as may be necessary to enable them to function as units of self-government ;

And whereas it is further expedient to make, effective provision for securing to the rural population the right to education within the limits of the economic capacity and development of the State and to endeavour to provide for free and compulsory education for all children ;

And whereas it is necessary to secure to all inhabitants of the rural areas maternity benefit and a knowledge of the principles of family planning, to promote cottage industries on an individual or co-operative basis in rural areas, to organize agriculture and animal husbandry on modern and scientific lines and take steps for preserving and improving the breeds of cows and calves and other milch and draught cattle and endeavour in all other ways to secure to all inhabitants social and cultural opportunities and to raise the standard of their living and improve the public health ;”.

3. *Amendment of section 1, Madras Act X of 1950.*—
In section 1 of the principal Act—

(i) in sub-section (1), the word “Village” shall be omitted ;

(ii) for sub-section (2), the following sub-section shall be substituted, namely :—

“(2) It extends to the whole of the State of Madras except (i) the City of Madras, (ii) the municipalities governed by the Madras District Municipalities Act, 1920 (Madras Act V of 1920), (iii) the cantonments governed by the Cantonments Act, 1924 (Central Act II of 1924), and (iv) the Kanyakumari district and the Shencottah taluk of the Tirunelveli district.”

4. *Amendment of section 2, Madras Act X of 1950.*—
In section 2 of the principal Act—

(i) in clause (1), after the word “out-house”, the word “tent” shall be inserted ;

(ii) after clause (3), the following clause shall be inserted, namely :—

“(1-A) ‘Commissioner’ means the Commissioner of the panchayat union” ;

(iii) clause (5) shall be omitted and in its place, the following clauses shall be substituted, namely :—

“(5) ‘district’ means the revenue district referred to in sub-section (1) of section 3 of the Madras District Development Councils Act, 1958, or the local area constituted into a district under sub-section (2) of that section as altered by the notifications, if any, issued under sub-section (3) of the same section ;

(5-A) ‘district development council’ means the district development council established under the Madras District Development Councils Act, 1958” ;

(iv) in clause (6), after the words “the panchayat” the words “or the chairman, or vice-chairman or a member of the panchayat union council” shall be inserted ;

(v) in clause (8), the words “or the Commissioner” shall be added at the end ;

(vi) in clause (11), after the words “the panchayat”, the words “or the panchayat union council” shall be inserted ;

(vii) for clause (12), the following clause shall be substituted, namely :—

“(12) ‘Inspector’ means any officer who is authorized by the Government to exercise or perform any of the powers or duties of the Inspector under this Act” ;

(viii) in clause (14), the words “or of a panchayat union council as the case may be” shall be added at the end ;

(ix) after clause (15), the following clause shall be inserted, namely :—

“(15-A) ‘owner’ includes—

(a) the person for the time being receiving or entitled to receive whether on his own account or as agent, trustee, guardian, manager or receiver for another person or for any religious or charitable purpose the rents or profits of the property in connection with which the word is used, and

(b) the person for the time being in charge of the animal or vehicle in connection with which the word is used” ;

(x) after clause (16), the following clauses shall be inserted, namely :—

“(16-A) ‘panchayat development block’ means the area declared by the Government from time to time to be a panchayat development block for the purposes of this Act ;

(16-B) ‘panchayat town’ means any local area over which a panchayat which is classified as a town panchayat under section 5 has jurisdiction ;

(16-C) ‘panchayat union’ means any local area which is declared to be a panchayat union under this Act ;

(16-D) ‘panchayat union council’ means the body constituted for the local administration of a panchayat union under this Act ;

(16-E) ‘panchayat village’ means any local area over which a village panchayat has jurisdiction” ;

(xi) after clause (21), the following clause shall be inserted, namely :—

“(21-A) ‘revenue district’ means any local area which for the purposes of revenue administration is under the charge of a District Collector, after excluding therefrom all areas included in—

(a) the City of Madras including Fort St. George with the glacis ;

(b) municipalities constituted under the Madras District Municipalities Act, 1920 (Madras Act V of 1920); and

(c) cantonments constituted under the Cantonments Act, 1924 (Central Act II of 1924)";

(xii) after clause (23), the following clause shall be inserted, namely:—

"(23-A) 'town panchayat' means a panchayat classified as a town panchayat under section 5, sub-section (1), clause (a)."

5. *Amendment of the heading to Chapter II, Madras Act X of 1950.*—In the heading to Chapter II of the principal Act, for the words "Government and Control", the words "and the Government" shall be substituted.

6. *Amendment of section 4, Madras Act X of 1950.*—In section 4, sub-section (2), of the principal Act, for the words "the district board", the words "any panchayat union council" shall be substituted.

7. *Insertion of new section 4-A in Madras Act X of 1950.*—After section 4 of the principal Act, the following section shall be inserted, namely:—

"4-A. *Constitution of certain town panchayat areas as municipalities.*—(1) The Government shall, by notification, direct that any local area in which a town panchayat exercises jurisdiction over a population estimated at not less than 20,000 and with an estimated annual income of not less than one lakh of rupees after the constitution of the local area aforesaid as a municipality, be constituted as or included in a municipality for the purposes of the Madras District Municipalities Act, 1920 (Madras Act V of 1920), with effect on and from such date as may be specified in the notification.

(2) The Government may, by notification and on an application from the panchayat concerned, direct that any local area in which a town panchayat exercises jurisdiction over a population less than twenty thousand but has an annual income exceeding one lakh of rupees be constituted as or included in a municipality for the purposes of the Madras District Municipalities Act, 1920 (Madras Act V of 1920), with effect on and from such date as may be specified in the notification:

Provided that such application shall not be considered by the Government if the panchayat union council of the development block in which the panchayat is situated objects to the issue of such direction and the Government are of opinion that the objection is well founded.

(3) If any local area in which this Act is in force is constituted as or included in a municipality as aforesaid—

(a) the Government may pass such orders as they may deem fit as to the transfer to the council of such municipality or disposal otherwise of the assets or institutions of the panchayat in the local area and to the discharge of the liabilities, if any, of such panchayat relating to such assets or institutions; and

(b) the members of the panchayat holding office on the date of the commencement of the Madras Village Panchayats (Amendment) Act, 1958, shall be deemed to be the elected members of the council of the municipality aforesaid under the Madras District Municipalities Act, 1920 (Madras Act V of 1920), and such members shall continue to hold office up to such date as the Government may by notification fix in this behalf, or in case no such date is fixed, up to the date on which their term of office would have expired if the Madras Village Panchayats (Amendment) Act, 1958, had not come into force."

8. *Amendment of section 5, Madras Act X of 1950.*—In section 5, sub-section (1), of the principal Act—

(i) in clause (a), after the words "population estimated at not less than five thousand", the words "as ascertained at the last preceding census" shall be inserted, and for the word and figure "Class I", the word "town" shall be substituted;

(ii) in clause (b), for the word and figure "Class II", the word "village" shall be substituted.

9. *Amendment of section 6, Madras Act X of 1950.*—In section 6, sub-section (3), of the principal Act, for the word "fifteen", the words "twenty-five" shall be substituted.

10. *Substitution of new section for section 9, Madras Act X of 1950.*—For section 9 of the principal Act, the following section shall be substituted, namely:—

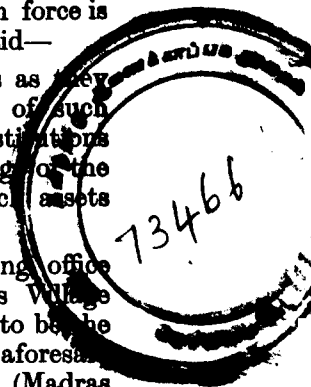
"9. *Division into wards.*—For the purpose of electing members to a panchayat, the Inspector shall, after consulting the panchayat, by notification, divide the village into wards and determine the number of members to be returned by each ward in accordance with such scale as may be prescribed."

11. *Amendment of section 14, Madras Act X of 1950.*—In section 14 of the principal Act, for the words "district board" the words "panchayat union council" shall be substituted.

12. *Amendment of section 17, Madras Act X of 1950.*—In section 17 of the principal Act—

(i) at the end of clause (j), the word "or" shall be added;

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(ii) the word "or" occurring at the end of clause (k) shall be omitted and clause (l) shall be omitted.

13. Amendment of section 23, Madras Act X of 1950.—
In section 23 of the principal Act—

(i) for clauses (a) and (b), the following clauses shall be substituted, namely:—

"(a) in every case, on his election as president or vice-president of any other panchayat, or as chairman or vice-chairman of any panchayat union council, in the district;

(b) in the case of the president, on the expiry of his term of office as a member or on his otherwise ceasing to be a member";

(ii) in clause (c), the words "on his election as president" shall be omitted.

14. Amendment of section 25, Madras Act X of 1950.—
In section 25, sub-section (3) of the principal Act—

(i) in the first paragraph, after the words "in this behalf" the following shall be added, namely:—

"and if no member of the panchayat is available for such appointment, by such person as may be appointed by the Inspector in this behalf";

(ii) in the second paragraph, for the words "member of the panchayat so appointed", the words "member of the panchayat or the person so appointed" shall be substituted.

15. Amendment of section 30, Madras Act X of 1950.—
In section 30 of the principal Act, the proviso to clause (a) shall be omitted.

16. Amendment of section 34, Madras Act X of 1950.—
In section 34 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely:—

"(4) Notwithstanding anything contained in this Act or in the Madras District Municipalities Act, 1920 (Madras Act V of 1920), any officer or servant of a panchayat (including the executive officer) may be transferred—

(i) to the service of any panchayat union council or any other panchayat by the Inspector;

(ii) to the service of any municipality constituted under the Madras District Municipalities Act, 1920 (Madras Act V of 1920), by the Government:

Provided that no officer or servant (other than the executive officer) shall be so transferred except after consulting—

(a) the panchayat union council or the executive authorities of the panchayats concerned in cases falling under clause (i) of this sub-section; and

(b) the municipal council concerned and the executive authority of the panchayat in cases falling under clause (ii) of this sub-section.

Any authority making a transfer under this sub-section may issue such general or special directions as may in its opinion be necessary for the purpose of giving due effect to such transfer."

17. Amendment of section 40, Madras Act X of 1950.—
In section 40 of the principal Act—

(i) in sub-sections (1) and (2), for the word "Inspector", the words "panchayat union council" shall be substituted;

(ii) sub-section (3) shall be omitted.

18. Insertion of new Chapter II-A in Madras Act X of 1950.—After section 41 of the principal Act, the following chapter shall be inserted, namely:—

"CHAPTER II-A—CONSTITUTION AND GOVERNMENT OF PANCHAYAT UNION COUNCILS.

41-A. Constitution of panchayat unions.—(1) The Government may, from time to time, notify their intention—

(a) to declare any local area comprising a group of panchayat towns and panchayat villages to be a panchayat development block; and

(b) to constitute for every such panchayat development block a panchayat union.

(2) Any inhabitant of a local area in respect of which any such notification has been published may, if he desires to object to anything therein contained, submit his objection in writing to the Government within six weeks from the publication of the notification and the Government shall take all such objections into consideration.

(3) When six weeks from the publication of the notification have expired and the Government have considered the objections, if any, which have been submitted, they may, as the case may be, by notification—

(a) declare the local area to be a panchayat development block;

(b) declare the said panchayat development block to be a panchayat union; and

(c) specify the name of the panchayat union and the names of the panchayat towns and panchayat villages comprised in the panchayat development block aforesaid.

(4) The Government may, by notification—

(i) exclude from a panchayat development block any village comprised therein, or

(ii) include in a panchayat development block any village in the vicinity thereof, or

(iii) cancel a notification issued under sub-section (3), or

(iv) alter the name of a panchayat union.

(5) Before issuing a notification under sub-section (4), the Government shall consult the District Development Council concerned and give the panchayat union council or panchayat union councils which will be affected by the issue of such notification a reasonable opportunity for showing cause against the proposal and shall consider the explanations and objections, if any, of such panchayat union council or panchayat union councils.

(6) The Government may pass such orders as they may deem fit—

(a) as to the disposal of the property vested in the panchayat union council which has ceased to exist, and the discharge of its liabilities ;

(b) as to the disposal of any part of the property vested in a panchayat union council which has ceased to exercise jurisdiction over any panchayat development block and the discharge of the liabilities of the panchayat union council relating to such property or arising from such panchayat development block.

An order made under this sub-section may contain such supplemental, incidental and consequential provisions as the Government may deem necessary, and in particular may direct—

(i) that any tax, fee or other sum due to the panchayat union council or where a panchayat union council has ceased to exercise jurisdiction over any panchayat development block, such tax, fee or other sum due to the panchayat union council as relates to that block shall be payable to such authorities as may be specified in the order ;

(ii) that appeals, petitions or other applications with reference to any such tax, fee or sum which are pending on the date on which the panchayat union council ceased to exist, or as the case may be, on the date on which the panchayat union council ceased to exercise jurisdiction over the panchayat development block, shall be disposed of by such authorities as may be specified in the order.

(7) This Act shall come into force in, or cease to apply to, any panchayat development block or part thereof as the case may be, on such date as may be specified in the notification under sub-section (3).

41-B. Constitution of panchayat union councils for panchayat unions and their incorporation.—(1) A panchayat union council

shall be constituted for each panchayat union with effect from a date specified in that behalf in the notification issued under section 41-A, sub-section (1).

(2) Subject to the provisions of this Act, the administration of the panchayat union shall vest in the panchayat union council but the panchayat union council shall not be entitled to exercise functions expressly assigned by or under this Act or any other law to its chairman or the Commissioner or to the panchayat or to any other panchayat union council or any other authority.

(3) Every panchayat union council shall be a body corporate by the name of the panchayat union specified in the notification issued under section 41-A shall have perpetual succession and a common seal and, subject to any restriction or qualification imposed by or under this Act or any other law, shall be vested with the capacity of suing or being sued in its corporate name, of acquiring, holding and transferring property, movable or immovable, of entering into contracts, and of doing all things necessary, proper or expedient for the purposes for which it is constituted.

41-C. Strength of panchayat union councils.—(1) Every panchayat in a panchayat union shall nominate to the panchayat union council in the prescribed manner one person whose name is included in the electoral roll for that panchayat whether he is a member of the panchayat or not :

Provided that no person shall be so nominated unless his name is included in the electoral roll for the panchayat village :

Provided further that if among the persons so nominated, there are no women or members of the Scheduled Castes or the number whether of women or of members of the Scheduled Castes is less than three, the panchayat union council may co-opt such number of women or members of the Scheduled Castes as may be necessary to ensure that the council includes not less than three women and three members of the Scheduled Castes and thereupon the strength of the council shall be deemed to be increased by the number of persons so nominated.

(2) If any panchayat fails to make within a reasonable time any nomination which it is entitled to make under sub-section (1), the Government may themselves nominate a member to fill the vacancy.

(3) A member of the State Legislative Assembly representing a constituency comprising the whole or any part of a panchayat development block shall ex-officio be a member of the panchayat union council and shall be entitled

to take part in the proceedings of the council, but shall not be entitled to vote or to be elected as the chairman or vice-chairman of the council.

(4) Nothing contained in sub-section (1) or sub-section (2) shall be deemed to prevent a member of the State Legislative Assembly from being nominated as a member of the panchayat union council under sub-section (1).

41-D. Chairmen and vice-chairmen of panchayat union councils.—(1) There shall be a chairman and a vice-chairman for every panchayat union council.

(2) The chairman and vice-chairman shall be elected by the panchayat union council from among its members other than ex-officio members in accordance with such procedure as may be prescribed. If at an election held under this sub-section, no chairman or vice-chairman is elected, a fresh election shall be held for electing the chairman or vice-chairman as the case may be.

(3) The chairman shall—

(a) make arrangements for the election of the vice-chairman ;

(b) convene the meetings of the panchayat union council ;

(c) discharge all the duties and exercise all the powers specifically imposed or conferred on the chairman by this Act.

(4) The chairman shall have full access to all the records of the panchayat union council and no official correspondence between the council and the Government shall be conducted except through the chairman. The chairman shall be bound to transmit communications addressed through him by the Commissioner to the Government or by the Government to the Commissioner.

(5) The chairman shall, by virtue of his office, be a member of every committee of the panchayat union council.

41-E. Devolution and delegation of chairman's functions and filling up of vacancies in the office of chairman.—(1) The chairman may, by an order in writing, delegate any of his functions to the vice-chairman :

Provided that he shall not delegate any functions which the panchayat union council expressly forbids him to delegate.

(2) If the chairman has been continuously absent from jurisdiction for more than fifteen days or is incapacitated, his functions during such absence or incapacity shall, except in such circumstances as may be prescribed, devolve on the vice-chairman.

(3) If the vice-chairman also has been continuously absent from jurisdiction for more than fifteen days or is

incapacitated or if the office of vice-chairman is vacant, the chairman may, by an order in writing, delegate any of his functions to any member of the panchayat union council who shall be styled " chairman-delegate " during the period of delegation :

Provided that—

(i) when an order of delegation made under this sub-section is in force, no further order of delegation of any function shall be made in favour of any other authorized member in whose favour the order in force was made ;

(ii) no delegation under this sub-section shall be made for any period exceeding in the aggregate 90 days in any year without the special sanction of the panchayat union council ; and

(iii) every order made under this sub-section shall be communicated to the panchayat union council at its next meeting.

(4) Any vacancy in the office of chairman shall be reported to the election authority, by such person and within such time as may be prescribed and the election authority shall arrange for the election of the chairman.

(5) The exercise or discharge of any functions delegated under this section shall be subject to such restrictions, limitations and conditions as may be laid down by the chairman and shall also be subject to his control and revision.

The chairman shall also have power to control and revise the exercise or discharge of any functions devolving on the vice-chairman under sub-section (2).

41-F. Rights of individual members.—(1) Any member may call the attention of the chairman to any neglect in the execution of panchayat union council work, to any waste of panchayat union council property or to the wants of any locality, and may suggest any improvements which may appear desirable.

(2) Every member shall have the right to move resolutions and to interpellate the chairman on matters connected with the administration of the panchayat union council, subject to such rules as may be prescribed.

(3) Every member shall have access during office hours to the records of the panchayat union council after giving due notice to the chairman, provided that the chairman, may, for reasons given in writing, forbid such access.

41-G. No chairman, vice-chairman or member to receive remuneration.—No chairman, vice-chairman or member shall receive, or be paid from the funds at the disposal of or

under the control of the panchayat union council any salary or other remuneration for services rendered by him whether in his capacity as such or in any other capacity.

41-H. *Commissioners*.—(1) A Commissioner shall be appointed by the Government in the case of each panchayat union council.

(2) No recovery shall be made from the panchayat union council towards the salary and allowances paid to any Commissioner or towards his leave allowances, pension and provident fund.

(3) The Government shall have power to regulate the methods of recruitment, conditions of service, pay and allowances and discipline and conduct of the Commissioners appointed under sub-section (1).

(4) The Commissioner shall—

(a) have the right to attend the meetings of the panchayat union council or of any committee thereof and take part in the discussions thereat, but without the right to move any resolution or to vote ;

(b) attend any meeting of the panchayat union council or of any committee thereof if required to do so by the chairman ;

(c) carry into effect the resolutions of the panchayat union council ;

(d) furnish to the panchayat union council such periodical reports regarding the progress made in carrying out the resolutions of that body in the collection of taxes as the council may direct ;

(e) control all the officers and servants of the panchayat union council ;

(f) perform all the duties and exercise all the powers specifically imposed or conferred on the Commissioner by this Act and subject whenever it is hereinafter expressly so provided, to the sanction of the panchayat union council, and subject also to all other restrictions, limitations and conditions hereinafter imposed, exercise the executive power for the purpose of carrying out the provisions of this Act and be directly responsible for the due fulfilment of the purposes of this Act.

(5) Subject to any directions given or restrictions imposed by the Government or the panchayat union council, the Commissioner may, by an order in writing, delegate any of his functions to any officer or servant of the panchayat union council or to any servant of the Government. The exercise or discharge of any functions so delegated shall be subject to such restrictions, limitations and conditions as may be laid down by the Commissioner and shall also be subject to his control and revision.

41-I. *Functions of panchayat union council, chairman and Commissioner to be mutually exclusive*.—It shall not be lawful for the chairman or Commissioner of a panchayat union council to perform any functions expressly assigned by or under this Act or any other law to the panchayat union council.

41-J. *Emergency powers of Commissioner*.—The Commissioner may in cases of emergency direct the execution of any work or the doing of any act which requires the sanction of the panchayat union council and the immediate execution or doing of which is in his opinion necessary for the safety of the public and may direct that the expenses of executing such work or doing such act shall be paid from the funds of the panchayat union council :

Provided that—

(a) he shall not act under this section in contravention of any order of the panchayat union council prohibiting the execution of any particular work or the doing of any particular act ; and

(b) he shall report the action taken under this sub-section and the reasons therefor to the panchayat union council at its next meeting.

41-K. *Officers and servants of panchayat union councils*.—

(1) Subject to such rules as may be made under sub-section (2), the Collector shall fix, and may alter the number, designations and grades of, and the salaries, fees and allowances payable to the officers and servants of every panchayat union council, other than the Commissioner :

Provided that in an emergency, the panchayat union council may, subject to such rules as may be prescribed, employ temporarily additional officers and servants.

(2) The Government shall have power to make rules regarding the authorities who may appoint officers and servants of panchayat union councils, other than the Commissioners, and the classification, methods of recruitment, pay and allowances, discipline and conduct, and conditions of service of such officers and servants.

Such rules may provide for the constitution of any class of officers or servants of panchayat union councils other than the Commissioners into a separate service for the whole or any part of the State.

(3) Two or more panchayat union councils may, subject to such rules as may be prescribed, and shall, if so required by any authority empowered in this behalf by rules, appoint the same officer or servant to exercise or discharge any powers or duties of a similar nature for both or all of them.

(4) Notwithstanding anything contained in this Act or the Madras District Municipalities Act, 1920 (Madras Act V of 1920), any officer or servant of a panchayat union council (including the Commissioner) may be transferred—

(i) to the service of any other panchayat union council by the Collector ;

(ii) to the service of any municipality constituted under the Madras District Municipalities Act, 1920 (Madras Act V of 1920), by the Government :

Provided that no officer or servant (other than the Commissioner) shall be so transferred except after consulting—

(a) the panchayat union councils concerned in cases falling under clause (i) of this sub-section ; and

(b) the municipal council and the panchayat union council concerned in cases falling under clause (ii) of this sub-section.

Any authority making a transfer under this sub-section may issue such general or special directions as may in its opinion be necessary for the purpose of giving due effect to such transfer.

(5) The Government may recover from a panchayat union council the whole or such proportion of the salary and allowances paid to any officer or servant of the panchayat union council other than the Commissioner, and such contribution towards his leave allowances, pension and provident fund, as the Government may by general or special order determine in the following cases, namely :—

(a) where such officer or servant was appointed to the service of the panchayat union council by the Government ; and

(b) where such officer or servant is a servant of the Government.

(6) All officers and servants of the panchayat union council shall be subordinate to the Commissioner and save as otherwise provided in this Act or in the rules made thereunder and subject to such restrictions and control and such rights of appeal as may be prescribed in such rules, the Commissioner may—

(a) appoint all officers and servants of the panchayat union council ;

(b) grant leave to any such officer or servant ; and

(c) for any good and sufficient reason, censure, fine, withhold increments or promotion from, reduce to a lower rank in the seniority list or to a lower post or time-scale or to a lower stage in a time-scale, suspend, remove or dismiss any such officer or servant.

(7) The provisions of this section shall also apply to the public health establishments of panchayat union councils, notwithstanding anything contained in the Madras Public Health Act, 1939 (Madras Act III of 1939).

41-L. *Meetings.*—(1) Every panchayat union council shall meet at such times and places and shall, subject to the provisions of sub-section (2), observe such rules of procedure in regard to transactions of business at its meetings (including the quorum at meetings) as may be prescribed :

Provided that not more than three months shall elapse between any two meetings of the panchayat union council.

(2) Every meeting of a panchayat union council shall be presided over by the Chairman, in his absence, by the Vice-Chairman, and in the absence of both the Chairman and the Vice-Chairman by a member chosen by the meeting to preside for the occasion.

(3) The Chairman shall preserve order and decide all points of order arising at or in connection with meetings. There shall be no discussion on any point of order and the decision of the Chairman on any point of order shall, save as otherwise expressly provided in this Act, be final.

(4) A Vice-Chairman or member presiding for the occasion shall, for that meeting and during the period that he presides over it, have all the powers of the Chairman.

41-M. *Minutes of proceedings.*—A copy of the minutes of the proceedings at every meeting of a panchayat union council as well as of all minutes of dissent in respect of such proceedings received from any member present at the meeting, within 48 hours of the close thereof, shall be submitted by the Chairman within three days of the date of the meeting to the Inspector :

Provided that the Inspector may direct that such minutes shall be submitted either generally or in any specified classes of cases to any officer empowered by him in this behalf.

41-N. *Power of panchayat union council to call for records.*—A panchayat union council may require the Commissioner to produce any document which is in his custody and he shall, subject to such rules as may be prescribed, comply with every such requisition.

41-O. *Proceedings of panchayat union councils and Committees.*—(1) The proceedings of every panchayat union council and of all Committees thereof shall be governed by such rules as may be prescribed and by regulations not inconsistent with such rules or the provisions of this Act, made by the panchayat union council with the approval of the Inspector.

(2) The Inspector shall have power to add to, omit or alter any regulations submitted for his approval under sub-section (1).

(3) The rules referred to in sub-section (1) may provide for preventing any member or Chairman or any member or Chairman of a Committee from voting on, or taking part in the discussion of any matter in which apart from its general application to the public, he has any direct or indirect pecuniary interest, whether by himself or through some other person, or from being present or presiding at any meeting of the panchayat union council, or of the Committee during the discussion of any such matter.

41-P. *Committees.*—(1) The panchayat union council may and if so required by the Government shall appoint such committees as may be necessary for the efficient performance of its duties and functions under this Act.

(2) The panchayat union council shall have the power to co-opt as members of any Committee appointed under sub-section (1) such number of persons as are not members of the panchayat union council as it may think fit.

41-Q. *Administration reports.*—(1) Every panchayat union council shall submit to the Collector a consolidated report on its administration and on the administration of all panchayats in the panchayat union for each year as soon as may be after the close of such year and not later than the prescribed date, in such form, with such details and through such authority as may be prescribed.

(2) The report shall be prepared by the Commissioner and the panchayat union council shall consider it and forward the same to the Collector with its resolutions thereon, if any.

(3) The Collector shall prepare a general report on the administration of panchayat union councils and panchayats in the district, place the same before the District Development Council and submit the same to the Government with a copy of the resolution of the District Development Council before such date as may be prescribed. He shall also send a copy of the report to the Inspector.

41-R. *Acts of panchayat union councils, etc., not to be invalidated by informality, etc.*—No act of a panchayat union council or of a Committee thereof or of any person acting as Chairman, Vice-Chairman or member of such panchayat union council or Committee shall be deemed to be invalid by reason only of a defect in the establishment of such panchayat union council or Committee, or on the ground that the Chairman, Vice-Chairman or member of such panchayat union council or Committee was not entitled to

hold or continue in such office by reason of any disqualification or by reason of any irregularity or illegality in his nomination or election or by reason of such act having been done during the period of any vacancy in the office of Chairman, Vice-Chairman or member of such panchayat union council or Committee.

41-S. *Dissolution and supersession of panchayat union councils.*—(1) If, in the opinion of the Government a panchayat union council is not competent to perform or persistently makes default in performing the duties imposed on it by law, or exceeds or abuses its powers, they may, by notification,—

(a) direct that the panchayat union council be dissolved with effect from a specified date and reconstituted either immediately or with effect from another specified date, or

(b) supersede the panchayat union council for a period not exceeding two years from a specified date.

(2) Before publishing a notification under sub-section (1), the Government shall communicate to the panchayat union council the grounds on which they propose to do so, fix a reasonable period for the panchayat union council to show cause against the proposal, and consider its explanations and objections, if any.

(3) On the date fixed for the dissolution of the panchayat union council under sub-section (1), all its members as well as its Chairman and Vice-Chairman shall forthwith be deemed to have vacated their offices as such.

(4) During the interval, if any, between the dissolution and the reconstitution of a panchayat union council or during the period of its supersession as the case may be, the Inspector may appoint a person to exercise the powers and discharge the duties of the panchayat union council and of its Chairman until the reconstitution of the panchayat union council. Any person other than the Commissioner who is so appointed may, if the Inspector so directs, receive payment for his services from the panchayat union council:

Provided that any person to be appointed under the provisions of this sub-section shall be a person in the service of Government not below the rank of a Tahsildar.

(5) The members of a reconstituted panchayat union council shall enter upon their offices on the date fixed for its reconstitution.

(6) When a panchayat union council is dissolved or superseded under this section, the Government, until the date of the reconstitution thereof and the reconstituted panchayat union council thereafter shall be entitled to all the

assets and be subject to all the liabilities of the panchayat union council as on the date of the dissolution or supersession and on the date of the reconstitution respectively.

41-T. *Power of Government to make rules regarding panchayat union councils.*—The Government may make rules—

(i) providing for the qualifications to be possessed by persons for being nominated as members of panchayat union councils, the principles regulating the nomination of members of the panchayat union councils by panchayats and the conduct of inquiries and the decision of disputes relating to such nomination ;

(ii) providing for the term of office of the members of the panchayat union council, the circumstances in which a Chairman, Vice-Chairman or member of a panchayat union council will cease to hold office as such, the circumstances in which and the authority by which the Chairman, Vice-Chairman or a member of a panchayat union council may be removed and the filling of casual vacancies in the panchayat union council ;

(iii) providing for the circumstances in which and the authority by which a Chairman, Vice-Chairman or member of a panchayat union council who has ceased to be a Chairman, Vice-Chairman or member of a panchayat union council may be restored to office ;

(iv) as to the circumstances in which a member may be required to abstain from taking part in discussions or voting at meetings ;

(v) as to the resignation of Chairman, Vice-Chairman and members of panchayat union councils and the dates on which such resignation shall take effect ;

(vi) as to the time and place of the meetings of the panchayat union council ;

(vii) as to the manner in which notice thereof shall be given ;

(viii) as to the preservation of order and the conduct of proceedings of meetings and the powers which the presiding officer may exercise for the purpose of enforcing his decisions on points of order ;

(ix) as to the division of duties among the members of the panchayat union council ;

(x) as to the person by whom receipts may be granted for moneys paid to the panchayat union council ;

(xi) as to the interpellation of the Chairman and Vice-Chairman by the members of the panchayat union council and the moving of resolutions at meetings ;

(xii) providing for the procedure to be followed at meetings of the panchayat union council and at Committees thereof for the conduct of business and the number of members which shall form a quorum at any meeting ;

(xiii) as to the constitution of Committees of panchayat union councils, the inclusion of outsiders therein, and the delegation of functions to such Committees ;

(xiv) as to the maintenance by the panchayat union council of records of business transacted by the council and the submission of copies thereof to the Government, the Inspector and other officers or authorities ;

(xv) as to the holding of a minimum number of meetings of the panchayat union council every year ;

(xvi) as to the powers of the panchayat union council, its Chairman and Committees thereof with respect to the incurring of expenditure and the powers and duties of the Commissioner ;

(xvii) providing for the travelling and other allowances of the Chairman, Vice-Chairman and other members of the panchayat union council and of members of the Committees of the panchayat union council ;

(xviii) as to all matters similar to the above."

19. *Substitution of heading for the sub-heading before section 42 in Madras Act X of 1950.*—For the sub-heading "Control" occurring before section 42 of the principal Act, the following heading shall be substituted, namely :—

"Chapter II-B—Control."

20. *Amendment of section 42, Madras Act X of 1950.*—In section 42 of the principal Act,—

(i) for sub-section (1), the following sub-section shall be substituted, namely :—

"(1) The administration of all panchayats and panchayat union councils in the State shall be supervised by such officer or officers as may be specified by the Government by general or special order and such officer or officers shall also exercise the powers and perform the duties vested in him or them by or under this Act."

(ii) in sub-section (2), in clause (a) after the words "the panchayats", the words "and panchayat union councils" shall be inserted ;

(iii) for sub-sections (5) and (6), the following sub-sections shall be substituted, namely :—

"(5) The Inspector or the Collector or any officer appointed under sub-section (2) or any other officer or person

whom the Government, or the Inspector or the Collector may empower in this behalf, may enter on and inspect, or caused to be entered on and inspected—

(a) any immovable property, or any work in progress, under the control of any panchayat or its executive officer ; or of any panchayat union council or Commissioner ;

(b) any school, dispensary, vaccination station, choultry or other institution maintained by, or under the control of, any panchayat or panchayat union council and any records, registers or other documents kept in such institution ;

(c) the office of any panchayat or panchayat union council and any records, registers or other documents kept therein.

Panchayats and their presidents, executive authorities, panchayat union councils and their chairmen, Commissioners and the officers and servants of panchayats and panchayat union councils shall be bound to afford to the officers and persons aforesaid, such access, at all reasonable times, to panchayat or panchayat union council property or premises and to all documents as may, in the opinion of such officers or persons, subject to such rules as may be prescribed, be necessary to enable them to discharge their duties under this section.

(6) The Inspector or any officer or person whom the Government, or the Inspector may empower in this behalf may—

(a) direct the panchayat or panchayat union council to make provision for and to execute or provide any public work or amenity, or service of the description referred to in sections 50 and 62-A ;

(b) call for any record, register or other document in the possession, or under the control, of any panchayat or executive authority, or of any panchayat union council or its Commissioner ;

(c) require any panchayat or its executive authority or any panchayat union council or Commissioner to furnish any return, plan, estimate, statement, account or statistics ;

(d) require any panchayat or its executive authority or any panchayat union council or Commissioner to furnish any information or report on any matter connected with such panchayat or panchayat union council ;

(e) require any panchayat or its executive authority or any panchayat union council to obtain his previous sanction before giving up a claim or closing down any institution which is a source of income ;

(f) record in writing for the consideration of any panchayat or its executive authority or of any panchayat union council or Commissioner any observations in regard to its or his proceedings or duties."

21. Amendment of section 44, Madras Act X of 1950.—
In section 44 of the principal Act,—

(i) for the words " panchayat or executive authority ", the words " panchayat or its executive authority or a panchayat union council or Commissioner " shall be substituted ;

(ii) after the words " panchayat fund ", the words " or the panchayat union council fund " shall be inserted.

22. Amendment of section 45, Madras Act X of 1950.—
In section 45 of the principal Act, after the words " a panchayat ", the words " or panchayat union council " shall be inserted and after the words " the panchayat ", the words " or the panchayat union council " shall be added.

23. Amendment of section 46, Madras Act X of 1950.—
In section 46 of the principal Act,—

(i) in sub-section (1), after the words " a panchayat, president or executive authority ", the words " or that a panchayat union council or its chairman or Commissioner " shall be inserted ;

(ii) in sub-section (2), after the words " panchayat fund ", the words " or the panchayat union council fund, as the case may be " shall be inserted.

24. Amendment of section 47, Madras Act X of 1950.—
In section 47 of the principal Act, for sub-section (4), the following sub-section shall be substituted, namely :—

" (4) The Government shall have power to direct that any notification issued under sub-section (1) or (2) be stayed pending consideration by them and may modify or cancel such notification and make any further orders that may be just."

25. Insertion of new section after section 47, Madras Act X of 1950.—After section 47 of the principal Act, the following section shall be inserted, namely :—

" 47-A. *Motion of no-confidence in president or vice-president of panchayat.*—(1) Subject to the provisions of this section, a motion expressing want of confidence in the president or vice-president of a panchayat may be made in accordance with the procedure laid down herein.

(2) Written notice of intention to make the motion, in such form as may be fixed by the Government, signed by such number of members of the panchayat as shall constitute

not less than two-thirds of the sanctioned strength of the panchayat, together with a copy of the motion which is proposed to be made, shall be delivered by any two of the members of the panchayat signing the notice in person together, to the tahsildar of the taluk.

(3) The tahsildar shall then convene a meeting for the consideration of the motion, to be held at the office of the panchayat at a time appointed by him which shall not be later than thirty days from the date on which the notice under sub-section (2) was delivered to him. He shall give to the members notice of not less than fifteen clear days of such meeting and of the time appointed therefor.

(4) The tahsildar shall preside at the meeting convened under this section, and no other person shall preside thereat. If within half an hour after the time appointed for the meeting, the tahsildar is not present to preside at the meeting, the meeting shall stand adjourned to a time to be appointed and notified to the members by the tahsildar under sub-section (5).

(5) If the tahsildar is unable to preside at the meeting, he may, after recording his reasons in writing, adjourn the meeting to such other time as he may appoint. The date so appointed shall not be later than thirty days from the date appointed for the meeting under sub-section (3). Notice of not less than seven clear days shall be given to the members of the time appointed for the adjourned meeting.

(6) Save as provided in sub-sections (4) and (5), a meeting convened for the purpose of considering a motion under this section, shall not for any reason be adjourned.

(7) As soon as the meeting convened under this section has commenced, the tahsildar shall read to the panchayat the motion for the consideration of which it has been convened, and declare it to be open for debate.

(8) No debate on any motion under this section shall be adjourned.

(9) Such debate shall automatically terminate on the expiry of two hours from the time appointed for the commencement of the meeting, if it is not concluded earlier. Upon the conclusion of the debate or upon the expiry of the said period of two hours, as the case may be, the motion shall be put to the vote of the panchayat.

(10) The tahsildar shall not speak on the merits of the motion, nor shall he be entitled to vote thereon.

(11) A copy of the minutes of the meeting together with a copy of the motion and the result of the voting thereon shall forthwith on the termination of the meeting be forwarded by the tahsildar to the Government.

(12) If the motion is carried with the support of not less than two-thirds of the sanctioned strength of the panchayat, the Government shall, by notification, remove the president or vice-president of the panchayat as the case may be.

(13) If the motion is not carried by such a majority as aforesaid, or if the meeting cannot be held for want of a quorum, no notice of any subsequent motion expressing want of confidence in the same president or vice-president shall be received until after the expiry of six months from the date of the meeting.

(14) No notice of a motion under this section shall be received within six months of the assumption of office by the president or vice-president as the case may be."

26. Amendment of section 48, Madras Act X of 1950.—
In section 48, sub-section (1), clause (b) of the principal Act, for the words "one year", the words "two years" shall be substituted.

27. Amendment of section 49, Madras Act X of 1950.—
In section 49 of the principal Act,—

(i) after the words "of a panchayat", the words "or a panchayat union council" shall be inserted;

(ii) after the words "as the panchayat" the words "or the panchayat union council" shall be inserted;

(iii) after the words "the panchayat fund" the words "or the panchayat union council fund" shall be inserted;

(iv) for the words "by the panchayat or its officers or servants", the words "by the panchayat or the panchayat union council or their officers or servants" shall be substituted.

28. Amendment of section 50, Madras Act X of 1950.—
In section 50 of the principal Act,—

(i) for clause (a), the following clause shall be substituted, namely:—

"(a) the construction, repair and maintenance of all village roads, that is to say, all public roads in the village (other than those classified as National Highways, State Highways, Major District Roads and Panchayat Union Roads) and of all bridges, culverts, road-dams and causeways on such roads."

(ii) in clause (b), the words "in built-up areas." shall be added at the end;

(iii) clause (b) shall be omitted.

29. Amendment of section 51, Madras Act X of 1950.—In section 51 of the principal Act,—

(i) for clause (a), the following clauses shall be substituted, namely :—

“(a) the planting and preservation of trees on the sides of all public roads in the village subject to mutually agreed terms and conditions between the panchayat and the authority which maintains the road in case the road is not maintained by the panchayat itself ;

(aa) the lighting of public roads and public places in areas other than built-up areas ; ”

(ii) in clause (b), for the words “ district markets ”, the words “ panchayat union markets ” shall be substituted ;

(iii) in clause (c), for the words “ district fairs and festivals ”, the words “ panchayat union fairs and festivals ” shall be substituted ;

(iv) clauses (f), (g), (h), (i), (j) and (k) shall be omitted ;

(v) for clause (1), the following clause shall be substituted, namely :—

“(1) the opening and maintenance of reading rooms ; ”

(vi) in clause (m), after the word “ play-grounds ”, the word “ parks ” shall be inserted ;

(vii) clauses (n) and (o) shall be omitted ;

(viii) for clause (p), the following clause shall be substituted, namely :—

“(p) the opening and maintenance of literary centres for imparting social education ; ”.

30. Substitution of new section for section 52, Madras Act X of 1950.—For section 52 of the principal Act, the following sections shall be substituted, namely :—

“ 52. Subject to the provisions of this Act and the rules made thereunder, two or more panchayats may construct and maintain water works for supply of water for washing and bathing purposes and of protected water for drinking purposes from a common source and may also provide a common burial and burning ground.

52-A. Lighting of public roads and public places.—Notwithstanding anything contained in section 51, clause (a), the Government may by general or special order, direct any panchayat to provide for the lighting of public roads and public places within its jurisdiction and it shall be the duty of the panchayat to provide for such lighting :

Provided that where such a direction is given, the Government shall make such provision for the cost of lighting as they may consider reasonable and the decision of the Government shall be final.”

31. Amendment of section 53, Madras Act X of 1950.—In section 53, sub-section (4) of the principal Act, for the words “ the district board or its executive authority ”, the words “ the panchayat union council or the Commissioner ” shall be substituted.

32. Omission of section 54, Madras Act X of 1950.—Section 54 of the principal Act shall be omitted.

33. Amendment of section 56, Madras Act X of 1950.—In section 56, sub-section (1) of the principal Act, for the brackets and words “ (other than district roads and roads which are classified by the Government as national or State highways) ”, the brackets and words “ (other than roads which are classified by the Government as national or State highways or as major district roads or as panchayat union roads) ” shall be substituted.

33-A. Insertion of new Chapter after Chapter III in Madras Act X of 1950.—After Chapter III of the principal Act, the following Chapter shall be inserted, namely :—

“ CHAPTER III-A—FUNCTIONS, POWERS AND PROPERTY OF PANCHAYAT UNION COUNCILS.

62-A. Duty of panchayat union council to provide for certain matters.—Subject to the provisions of this Act and the rules made thereunder, it shall be the duty of a panchayat union council, within the limits of its funds, to make reasonable provision for carrying out the requirements of the panchayat union in respect of the following matters, namely :—

(a) the construction, repair and maintenance of all public roads in the panchayat union which are classified as panchayat union roads and of all bridges, culverts, road-dams and causeways on such roads ;

(b) the establishment and maintenance of dispensaries and the payment of subsidies to rural medical practitioners ;

(c) the establishment and maintenance of maternity and child welfare centres, including the maintenance of a ‘thayi’ service and offering advice and assistance to mothers in Family Planning ;

(d) the construction and maintenance of poor houses, orphanages, shops, stalls, plinths, the training and employment of vaccinators, the removal of congestion of population and the provision of house-sites ;

(e) the opening and maintenance and expansion or improvement of elementary schools, including the payment of grants to private managements and panchayats in respect of elementary schools ;

- (f) preventive and remedial measures any epidemic, or with malaria ;
- (g) the control of fairs and festivals classified by the panchayat union council as those reserved for control by it ;
- (h) veterinary relief ;
- (i) the extension of village sites and the regulation of building ;
- (j) the opening and maintenance of public markets which are classified as panchayat union markets ;
- (k) the registration of births and deaths ;
- (l) the establishment and maintenance of choultries ;
- (m) improvements of agriculture, agricultural stock and the holding of agricultural shows ;
- (n) the promotion and encouragement of cottage industries.

62-B. *Power of panchayat union council to provide for certain matters.*—Subject to the provisions of this Act and the rules made thereunder, a panchayat union council may, within the limits of its funds, make such provision as it thinks fit for carrying out the requirements of the panchayat union in respect of measures of public utility other than those specified in section 62-A, calculated to promote the safety, health, comfort or convenience of the inhabitants of the panchayat union.

62-C. *Lighting of public roads and public places.*—The Government may, by general or special order, direct any panchayat union council to provide for the lighting of public roads and public places within its jurisdiction and it shall be the duty of the panchayat union council to provide for such lighting :

Provided that where such a direction is given, the Government shall make such provision for the cost of lighting as they may consider reasonable, and the decision of the Government shall be final.

62-D. *Limitation of power to accepting donations and trusts.*—A panchayat union council may accept donations for, or trusts relating exclusively to, the furtherance of any purpose to which its funds may be applied.

62-E. *Maintenance of common dispensaries, child welfare centres, etc.*—Subject to the provisions of this Act and the rules made thereunder, two or more panchayat union councils may establish and maintain common dispensaries, child welfare centres and institutions of such other kind as may be prescribed.

62-F. *Power of Board of Revenue to transfer or reserve control of endowments and inams.*—(1) (a) Subject to the control of the Government, the Board of Revenue may, by notification, make over to a panchayat union council, with its consent, the management and superintendence of any charitable endowment in respect of which powers and duties attach to the Board of Revenue under the provisions of the Madras Endowments and Escheats Regulation, 1817 (Madras Regulation VII of 1817) ; and thereupon all powers and duties attaching to the Board of Revenue, in respect thereof shall attach to the panchayat union council as if it had been specially named in the said Regulation, and the panchayat union council shall manage and superintend such endowment.

(b) The Board of Revenue may, of its own motion and shall on a direction from the Government, by notification, resume the management and superintendence of any endowment made over to a panchayat union council under clause (a) and upon such resumption, all the powers and duties attaching to the panchayat union council in respect of the endowment shall cease and determine.

(2) The Government may assign to a panchayat union council with its consent, a charitable inam resumed by the Government or any other authority, provided that the net income from such inam can be applied exclusively to any purpose to which the funds of such panchayat union council may be applied ; and may revoke any assignment so made.

62-G. *Government's power to add to functions of panchayat union council.*—(1) Subject to such rules as may be prescribed, the Government, the Board of Revenue, the Collector or Revenue Divisional Officer or any person or body of persons may transfer to the panchayat union council with its consent and subject to such conditions as may be agreed upon, the management of any institution or the execution or maintenance of any work, or the exercise of any power or the discharge of any duty, whether within or without the panchayat union and whether provided for in this Act or not.

(2) The Government may entrust to the panchayat union council with its consent and subject to such conditions as may be agreed upon the executive functions over any productive development work relating to animal husbandry, village industries and co-operation.

62-H. *Vesting of public roads in panchayat union councils.*—(1) All public roads in any panchayat union (other than roads vesting in the panchayat under section 56 and roads which are classified by the Government as National or State Highways, or Major District Roads) shall vest in the panchayat union council together with all pavements, stones and other

materials thereof, all works, materials and other things provided therefor, all sewers, drains, drainage works, tunnels and culverts, whether made at the cost of the panchayat union council or otherwise, in, alongside or under such roads, and all works, materials and things appertaining thereto.

(2) The Government may, by notification, exclude from the operation of this Act any such public road, sewer, drain, drainage work, tunnel or culvert, and may also modify or cancel such notification.

62-I. Duty of panchayat union council in respect of public roads excluded from the operation of the Act.—Where any public road has been excluded from the operation of this Act under sub-section (2) of section 62-H and placed under the control of the Highways Department of the Government (hereinafter referred to as the Highways Department), it shall be the duty of the panchayat union council to provide at the cost of the panchayat union council, to such extent as the Government may, by general or special order, direct—

(a) for the watering, scavenging and drainage of such road;

(b) for the provision, maintenance and repair of the water-supply mains, drains and sewers in, alongside or under such road;

(c) for the provision, maintenance and repair of footways attached to such road:

Provided that where in the discharge of such duties, it is necessary for the panchayat union council to open and break up the soil or pavement of any such road, the panchayat union council shall obtain the previous consent of such officer of the Highways Department as the Government may, by general or special order, specify:

Provided further that in cases of emergency, the panchayat union council may, without such consent, open and break up the soil or pavement of any such street, but shall, as far as practicable, restore such soil or pavement to the condition in which it was immediately before it was opened and broken up; and a report of the action so taken and the reasons therefor shall be sent forthwith to the officer specified under the foregoing proviso.

62-J. Transfer of immovable property from panchayat union council to a panchayat.—The panchayat union council may, subject to such control as may be prescribed, by notification, declare that any immovable property vested in itself shall vest in any panchayat in the same panchayat union, and such property shall, from the date specified in the said notification, vest accordingly.

62-K. Immovable property required by panchayat union council may be acquired under the Land Acquisition Act, 1894.—Any immovable property which any panchayat union council is authorized by this Act or any rules made thereunder to acquire may be acquired under the provisions of the Land Acquisition Act, 1894 (Central Act I of 1894), and on payment of the compensation awarded under the said Act, in respect of such property and of any other charges incurred in acquiring it, the said property shall vest in the panchayat union council."

34. Substitution of new Chapter for Chapter IV, Madras Act X of 1950.—For Chapter IV of the principal Act, the following Chapter shall be substituted, namely:—

" CHAPTER IV—TAXATION AND FINANCE.

A. TAXES LEVIABLE BY PANCHAYAT UNION COUNCILS.

62-L. Enumeration of taxes.—(1) Every panchayat union council shall levy in the panchayat union a local cess which shall be in lieu of the land cess levied by panchayats and of the following taxes leviable before the commencement of the Madras Village Panchayats (Amendment) Act, 1958, namely:—

(a) the land cess leviable under section 74-B of the Madras District Boards Act, 1920 (Madras Act XIV of 1920);

(b) the taxes leviable under any head of taxation mentioned in section 34, sub-section (2) of the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920); and

(c) the land revenue surcharge leviable under the Madras Land Revenue (Additional Surcharge) Act, 1955 (Madras Act XXX of 1955).

(2) A panchayat union council may by resolution determine that a house-tax surcharge shall be levied in all town panchayats in the panchayat union generally or in any town panchayat in the panchayat union specified in the resolution.

62-M. Local cess.—(1) The local cess referred to in section 62-L, sub-section (1), shall be a tax on agricultural land at a rate not being less than 45 naye paise on every rupee of the land revenue payable to the Government in respect of such land for every fasli and not exceeding such maximum rate as may be prescribed.

(2) (a) Out of the proceeds of the local cess so collected from every panchayat village in the panchayat union such percentage as the panchayat union council may fix shall be credited to the village panchayat fund and the percentage shall be so fixed as to ensure that the total income derived by all the village panchayats in the panchayat union does

not fall short of an amount calculated at 20 naye paise for each individual of the village population in the panchayat union ;

(b) the balance of the local cess collected by the panchayat union council shall be credited to the funds of the panchayat union council.

Explanation.—In this section, 'land revenue' means public revenue due on land and includes water-cess payable to the Government for water supplied or used for the irrigation of land, but does not include any other cess or the surcharge payable under the Madras Land Revenue (Surcharge) Act, 1954 (Madras Act XIX of 1954).

62-N. *House-tax surcharge.*—The house-tax surcharge referred to in section 62-L, sub-section (2), shall be levied on all houses in panchayat towns in the panchayat union in the form of a surcharge on the house-tax imposed by the panchayat under section 63 at a rate which shall be so fixed as not to exceed the rate necessary to yield one-half of the amount assessed in the prescribed manner as required for purposes of equating the local contribution to elementary education from each panchayat town to the contribution of the panchayat villages in the panchayat union.

62-O. *Land Revenue Assignment.*—The Government shall set apart every year a sum representing one rupee for each individual of the estimated population of every development block from out of the total land revenue (including water-cess) during such year collected in the State during that year and distribute such sum to panchayat unions with reference to such population. The sum thus credited to the panchayat union shall be referred to as the Land Revenue Assignment of that block.

B. TAXES LEVIABLE BY PANCHAYATS.

63. *Enumeration of taxes.*—(1) Every panchayat shall levy in the village a house-tax, a profession-tax and a vehicle tax.

(2) A duty shall also be levied in every village on certain transfers of property in accordance with the provisions of section 67.

(3) Subject to such rules as may be prescribed and with the sanction of the Inspector and subject to such restrictions and conditions, if any, as may be imposed by him either at the time of granting sanction or later, the panchayat may also levy in the village—

(a) a tax on agricultural land for a specific purpose ;

(b) a cess by way of sales tax on any commercial crop bought and sold in the village, not being a crop on which a cess

by way of sales tax is levied in the village by a market committee under section 11 of the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933).

Explanation.—For the purposes of this clause, 'commercial crop' shall have the same meaning as in section 2 (1-a) of the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933).

(4) Clause (b) of sub-section (3) shall have effect subject to the provisions of Article 286 of the Constitution of India.

64. *House-tax.*—(1) The house-tax referred to in section 63, sub-section (1), shall be levied on all houses in the village on any one of the following bases, namely :—

(a) annual value ; -

(b) capital value ; or

(c) such other basis as may be prescribed.

(2) The house-tax shall, subject to the prior payment of the land revenue, if any, due to the Government in respect of the site of the house, be a first charge upon the house and upon the movable property, if any, found within or upon the same and belonging to the person liable to such tax.

(3) The house-tax shall be levied every half-year at such rates as may be fixed by the panchayat, not being less than the minimum rates and not exceeding the maximum rates, prescribed in regard to the basis of levy adopted by the panchayat.

(4) The Government may make rules providing for—

(i) the manner of ascertaining the annual or capital value of houses or the categories into which they fall for the purposes of taxation ;

(ii) the persons who shall be liable to pay the tax and the giving of notices of transfer of houses ;

(iii) the grant of vacancy and other remissions ;

(iv) the circumstances in which, and the conditions subject to which, houses constructed, reconstructed or demolished, or situated in areas included in, or excluded from, the village, during any half-year, shall be liable or cease to be liable to the whole or any portion of the tax.

(5) If the occupier of a house pays the house-tax on behalf of the owner thereof, such occupier shall be entitled to recover the same from the owner and may deduct the same from the rent then or thereafter due by him to the owner.

65. Profession-tax.—(1) The profession-tax referred to in section 63, sub-section (1), shall, subject to such rules as may be prescribed, be levied every half-year in every village on—

(i) every company which transacts business in such village for not less than sixty days in the aggregate in that half-year; and

(ii) every person who, in that half-year—

(a) exercises a profession, art or calling or transacts business or holds any appointment, public or private—

(i) within such village for not less than sixty days in the aggregate, or

(ii) without such village, but who resides in it for not less than sixty days in the aggregate, or

(b) resides in such village for not less than sixty days in the aggregate and is in receipt of any pension or income from investments.

(2) The profession-tax shall be levied at such rates as may be fixed by the panchayat, not being less than such minimum rates and not exceeding such maximum rates as may be prescribed.

(3) A person shall be chargeable under the class appropriate to his aggregate income from all the sources specified in sub-section (1) as being liable to the tax.

(4) If a company or person proves that it or he has paid the sum due on account of the profession-tax levied under this Act, or the companies or profession-tax levied under the Madras City Municipal Act, 1919 (Madras Act IV of 1919), or the Madras District Municipalities Act, 1920 (Madras Act V of 1920), or any tax of the nature of a profession-tax imposed under the Cantonments Act, 1924 (Central Act II of 1924), for the same half-year to any panchayat or municipal council or cantonment authority in the State of Madras, such company or person shall not be liable by reason merely of change of place of business, exercise of profession, art or calling, appointment or residence to pay to any other panchayat, municipal council or cantonment authority more than the difference between such sum and the amount to which it or he is otherwise liable for the profession or companies tax for the half-year under this Act or any of the aforesaid Acts.

(5) Nothing contained in this section shall be deemed to render a person who resides within the local limits of one local authority and exercises his profession, art or calling or transacts business or holds any appointment within the limits

of any other local authority or authorities liable to profession-tax for more than the higher of the amounts of the tax leviable by any of the local authorities. In such a case, the Government shall apportion the tax between the local authorities in such manner as they may deem fit and the decision of the Government shall be final:

Provided that where one of the local authorities concerned is a cantonment authority or the port authority of a major port, the decision of the Government shall be subject to the concurrence of the Central Government.

(6) The profession-tax leviable from a firm, association or joint Hindu family may be levied from any adult member of the firm, association or family.

(7) (a) If a company or person employs a servant or agent to represent it or him for the purpose of transacting business in any local area such company or person shall be deemed to transact business in the local area and such servant or agent shall be liable for the profession-tax in respect of the business of such company or person whether or not such servant or agent has power to make binding contracts on behalf of such company or person.

(b) Where one company or person is the agent of another company or person, the former company or person shall not be liable separately to the profession-tax on the same income as that of the principal.

66. Vehicle tax.—The vehicle tax referred to in section 63-C, sub-section (1), shall, subject to such rules as may be prescribed including rules relating to exemptions and restrictions, be levied every half-year on all vehicles kept or used within the village at such rates as may be fixed by the panchayat not being less than the minimum rates and not exceeding the maximum rates prescribed.

Explanation.—In this section, 'vehicle' means a conveyance suitable for use on roads and includes any kind of tram car, carriage, cart, wagon, bicycle, tricycle and rickshaw, but does not include a motor vehicle as defined in the Motor Vehicles Act, 1939 (Central Act IV of 1939).

67. Duty on transfers of property.—(1) The duty on transfers of property shall be levied—

(a) in the form of a surcharge on the duty imposed by the Indian Stamp Act, 1899 (Central Act II of 1899), as in force for the time being in the State of Madras, on every instrument of the description specified below, which relates to immovable property situated in the area under the jurisdiction of a panchayat; and

(b) at such rate as may be fixed by the Government, not exceeding five per centum on the amount specified below against such instrument :—

Description of instrument.	Amount on which duty should be levied.
(i) Sale of immovable property.	The amount or value of the consideration for the sale, as set forth in the instrument.
(ii) Exchange of immovable property.	The value of the property of the greatest value, as set forth in the instrument.
(iii) Gift of immovable property.	The value of the property, as set forth in the instrument.
(iv) Mortgage with possession of immovable property.	The amount secured by the mortgage as set forth in the instrument.
(v) Lease in perpetuity of immovable property.	An amount equal to one-sixth of the whole amount or value of the rents which would be paid or delivered in respect of the first fifty years of the lease as set forth in the instrument.

(2) On the introduction of the duty aforesaid—

(a) section 27 of the said Indian Stamp Act shall be read as if it specifically required the particulars to be set forth separately in respect of property situated in the area under the jurisdiction of a panchayat and in respect of property situated outside such area ;

(b) section 64 of the same Act shall be read as if it referred to the panchayat as well as the Government.

(3) The Government may make rules not inconsistent with this Act for regulating the collection of the duty, the payment thereof to the panchayat and the deduction of any expenses incurred by the Government in the collection thereof.

(4) The amounts collected in the development block as surcharge on the duty on transfers of property under this section shall be pooled every year for the entire block and distributed among all the panchayats in the block in the proportion to the land revenue of the village.

(5) Where the panchayat union council undertakes a work of common benefit for more than one panchayat, it may apportion the cost of such work among the different panchayats benefited thereby. In such a case, the panchayat union council shall be entitled to recover the share of such cost

from the panchayat out of the amount of the surcharge on the duty on transfers of property payable to the panchayat under sub-section (4).

C. COLLECTION, EXEMPTION AND WRITE-OFF OF TAXES, ETC

67-A. *Power to exempt from taxes.*—With the sanction of the Government the panchayat union council or the panchayat may exempt any person or class of persons wholly or in part from the payment of any tax. But nothing in this section shall be deemed to authorize the exemption of any person solely on the ground that he is a member of the panchayat union council or a panchayat.

68. *Write off of irrecoverable amounts.*—Subject to such restrictions and control as may be prescribed, a panchayat or panchayat union council may write off any tax, fee or other amount whatsoever due to it, whether under a contract or otherwise, or any sum payable in connexion therewith ; if in its opinion such tax, fee, amount or sum is irrecoverable :

Provided that where the Collector or any of his subordinates is responsible for the collection of any tax, fee or other amount due to a panchayat or panchayat union council the power to write off such tax, fee or amount or any sum payable in connexion therewith, on the ground of its being irrecoverable, shall be exercised by the Board of Revenue or subject to its control, by the Collector or any officer authorized by him.

69. *Power to require land revenue staff to collect taxes and fees due to panchayats.*—Subject to such rules as may be prescribed, the executive authority, or the Commissioner shall have power to require the staff of the Land Revenue department to prepare at quinquennial intervals a house tax assessment register in such form as may be prescribed and to collect any tax or fee due to the panchayat or panchayat union council on payment of such remuneration not exceeding 6½ per cent of the gross sum collected as the Collector may, by general or special order, determine.

D. GRANTS BY GOVERNMENT.

69-A. *Local Education Grant.*—The Government shall pay annually to every panchayat union council a Local Education Grant the amount of which shall be calculated as follows :—

The total amount of expenditure approved by the Government for being debited to the Panchayat Union (Education) Fund shall be divided into two slabs. The first slab shall be covered by the Land Revenue Assignment referred to in section 62-O. The second slab shall be subject

to a maximum of 250 naye paise for each individual of the estimated population of the development block concerned. The Local Education Grant shall be such percentage of the second slab, not being less than 50 or more than 80 as may be prescribed with reference to the classification of the development block concerned under section 69-C.

69-B. *Local Cess Matching Grant.*—The Government shall pay every year to the panchayat union council a local cess matching grant, which shall be a sum calculated at such percentages as may be prescribed of the proceeds of the local cess levied in the development block in excess of the minimum rate fixed under section 62-M.

69-C. *Classification of development blocks.*—For the purpose of sanctioning grants to panchayat union councils, the Government may classify development blocks in such manner as they may deem fit once in every five years and it shall be open to the Government to sanction grants at varying rates for the different classes of development blocks. It shall also be open to the Government to revise the classification of development blocks once in every five years.

69-D. *Local Roads Grant.*—The Government shall pay every year to every panchayat union council a local roads grant, which shall be a sum calculated at the rate of 40 naye paise per head of the estimated population in the development block to be earmarked and spent on the maintenance of roads in its area and such sum shall be in lieu of the amounts payable before the commencement of the Madras Village Panchayats (Amendment) Act, 1958, with reference to section 10 (1) (a) of the Madras Motor Vehicles Taxation Act, 1931 (Madras Act III of 1931). Such rate shall be reviewed and refixed once in every five years with due regard to the needs and resources of the panchayat unions.

69-E. *House-tax Surcharge Matching Grant.*—The Government shall pay to the panchayat union council a house-tax surcharge matching grant which shall be a sum equal to the proceeds of the house-tax surcharge levied under section 63 in panchayat towns.

69-F. *House-tax Matching Grant.*—(1) On every rupee of house-tax collected by a village panchayat, an equal amount shall be paid by the Government as grant which shall be called the house-tax matching grant.

(2) The amount received by a village panchayat as house-tax matching grant shall be credited to the village panchayat fund.

E. RECEIPTS AND EXPENDITURE.

I. Receipts.

69-G. *Constitution of panchayat union fund, town panchayat fund and village panchayat fund.*—There shall be constituted—

(i) for each panchayat union, a panchayat union (general) fund and a panchayat union (education) fund ;

(ii) for each town panchayat, a town panchayat fund ; and

(iii) for each village panchayat, a village panchayat fund.

Panchayat Union (General) Fund.

70. *Panchayat Union (General) Fund.*—The receipts which shall be credited to the panchayat union (general) fund shall include—

(i) the local cess levied in the development block under section 63 ;

(ii) the house-tax surcharge levied in the panchayat towns in the development block ;

(iii) the pilgrim tax levied in respect of any festival classified as a panchayat union festival ;

(iv) the local cess matching grant paid by the Government under section 67-D ;

(v) the local roads grant paid by the Government under section 67-E ;

(vi) the house-tax surcharge matching grant paid by the Government under section 67-F ;

(vii) fees on licences issued and permissions given by the panchayat union council ;

(viii) fees levied in public markets classified as panchayat union markets after deducting the contribution, if any, paid by the panchayat union council to the panchayat on the scale fixed by the Government ;

(ix) the contribution paid to the panchayat union councils by panchayats in respect of markets classified as panchayat markets ;

(x) fees for the temporary occupation of roads ;

(xi) fees for the use of rest-houses and choultries ;

(xii) receipts from dispensaries maintained by the panchayat union council ;

(xiii) income from endowments and trusts under the management of the panchayat union council ;

(xiv) the proportionate share of the proceeds of the entertainments tax received by the panchayat union council under section 13 of the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939) ;

(xv) contributions from the Government, other panchayat union councils, municipalities, other local authorities and persons in aid of any institution or service maintained or financed from panchayat union funds or managed by the panchayat union council ;

(xvi) sale-proceeds of sweepings, tools and plant, stores and materials and of trees and avenue produce appertaining to panchayat union roads ;

(xvii) income from panchayat union ferries and fisheries ;

(xviii) interest on loans and securities ;

(xix) interest on arrears of revenue ;

(xx) income from, and sale-proceeds of, buildings, lands and other property belonging to the panchayat union council ;

(xxi) unclaimed deposits and other forfeitures ;

(xxii) all sums other than those enumerated above or in section 70-A which arise out of, or are received in aid of, or for expenditure on, any institutions or services maintained or financed from the panchayat union fund or managed by the panchayat union council.

Panchayat Union (Education) Fund.

70-A. The receipts which shall be credited to the Panchayat Union (Education) Fund shall include—

(i) the land revenue assignment paid by the Government under section 62-O ;

(ii) the local education grant, paid by the Government ;

(iii) the house-tax surcharge levied under section 62-N ;

(iv) the house-tax surcharge matching grant paid by the Government under section 69-E ;

(v) an annual contribution from the Panchayat Union (General) Fund, not being less than the yield of education cess levied in the area of the panchayat union during the year preceding the commencement of the Madras Village Panchayats (Amendment) Act, 1958 ;

(vi) such additional contribution from the Panchayat Union (General) Fund as the Government may decide to be necessary in any year in order to balance the budget of the fund for that year ;

(vii) all fines and penalties levied within the jurisdiction of the panchayat union council under the provisions of the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920) ;

(viii) all income derived from any endowments or other property owned or managed by the panchayat union council for the benefit of elementary education ;

(ix) all other sums which may be contributed or received by the panchayat union council for the purposes of elementary education.

70-B. *Town panchayat and village panchayat fund.*—The receipts which shall be credited to the town panchayat and village panchayat fund shall include—

(i) the house-tax, the profession-tax, the vehicle tax and any other tax or any cess or fee, levied under section 63 of this Act ;

(ii) the proceeds of the duty on transfers of property levied under section 67 of this Act ;

(iii) any payments made to the panchayat by a market committee in pursuance of section 11, sub-section (3) of the Madras Commercial Crops Markets Act, 1933 (Madras Act XX of 1933) ;

(iv) the taxes and tolls levied in the village under sections 117 and 118 of the Madras Public Health Act, 1939 (Madras Act III of 1939) ;

(v) fees for the temporary occupation of village-sites, roads and other similar public places or parts thereof in the village ;

(vi) fees levied by the panchayat in pursuance of any provision in this Act or any rule or order made thereunder ;

(vii) income from endowments and trusts under the management of the panchayat ;

(viii) the net assessment on service inams which are resumed by the Government ;

(ix) the proportionate share of the proceeds of the entertainments tax received by the panchayat under section 13 of the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939) ;

(x) income derived from village fisheries ;

(xi) income derived from ferries under the management of the panchayat ;

(xii) unclaimed deposits and other forfeitures ;

(xiii) a sum equivalent to the seigniorage fees collected by the Government every year from persons permitted to quarry for road materials in the village ;

(xiv) all income derived from porambokes the user of which is vested in the panchayat ;

(xv) where the village is in a ryotwari tract, all income derived from trees standing on porambokes although the user of the porambokes is not vested in the panchayat ;

(xvi) income from leases of Government property obtained by the panchayat ;

(xvii) a sum equivalent to nine-tenths of the gross income derived by the Government every year from fines imposed by Magistrates in respect of offences committed in the village under this Act or any rule or by-law made thereunder or any other provision of law which is prescribed in this behalf ;

(xviii) grants received from the Government ;

(xix) all sums other than those enumerated above which arise out of, or are received in aid of or for expenditure on, any institutions or services maintained or financed from the panchayat fund or managed by the panchayat.

II. Expenditure.

71. *Application of moneys received.*—All moneys received by the panchayat union council, the village panchayat or the town panchayat shall be applied and disposed of in accordance with the provisions of this Act and other laws :

Provided that the panchayat union council or the panchayat shall have power subject to such rules as may be prescribed to direct that the proceeds of any tax or additional tax levied under this Act shall be ear-marked for the purpose of financing any specific public improvement. A separate account shall be kept of the receipts from every such tax or additional tax and the expenditure thereof.

72. *Expenditure from funds.*—(1) The purposes to which the funds of the panchayat union council or of the village panchayat or the town panchayat may be applied include all objects expressly declared obligatory or discretionary by this Act or any rules made thereunder or by any other laws or rules and the funds shall be applicable thereto within the development block or the village as the case may be subject to such rules or special orders as the Government may prescribe or issue and shall, subject as aforesaid, be applicable to such purposes outside the development block or village if the expenditure is authorized by this Act or specially sanctioned by the Inspector.

(2) It shall be the duty of every panchayat union council and panchayat to provide for the payment of—

(i) any amounts falling due on any loans contracted by it ;

(ii) the salaries and allowances and the pensions, pensionary contributions and provident fund, contribution of its officers and servants ;

(iii) sums due under any decree or order of a Court ; and

(iv) any other expenses rendered obligatory by or under this Act or any other law.

(3) It shall be the duty of every panchayat to provide for the payment of the election expenses including the cost of the preparation and revision of the electoral roll, the conduct of elections to the panchayat, and the maintenance of the election establishment.

Explanation.—The cost of maintenance of the election establishment shall include the pay, pension and leave allowances, if any, of the officers and servants of the Government or of any other authority, employed in the preparation and revision of the electoral roll and in the conduct of the elections.

(4) The Government shall determine every year the amount of the election expenses referred to in sub-section (3) and their determination shall be final and binding on the panchayat. Such amount shall have priority over all other charges except charges for the service of authorized loans including the loans and advances referred to in section 76 and the expenses specified in sections 44 and 46 (2).

(5) A panchayat union council or panchayat may, with the sanction of the Government, contribute to any fund for the defence of India.

(6) A panchayat union council or panchayat may, with the sanction of the Inspector, also—

(i) contribute towards the expenses of any public exhibition, ceremony or entertainment in the development block or village ;

(ii) contribute to any charitable fund, or to the funds of any institution for the relief of the poor or the treatment of disease or infirmity or the reception of diseased or infirm persons or the investigation of the causes of disease ; and

(iii) defray any other extraordinary charges.

73. *Preparation and sanction of budgets.*—(1) The executive authority of the panchayat and the Commissioner shall in each year frame and place before the panchayat or the

panchayat union council, as the case may be, a budget showing the probable receipts and expenditure during the following year.

(2) The budget of a panchayat or panchayat union council shall, after preparation by the executive authority, be submitted on or before such date and to such officer as may be prescribed, and if he is satisfied that adequate provision has not been made therein for the performance of any necessary service or services, he shall have power to return the budget for modification in such manner as may be necessary to secure such provision.

(3) The panchayat or the panchayat union council, as the case may be, shall sanction the budget with such modifications as it thinks fit. If there is a difference of opinion between the officer referred to in sub-section (2) and the panchayat or the panchayat union council, as the case may be, the budget shall be referred to the Inspector in the case of panchayats and the Government in the case of the panchayat union council.

(4) If, in the course of a year, a panchayat or panchayat union council finds it necessary to alter the figures shown in the budget with regard to its receipts or to the distribution of the amounts to be expended on the different services undertaken by it, a supplemental or revised budget may be framed, sanctioned, submitted and modified in the manner provided in sub-sections (1) and (2), provided that no such alteration shall be given effect to except with the consent of the prescribed officer.

74. *Appointment of auditors.*—(1) The Government shall appoint auditors of the accounts of the receipts and expenditure of the funds of the panchayat union council and of the panchayat. Such auditors shall be deemed to be “public servants” within the meaning of section 21 of the Indian Penal Code (Central Act XLV of 1860).

(2) No contribution shall be recovered by the Government from the panchayat union council or the panchayat towards the pay and allowances of such auditors or towards any other expenditure involved in the audit of the accounts of the panchayat union council or the panchayat.

75. *Contribution to expenditure by other local authorities.*—If the expenditure incurred by the Government or by any panchayat union council or by any panchayat or by any other local authority in the State for any purpose authorized by or under this Act, is such as to benefit the inhabitants of the village, the panchayat union council or the panchayat, as the case may be, may with the sanction of the Inspector, and shall, if so directed by him, make a contribution towards such expenditure.

76. *Recovery of loans and advances made by Government.*—(1) Notwithstanding anything contained in the Local Authorities Loans Act, 1914 (Central Act IX of 1914), the Government may—

(a) by order direct any person having custody of the funds of the panchayat union council or the panchayat to pay to them in priority to any other charges against such fund, except charges for the service of authorized loans, any loan or advance made by them to the panchayat union council or the panchayat for any purpose to which its funds may be applied under this Act;

(b) recover any such loan or advance by suit.

(2) The person to whom the order referred to in clause (a) of sub-section (1) is addressed shall be bound to comply with such order.”

35. *Insertion of new sections 78-A to 78-K in Madras Act X of 1950.*—After section 78 of the principal Act, the following sub-headings and sections shall be inserted, namely :—

“ *Dangerous diseases.*

78-A. *Power to order closure of places of public entertainment.*—In the event of the prevalence of any dangerous disease within a development block or a village, the Commissioner or the executive authority, as the case may be, may by notice require the owner or occupier of any building, booth or tent used for purpose of public entertainment to close the same for such period as he may fix.

78-B. *Minor suffering from dangerous disease not to attend schools.*—No person being the parent or having the care or charge of a minor who is or has been suffering from a dangerous disease or has been exposed to infection therefrom shall, after a notice from the Commissioner or the executive authority as the case may be or any person duly appointed by such Commissioner or executive authority in this behalf that the minor is not to be sent to school or college, permit such minor to attend school or college without having procured from the Commissioner or executive authority or such person or a registered medical practitioner a certificate that in his opinion such minor may attend without risk of communicating such disease to others.

Explanation.—In this section and in section 78-A, “dangerous disease” means any of the following diseases, namely, (i) Acute influenzal pneumonia, (ii) Anthrax, (iii) Chickenpox, (iv) Cholera, (v) Diphtheria, (vi) Enteric fever, (vii) Glanders, (viii) Leprosy, (ix) Plague, (x) Relapsing fever (xi) Smallpox and (xii) Tuberculosis.

Smallpox.

78-C. *Compulsory vaccination.*—(1) Vaccination shall be compulsory in every local area to which this Act applies in respect of such persons and to such extent as may be prescribed.

(2) The panchayat union council and the Commissioner shall, subject to such control as may be prescribed, be responsible for enforcing vaccination.

78-D. *Obligation to give information of smallpox.*—Where an inmate of any dwelling place is suffering from smallpox the head of the family to which the inmate belongs and, in default the occupier or person in charge of such place, shall give intimation of the fact to the Commissioner or the village headman with the least possible delay.

Dangerous structures, trees and places.

78-E. *Precautions in case of dangerous structures.*—(1) If any structure adjoining a public road vested in a panchayat union council or a panchayat appears to the Commissioner or the executive authority as the case may be to be in a ruinous state and dangerous to the passers-by, the Commissioner or executive authority may by notice require the owner or occupier to fence off, take down, secure or repair such structure so as to prevent any danger therefrom.

(2) If immediate action is necessary, the Commissioner or executive authority shall himself, before giving such notice or before the period of such notice expires, fence off, take down, secure or repair such structure or fence off a part of any road or take such temporary measures as he may think fit to prevent danger, and the cost of doing so shall be recoverable from the owner or occupier in the manner hereinafter provided.

78-F. *Precautions in case of dangerous trees.*—(1) If any tree or any branch of a tree standing on land adjoining a public road vested in a panchayat union council or panchayat appears to the Commissioner or executive authority to be likely to fall and thereby endanger any person using, or any structure on, such road, the Commissioner or executive authority may by notice require the owner of the said tree to secure, lop or cut down the said tree so as to prevent any danger therefrom.

(2) If immediate action is necessary, the Commissioner or executive authority shall himself, before giving such notice or before the period of such notice expires, secure, lop or cut down the said tree or fence off a part of the public road or take such other temporary measures as he thinks fit to prevent danger, and the cost of so doing shall be recoverable from the owner of the tree in the manner hereinafter provided.

78-G. *Fencing of buildings or lands and pruning of hedges and trees.*—Where a public road is vested in a panchayat union council or panchayat, the Commissioner or executive authority may by public notice require the owner or occupier of any building or land near such road to—

(a) fence the same to the satisfaction of the Commissioner or executive authority ;

(b) trim or prune any hedges bordering on such road so that they may not exceed such height from the level of the adjoining roadway as the Commissioner or executive authority may determine ; or

(c) cut and trim any hedges or trees overhanging such road and obstructing it or the view of traffic or causing it damage ; or

(d) lower an enclosing wall or fence which by reason of its height and situation obstructs the view of traffic so as to cause danger.

78-H. *Precautions in case of dangerous tanks, wells, holes, etc.*—(1) If any tank, pond, well, hole, stream, dam, bank or other place appears to him to be, for want of sufficient repair, protection or enclosure, dangerous to the public health or safety the Commissioner or executive authority may with the approval of the panchayat union council or panchayat as the case may be by notice require the owner to fill in, remove, repair, protect or enclose the same so as to prevent any danger therefrom.

(2) If immediate action is necessary, he shall, before giving such notice or before the period of notice expires, himself take such temporary measures as he thinks fit to prevent danger, and the cost of doing so shall be recoverable from the owner in the manner hereinafter provided.

78-I. *Removal of filth or noxious vegetation from lands and buildings.*—(1) The Commissioner or executive authority may by notice require the owner or occupier of any building or land which appears to him to be in a filthy or unwholesome state or overgrown with any thick or noxious vegetation, trees or undergrowth injurious to health or dangerous to the public or offensive to the neighbourhood, or otherwise a source of nuisance to clear, cleanse or otherwise put the building or land in proper state or to clear away and remove such vegetation, trees or undergrowth or to take such other action as may be deemed by the Commissioner or executive authority necessary to remove such nuisance within such period and in such manner as may be specified in the notice.

(2) If it appears to the Commissioner or executive authority necessary for sanitary purposes so to do, he may by notice require the owner or occupier of any building or

land to cleanse or lime-wash the same in the manner and within a period to be specified in the notice.

78-J. Power of Commissioner or executive authority to use or sell materials of dangerous structure taken down, etc.—

(1) When the Commissioner or executive authority takes down any structure or part thereof or cuts down any tree or hedge or shrub or part thereof in virtue of his powers under this Chapter, the Commissioner or executive authority may sell the materials or things taken down, cut down or removed, and apply the proceeds in, or towards payment of the expenses incurred.

(2) If after reasonable enquiry it appears to the Commissioner or executive authority that there is no owner or occupier to whom notice can be given under any section in this Chapter, he may himself take such order with the property mentioned in such section as may appear to him to be necessary and may recover the expenses incurred by the sale of such property (not being immovable property) or of any portion thereof.

78-K. Limitation of compensation.—No person shall be entitled, save as otherwise expressly provided, to compensation for any damages sustained by reason of any action taken by the authorities of a panchayat union council or a panchayat in pursuance of their powers under this Chapter.

36. Amendment of section 79, Madras Act X of 1950.—In section 79, clauses (c) and (e) of the principal Act, after the word “panchayat”, the words “or a panchayat union council” shall be inserted.

37. Amendment of section 80, Madras Act X of 1950.—In section 80, sub-sections (1) and (2) of the principal Act, for the words “panchayat may”, the words “panchayat or panchayat union council may, after obtaining the previous written permission of the Inspector” shall be substituted.

38. Omission of section 81 in Madras Act X of 1950.—Section 81 of the principal Act shall be omitted.

39. Amendment of section 82, Madras Act X of 1950.—In section 82 of the principal Act—

(i) in sub-section (1)—

(a) for the words, brackets and figures “shall keep open a private market of the nature referred to in the proviso to sub section (1) of section 81”, the words “shall open a new private market or continue to keep open a private market” shall be substituted;

(b) after the word “panchayat”, the words “or panchayat union council as the case may be” shall be inserted;

(ii) in sub-sections (2) to (5), after the word “panchayat”, wherever it occurs, the words “or panchayat union council as the case may be” shall be substituted.

40. Amendment of section 83, Madras Act X of 1950.—In section 83 of the principal Act, after the word “panchayat”, the words “or panchayat union council as the case may be” shall be inserted.

41. Amendment of section 84, Madras Act X of 1950.—In section 84 of the principal Act, after the words “executive authority”, the word “Commissioner” shall be inserted.

42. Amendment of section 85, Madras Act X of 1950.—In section 85 of the principal Act—

(i) after the words “executive authority”, the words “or Commissioner” shall be inserted; and

(ii) after the word “panchayat”, the words “or panchayat union council as the case may be” shall be substituted.

43. Substitution of new sections for section 86, Madras Act X of 1950.—For section 86 of the principal Act, the following sections shall be substituted, namely:—

“86. *Classification of markets.*—The Government shall have power to classify public and private markets situated in a development block as panchayat union markets and panchayat markets respectively and provide for the control of any such market, and for the apportionment of the income derived therefrom between the panchayat union council and the panchayat or the payment of a contribution in respect thereof to the panchayat or the panchayat union council, as the case may be.

It shall be open to the Government to revise from time to time the apportionment of income ordered or the contribution directed to be paid under this section if such revision is recommended by the District Development Council.

In the case of markets classified as panchayat union markets, the panchayat and its executive authority shall not exercise any of the powers conferred on them by sections 80 to 85.

86-A. (1) A panchayat union council may acquire the rights of any person to hold a private market in any place in a development block or to hold a private market classified as a panchayat union council market in any place in a panchayat area and to levy fees therein. The acquisition shall be made under the Land Acquisition Act, 1894, and such rights shall be deemed to be land for the purposes of that Act.

(2) On payment by the panchayat union council of the compensation awarded under the said Act in respect of such property and any other charges incurred in acquiring it, the rights of such person to hold a private market and to levy fees therein shall vest in the panchayat union council."

44. Amendment of section 91, Madras Act X of 1950.—In section 91 of the principal Act, for the words "panchayat", "village" and "executive authority", the words "panchayat union council", "panchayat union" and "Commissioner" shall respectively be substituted.

45. Amendment of section 92, Madras Act X of 1950.—In section 92 of the principal Act, for the word "panchayat", the words "panchayat union council" shall be substituted.

46. Amendment of section 93, Madras Act X of 1950.—In section 93 of the principal Act, for the words "panchayat" and "village", the words "panchayat union council" and "panchayat union" shall respectively be substituted.

47. Amendment of section 95, Madras Act X of 1950.—In section 95, sub-section (2) of the principal Act, the words and figures "in connexion with the preparation of electoral rolls on the basis of adult franchise during the year 1948 or 1949" shall be omitted.

48. Amendment of section 96, Madras Act X of 1950.—In section 96 of the principal Act—

(i) in sub-section (2), after the words "the panchayat", the words "or the panchayat union council as the case may be" shall be inserted;

(ii) in sub-sections (3) and (5), after the words "executive authority", the words "of the panchayat or the Commissioner" shall be inserted;

(iii) in sub-section (6), after the words "the panchayat" in the two places where they occur, the words "or the panchayat union council as the case may be" shall be inserted.

49. Amendment of section 98, Madras Act X of 1950.—In section 98, sub-section (2) of the principal Act, after the words "executive authority", the words "of the panchayat or the Commissioner as the case may be" shall be inserted.

50. Amendment of section 99, Madras Act X of 1950.—In section 99, sub-section (1) of the principal Act, after the words "executive authority", the words "or the Commissioner" shall be inserted.

51. Amendment of section 100, Madras Act X of 1950.—In section 100 of the principal Act—

(i) after the words "executive authority", the words "or the Commissioner" shall be inserted;

(ii) after the word "village", the words "or the panchayat union, as the case may be" shall be inserted.

52. Amendment of section 101, Madras Act X of 1950.—In section 101, sub-section (1) of the principal Act—

(i) after the words "executive authority" in the two places where they occur, the words "or the Commissioner" shall be inserted;

(ii) after the words "the panchayat", the words "or panchayat union council" shall be inserted.

53. Amendment of section 102, Madras Act X of 1950.—In section 102 of the principal Act, after the word "panchayat", the words "or panchayat union council" shall be inserted.

54. Amendment of section 103, Madras Act X of 1950.—In section 103 of the principal Act, for the words "or a person expressly authorized in this behalf by the panchayat or executive authority" the words "the panchayat union council, the Commissioner or a person expressly authorized in this behalf by the panchayat, panchayat union council, executive authority or Commissioner" shall be substituted.

55. Amendment of section 104, Madras Act X of 1950.—In section 104 of the principal Act, after the words "executive authority", the words "or the Commissioner" shall be inserted.

56. Substitution of new section for section 105, Madras Act X of 1950.—For section 105 of the principal Act, the following section shall be substituted, namely:—

"105. Prosecutions and compositions to be reported to panchayat or panchayat union council.—Every prosecution instituted or offence compounded by the executive authority or the Commissioner shall be reported by him to the panchayat or panchayat union council as the case may be at its next meeting."

57. Amendment of section 106, Madras Act X of 1950.—In section 106 of the principal Act, for the words "president, executive authority", the words "president, or the executive authority or the chairman or vice-chairman of a panchayat union council or the Commissioner" may be substituted.

58. Amendment of section 107, Madras Act X of 1950.—
In section 107 of the principal Act—

(i) in sub-section (1)—

(a) after the words “president or executive authority”, the words “or any panchayat union council or its chairman or the Commissioner” shall be substituted;

(b) for the words “president, executive authority”, the words “president, panchayat union council, chairman, executive authority, Commissioner” shall be substituted;

(c) after the words “the panchayat”, the words “or panchayat union council” shall be inserted.

(d) after the words “any such president, executive authority”, the words “chairman, Commissioner” shall be inserted;

(ii) in sub-section (3), after the words “any panchayat”, the words “panchayat union council” shall be inserted;

59. Substitution of new section for section 108, Madras Act X of 1950.—For section 108 of the principal Act, the following section shall be substituted, namely:—

“108. *Protection of chairman, president and officers acting in good faith.*—No suit or other legal proceeding shall be brought against the chairman, Commissioner, president, executive authority or any member, officer or servant of a panchayat union council or panchayat, or any person acting under the direction of a panchayat union council or panchayat or of such chairman, Commissioner, president, executive authority, member, officer or servant in respect of any act done or purporting to be done under this Act or in respect of any alleged neglect or default on his part in the execution of this Act, or any rule, by-law, regulation or order made under it, if such act was done, or such neglect or default occurred in good faith; but any such proceeding shall, so far as it is maintainable in a Court, be brought against the panchayat union council or the panchayat except in the case of suits brought under section 110.”

60. Amendment of section 110, Madras Act X of 1950.—
In section 110, sub-section (1), of the principal Act,—

(i) after the words “a panchayat”, the words “and the chairman, Commissioner and every member of a panchayat union council” shall be inserted;

(ii) after the words “the panchayat” in the two places where they occur, the words “or panchayat union council” shall be inserted.

61. Amendment of section 112, Madras Act X of 1950.—
In section 112, sub-section (2), of the principal Act—

(i) after clause (i), the following clauses shall be inserted, namely:—

“(i-a) as to the qualifications to be possessed by persons for being nominated as members of the panchayat union councils, the principles regulating the nomination of members of panchayat union councils by panchayats and the conduct of enquiries and the decision of disputes relating to such nomination;

(i-b) providing for the term of office of the members of panchayat union councils, the circumstances in which the chairman, vice-chairman or a member of a panchayat union council will cease to hold office as such, the circumstances in which and the authority by which the chairman, vice-chairman or a member of a panchayat union council may be removed and the filling of casual vacancies in the panchayat union council;

(i-c) providing for the circumstances in which and the authority by which a chairman, vice-chairman or a member of a panchayat union council who has ceased to be the chairman, vice-chairman or a member of the panchayat union council may be restored to office”;

(ii) for clauses (ii), (iii) and (iv), the following clauses shall be substituted, namely:—

“(ii) as to the resignations of chairmen, vice-chairmen and members of panchayat union councils and of the presidents, vice-presidents and members of panchayats, and the dates on which such resignations shall take effect;

(iii) as to the interpellation of the chairman and vice-chairman by the members of a panchayat union council and of the president of a panchayat by the members of the panchayat, and the moving of resolutions at meetings;

(iv) as to the constitution of committees of panchayat union councils and of panchayats, the inclusion of outsiders therein and the delegation of functions to such committees”;

(iii) after clause (iv), the following clauses shall be inserted, namely:—

“(iv-a) providing for the procedure to be followed at meetings of the panchayat union councils and at committees thereof and for the conduct of business and the number of members which shall form a quorum at any meeting;

(iv-b) providing for the exercise of the functions of the chairman or the vice-chairman of a panchayat union council when the office of chairman or vice-chairman is vacant and the filling up of vacancies in the offices of chairmen and vice-chairmen ;

(iv-c) the holding of a minimum number of meetings of the panchayat union council every year ;

(iv-d) the powers of the panchayat union council, its chairman and committees thereof with respect to the incurring of expenditure and the powers and duties of the Commissioner ;

(iv-e) providing for the travelling and other allowances of the chairmen, vice-chairmen and other members of the panchayat union council and of members of the committees of the panchayat union council ;” ;

(iv) for clause (v), the following clauses shall be substituted, namely :—

“(v) as to the delegation of any function of a panchayat or panchayat union council to the president, chairman, member, any officer of the panchayat or panchayat union council or any servant of the Central or State Government ;

(v-a) regulating the principles in accordance with which grants and contributions may be paid by the Government to the panchayat union councils and panchayats” ;

(v) in clause (vi), after the word “panchayat”, the words “and the panchayat union council” shall be inserted ;

(vi) in clause (vii), after the word “panchayat”, the words “or panchayat union council” shall be inserted ;

(vii) in clause (viii), after the word “panchayats”, the words “and panchayat union councils” shall be added ;

(viii) in clauses (ix) and (x), after the word “panchayats”, the words “and panchayat union councils” shall be inserted ;

(ix) in clause (xiii), after the word “panchayat” in the two places where it occurs, the words “or panchayat union council” shall be inserted ;

(x) in clause (xiv), after the word “panchayats”, the words “and panchayat union councils” shall be added ;

(xi) in clause (xvii), after the word “panchayat”, the words “or panchayat union council” shall be inserted ;

(xii) in clause (xx), after the words “executive authorities”, the words “and Commissioners” shall be inserted ;

(xiii) in clause (xxi), after the words “executive authorities and panchayats”, the words “Commissioners and panchayat union councils” shall respectively be inserted ;

(xiv) in clause (xxii), after the word “panchayat”, the words “or panchayat union council” shall be inserted ;

(xv) in clauses (xxix) and (xxx), after the word “panchayats”, the words “or panchayat union councils” shall be inserted ;

(xvi) in clause (xxxii), after the words “executive authority”, the words “or by the panchayat union council or the Commissioner” shall be inserted ;

(xvii) in clause (xxxv), after the words “executive authorities”, the words “and to panchayat union councils and their chairmen and Commissioners” shall be added ;

(xviii) for clause (xxxvii), the following clause shall be substituted, namely :—

“(xxxvii) as to the classification of public roads and fairs and festivals as appertaining to the panchayat union council or the panchayat” ;

(xix) in clause (xxxix), after the word “panchayat”, the words “or a panchayat union council” shall be added ;

(xx) after clause (xxxix), the following clause shall be inserted, namely :—

“(xl) regulating the principles in accordance with which grants and contributions may be paid by the Government to the panchayat union councils and panchayats”.

62. Amendment of section 114, Madras Act X of 1950.—
In section 114 of the principal Act—

(i) in sub-section (1), after the words “a panchayat”, the words “or a panchayat union council” shall be inserted ;

(ii) in sub-section (2), after the words “the panchayat”, in the two places where they occur, the words “or panchayat union council” shall be inserted.

63. Amendment of section 115, Madras Act X of 1950.—
In section 115, sub-section (1), of the principal Act, after clause (b), the following shall be inserted, namely :—

“(bb) in any report or return to be furnished under this Act, makes any statement which is false and which he knows to be false or does not believe to be true, or

(bbb) having the control or custody of any account book or other record fails to produce such book or record when required by any authorized officer to do so, or”.

64. Amendment of section 116, Madras Act X of 1950.—
In section 116 of the principal Act—

(i) in sub-section (1), after the word “panchayat”, the words “or panchayat union council” shall be inserted;

(ii) in sub-section (2), after the words “his functions as such”, the following words shall be inserted, namely:—

“and whoever acts as the chairman, temporary chairman or vice-chairman of a panchayat union council or as Commissioner or exercises any of his functions as such”;

(iii) for sub-section (3), the following sub-section shall be substituted, namely:—

“(3) Any person who having been the president, temporary president or vice-president of a panchayat, or the chairman, temporary chairman or vice-chairman of a panchayat union council fails to hand over any documents of, or any moneys or other properties vested in or belonging to, the panchayat or panchayat union council, which are in or have come into his possession or control, to his successor in office or other prescribed authority—

(a) in every case as soon as his term of office as such president, temporary president or vice-president or as such chairman, temporary chairman or vice-chairman expires; and

(b) in the case of a person who was the vice-president also on demand by the president; and

(c) in the case of a person who was the vice-chairman also on demand by the chairman shall be punishable with fine not exceeding one thousand rupees for every such offence.”

65. Amendment of section 117, Madras Act X of 1950.—
In section 117 of the principal Act, after the word “panchayat”, wherever it occurs, the words “or panchayat union council” shall be inserted.

66. Amendment of section 118, Madras Act X of 1950.—
In section 118 of the principal Act, after the words “executive authority” in the two places where they occur, the words “or the Commissioner” shall be inserted.

66-A. Substitution of new section for section 119, Madras Act X of 1950.—For section 119 of the principal Act, the following section shall be substituted, namely:—

“119. *Prohibition against obstruction of panchayats, panchayat union councils, etc.*—Any person obstructing or molesting a panchayat or the panchayat union council or the president, the executive authority or a member of the panchayat, or the chairman or a member of a panchayat union council or the Commissioner, or any person employed by the panchayat or panchayat union council or any person

with whom a contract has been entered into by or on behalf of the panchayat or panchayat union council in the discharge of their duty or of anything which they are empowered or required to do by virtue, or in consequence of this Act or of any rule, by-law, regulation or order made thereunder, shall be punished with fine which may extend to fifty rupees.”

67. Amendment of section 120, Madras Act X of 1950.—
In section 120 of the principal Act, after the words “executive authority”, the words “or by or under the orders of a panchayat union council or the Commissioner” shall be inserted.

68. Amendment of sections 123 and 124, Madras Act X of 1950.—In sections 123 and 124 of the principal Act, after the word “panchayat”, the words “or a panchayat union council” shall be inserted.

69. Insertion of new section 124-A in Madras Act X of 1950.—After section 124 of the principal Act, the following section shall be inserted, namely:—

“124-A. *Extension of Act to transferred territory.*—

(1) The Government may, by notification and from such date as may be specified therein extend all or any of the provisions of this Act to the transferred territory or any part thereof.

(2) The Travancore-Cochin Panchayats Act, 1950 (Travancore-Cochin Act II of 1950), as in force in the Kanyakumari district and the Shencottah taluk of the Tirunelveli district immediately before the date referred to in sub-section (1) shall stand repealed on such date in the application of the said Act to the district or taluk or part of the district or taluk to which this Act is extended under sub-section (1).

(3) Any reference in this Act to a law which is not in force in the transferred territory or the part thereof to which this Act is extended under sub-section (1) on the date referred to in that sub-section shall, in relation to that territory or part, be construed as a reference to the corresponding law if any in force in that territory or part on that date.

(4) Any reference to the Travancore-Cochin Panchayats Act, 1950 (Travancore-Cochin Act II of 1950), in any existing law which continues to be in force in the transferred territory or the part thereof to which this Act is extended under that sub-section after the date referred to in that sub-section shall, in relation to that territory or part, be construed as a reference to this Act.

(5) Any reference by whatever form of words in any existing law to any authority competent at the date of the passing of that law to exercise any powers or discharge any

functions in the transferred territory or part thereof to which this Act is extended under sub-section (1) shall, where a corresponding new authority has been constituted by or under this Act, have effect as if it were a reference to that new authority.

(6) The repeal by sub-section (2) of the Travancore-Cochin Panchayats Act, 1950 (Travancore-Cochin Act II of 1950), shall not affect—

(a) the previous operation of that Act or anything done or duly suffered thereunder; or

(b) any right, privilege, obligation or liability acquired, accrued or incurred under that Act; or

(c) any penalty, forfeiture or punishment incurred in respect of any offence committed against that Act; or

(d) any investigation, legal proceeding or remedy in respect of any such right, privilege, obligation, liability, penalty, forfeiture, or punishment as aforesaid; and any such investigation, legal proceeding or remedy may be instituted, continued or enforced and any such penalty, forfeiture or punishment may be imposed as if this Act had not been passed.

(7) Subject to the provisions of sub-section (6) anything done or any action taken, including any appointment or delegation made, notification, order, instruction or direction issued, rule, regulation, form, by-law or scheme framed, certificate, permit or licence granted or registration effected, under the Travancore-Cochin Panchayats Act, 1950 (Travancore-Cochin Act II of 1950), shall be deemed to have been done or taken under the corresponding provisions of this Act and shall continue in force accordingly, unless and until superseded by anything done or any action taken under this Act.

(8) For the purpose of facilitating the application of this Act in the transferred territory or part thereof to which this Act is extended under sub-section (1), any court or other authority may construe this Act with such alterations not affecting the substance as may be necessary or proper to adapt it to the matter before the Court or other authority.

Explanation.—For the purpose of this section—

(1) 'transferred territory' means the Kanyakumari district and the Shencottah taluk of the Tirunelveli district;

(2) 'existing law' means any law, ordinance, proclamation, regulation, order, by-law or rule passed or made before the commencement of the Madras Village Panchayats (Amendment) Act, 1958, by any legislative authority or person having power to make such a law, ordinance, proclamation, regulation, order, by-law or rule."

70. Amendment of section 126, Madras Act X of 1950.—
In section 126 of the principal Act—

(i) the words and figures "or in the Madras District Boards Act, 1920" shall be omitted;

(ii) for the words "district board", the words "panchayat union council" shall be substituted.

71. Amendment of section 127, Madras Act X of 1950.—
In section 127, sub-sections (1) and (2) of the principal Act, after the words "all panchayats in that area", the words "or in regard to any panchayat union council or any class of panchayat union councils or all panchayat union councils in that area" shall be inserted.

72. Amendment of section 128, Madras Act X of 1950.—
In section 128, sub-section (1) of the principal Act, after the words "in their discretion", the words "after consulting the Inspector, the Collector or such other officer or authority as they may deem fit" shall be inserted.

73. Amendment of section 130, Madras Act X of 1950.—
In section 130 of the principal Act—

(i) in sub-section (1)—

(a) after the words "a panchayat", the words "or a panchayat union council" shall be inserted;

(b) after the words "the panchayat", the words "or the panchayat union council" shall be inserted;

(c) the words and figures "under section 39" shall be omitted;

(ii) in sub-section (3), after the words "the panchayat", the words "the panchayat union council" shall be inserted.

74. Substitution of new section for section 132, Madras Act X of 1950.—For section 132 of the principal Act, the following section shall be substituted, namely:—

"132. *Panchayats to cease to perform functions of panchayat courts.*—On the issue of a notification under sub-section (2) of section 1 of the Madras Village Panchayats (Amendment) Act, 1958, in respect of any area—

(i) every panchayat constituted or deemed to be constituted under this Act for any village in that area shall with effect from the date specified in the notification aforesaid cease to be a panchayat court for that area for the purposes of section 9 (1) of the Madras Village Courts Act, 1888 (Madras Act I of 1889), and the members (including the president and

vice-president) of such panchayat shall with effect from such date cease to be ex-officio members of such panchayat court and the president and vice-president aforesaid shall with effect from such date also cease to be ex-officio president and vice-president respectively of the panchayat court ;

(ii) all suits and proceedings, civil or criminal, pending in the panchayat on the date aforesaid shall stand removed to the panchayat court constituted for the area concerned under section 9 (1) of the Madras Village Courts Act, 1888 (Madras Act I of 1889), and the said panchayat court shall have jurisdiction to hear and determine the same, and the judgments and orders of the panchayat delivered or made before the date aforesaid shall have the same force and effect as if they had been delivered or made by the panchayat court under the Madras Village Courts Act, 1888 (Madras Act I of 1889)."

75. Amendment of section 133, Madras Act X of 1950.—In section 133 of the principal Act, the words "of any panchayat" shall be omitted.

76. Substitution of new section for section 137, Madras Act X of 1950.—For section 137 of the principal Act, the following section shall be substituted, namely :—

"137. *Construction of references to 'local boards', 'Madras Local Boards Act, 1920', 'district boards' and 'Madras District Boards Act, 1920'.*—In the absence of an intention to the contrary appearing in this Act and unless the Government otherwise direct—

(i) any reference to local boards in any law or rule in force in the State at the commencement of this Act shall be deemed to be a reference to district boards and panchayats ;

(ii) any reference to the Madras Local Boards Act, 1920, in any such law or rule shall be deemed to be a reference to the Madras District Boards Act, 1920 (Madras Act XIV of 1920), and the Madras Village Panchayats Act, 1950 (Madras Act X of 1950) ; and

(iii) any reference to a district board or its president contained in any enactment in force or in any notification, order, scheme, rule, form or by-law made under any such enactment and in force on the date on which the Madras Village Panchayats (Amendment) Act, 1958, is brought into force in any area shall be deemed with effect from such date to be a reference to the panchayat union council having jurisdiction over the area in which that council would have jurisdiction had this Act as amended by the said Madras Village Panchayats (Amendment) Act, 1958, been in force at the relevant time, or its chairman as the case may be."

77. Insertion of new sections 137-A and 137-B in Madras Act X of 1950.—After section 137 of the principal Act, the following sections shall be inserted, namely :—

"137-A. *Special provisions in the case of newly constituted and reconstituted panchayat union councils.*—(1) Notwithstanding anything contained in this Act, when a panchayat union is constituted for the first time, the Government may appoint a special officer to exercise the powers, discharge the duties and perform the functions of the panchayat union council and its chairman and the Commissioner.

(2) The special officer shall cause arrangements for nomination and co-optation to be made so that the newly nominated and co-opted members may come into office on a day within six months from the date of publication of the notification under sub-section (3) of section 41-A declaring the area to be a panchayat union.

(3) The special officer shall exercise the powers, discharge the duties and perform the functions of the panchayat union council until the council has been constituted, of the chairman of the panchayat union council until a chairman has been elected by the council, and of the Commissioner until a Commissioner has been appointed.

(4) As soon as may be after the constitution of the panchayat union council, a meeting of the council shall be held on a day and at a time fixed by the special officer for the election of the chairman. If at such meeting no chairman is elected, a fresh election shall be held on such day and at such time as may be fixed by the special officer.

(5) The term of office of the members or of the members elected in their places at casual vacancies shall be such as may be prescribed under clause (ii) of section 41-T.

(6) The provisions of sub-sections (1) to (5) shall apply save as otherwise provided in this Act and so far as may be, to all cases of reconstitution of panchayat union councils.

137-B. The Madras District Boards Act, 1920 (Madras Act XIV of 1920), as amended by the Madras District Boards (Amendment) Act, 1957 (Madras Act XIII of 1957), shall, until the date specified in the notification or the first of the notifications issued under sub-section (2) of section 1 of this Act in respect of any area, apply as if in section 2 (1) (i) of the latter Act for the expression '31st day of October 1958,' the expression 'second day of October 1961' had been substituted and thereafter the following consequences shall ensue :—

(i) The Madras District Boards Act, 1920 (Madras Act XIV of 1920), shall cease to apply to that area with effect from the date specified in the notification (hereinafter in this

section referred to as the said date) and no district board shall be constituted thereafter so as to include that area.

(ii) The special officer appointed for the district board under the Madras District Boards Act, 1920 (Madras Act XIV of 1920), having jurisdiction over the area immediately before the said date shall cease to exercise jurisdiction over the said area.

(iii) All property, all rights of whatever kind used, enjoyed or possessed by, and all interests of whatever kind owned by or vested in or held in trust by, or for, the district board constituted under the Madras District Boards Act, 1920 (Madras Act XIV of 1920), as well as all liabilities legally subsisting against such board shall so far as such property, rights, interests and liabilities are relatable to the panchayat union having jurisdiction over the area and subject to such directions as the Government may by general or special order give in this behalf pass to the panchayat union council concerned.

Explanation.—All arrears of taxes or other payments by way of compensation for a tax or due for expenses or compensation or otherwise due to a district board immediately before the said date may be recovered by the panchayat union council having jurisdiction over the area over which the district board exercised jurisdiction immediately before the said date.

(iv) All rest-houses and travellers' bungalows which vest in the district board or in the panchayat on the said date shall with effect on and from the said date stand transferred to and vest in the Government.

(v) Every district road, district choultry, district dispensary and district market, in any one area for which a panchayat union council has been constituted shall with effect on and from the said date vest in that panchayat union council.

(vi) Every hospital in any area for which a panchayat union council has been constituted shall with effect on and from the said date stand transferred to and vest in the Government.

(vii) With effect on and from the said date, all secondary, sessional, vocational and industrial schools notified in this behalf by the Government maintained by district board together with the assets and liabilities appertaining to such schools shall stand transferred to and be vested in such authority as may be specified by the Government by general or special order."

78. Substitution of new section for section 138, Madras Act X of 1950.—For section 138 of the principal Act, the following section shall be substituted, namely :—

"138. *Power to remove difficulties.*—If any difficulty arises in first giving effect to the provisions of this Act or of this Act as amended by the Madras Village Panchayats (Second Amendment) Act, 1958, or as to the first reconstitution or constitution of any panchayat or panchayat union council after the commencement of this Act, the Government as occasion may require, may by order, do anything which appears to them necessary for the purpose of removing the difficulty."

79. Transitional Provisions.—(1) In giving effect to the provisions of the Madras Village Panchayats Act, 1950 (Madras Act X of 1950), as amended by this Act, the said provisions shall be read subject to the rules in the Schedule.

(2) The Government shall have power, by notification, to amend, add to, or repeal the rules in the said Schedule.

(3) All notifications issued under sub-section (2) shall as soon as possible after they are issued, be placed on the table of both the Houses of Legislature and shall be subject to such modifications by way of amendments or repeal as the Legislative Assembly may make within fourteen days on which the House actually sits either in the same session or in more than one session.

80. Amendment of Madras Act V of 1920.—In the Madras District Municipalities Act, 1920 (Madras Act V of 1920)—

(a) in section 4, sub-section (1), for the words "The State Government", the words "Subject to the provisions of section 4-A of the Madras Panchayats Act, 1950 (Madras Act X of 1950), the State Government" shall be substituted;

(b) in section 249—

(i) in sub-section (1)—

(a) the words "or at a distance within three miles of such limits" shall be omitted;

(b) for the proviso, the following proviso shall be substituted, namely :—

"Provided that no such notification shall take effect until sixty days from the date of publication."

(ii) sub-section (6) shall be omitted.

81. Amendment of Madras Act VIII of 1920.—In the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920)—

(i) in section 3—

(a) clause (iv) shall be omitted;

(b) in clause (ix), for the words "district board", the words "panchayat union council" shall be substituted;

(c) for clause (x-b), the following clause shall be substituted, namely:—

"(x-b) 'panchayat union council' means a panchayat union council constituted under the Madras Panchayats Act, 1950 (Madras Act X of 1950).";

(ii) in section 32—

(a) for the words "local authority", the words "municipal council" shall be substituted;

(b) for the words "such authority" wherever they occur, the words "such municipal council" shall be substituted;

(iii) in section 33, sub-section (2), for the words "local authority" wherever they occur, the words "municipal council" shall be substituted;

(iv) in section 34, sub-section (2) shall be omitted;

(v) in section 35—

(a) for the words "local authority" wherever they occur, the words "municipal council" shall be substituted;

(b) the last proviso to sub-section (1) shall be omitted;

(vi) in section 36—

(a) in sub-section (1), the brackets and figure "(1)" occurring at the beginning shall be omitted, and the words "or local boards as the case may be" shall be omitted;

(b) sub-section (2) shall be omitted;

(vii) in section 37—

(a) sub-section (2) shall be omitted and sub-sections (3) and (4) shall be renumbered as sub-sections (2) and (3) respectively;

(b) in sub-section (2) as renumbered, the words, brackets and figures "or sub-section (2)" shall be omitted;

(c) in sub-section (3) as renumbered, for the words, brackets and figures "sub-sections (1) to (3)", the words, brackets and figures "sub-sections (1) and (2)" shall be substituted and the words "or district board area as the case may be" shall be omitted;

(viii) in section 38, sub-sections (1) and (2), for the words "local authority" the words "municipal council" shall be substituted;

(ix) in section 39, for the words "local authority" the words "municipal council" shall be substituted;

(x) in section 40, for the words and figures "or in the Madras Local Boards Act, 1920", the words and figures "or in the Madras Panchayats Act, 1950" shall be substituted;

(xi) in section 47, sub-section (1), for the word "panchayat" the words "panchayat union council" shall be substituted;

(xii) in section 51, sub-section (3), for the words "district board", the words "panchayat union council" shall be substituted;

(xiii) in section 56, sub-section (2), clause (f), the words "by panchayats" shall be omitted.

82. Amendment of Madras Act III of 1931.—In the Madras Motor Vehicles Taxation Act, 1931 (Madras Act III of 1931)—

(i) in section 2, clause (iii), the words "or a district board" shall be omitted;

(ii) in section 10, sub-section (i), clause (a)—

(a) for sub-clause (iv), the following sub-clause shall be substituted, namely:—

"(iv) Fourthly, there shall be paid to each municipal council a sum equivalent to the average annual income derived by such council during the three years ending on the 31st day of March immediately preceding the commencement of the Madras Traffic Control Act, 1938 (Madras Act V of 1938), from fees on licences granted to motor vehicles under section 174-A of the Madras District Municipalities Act, 1920 (Madras Act V of 1920):

Provided that where a municipality is constituted on or after the first day of April 1938, there shall be paid to the municipal council such sum as the State Government may, by order, determine."

(b) the proviso occurring after sub-clause (v) shall be omitted.

83. Amendment of Madras Act X of 1939.—In the Madras Entertainments Tax Act, 1939 (Madras Act X of 1939)—

(i) in section 3, for clause (6), the following clause shall be substituted, namely:—

"(6) 'local authority' means—

(a) in the City of Madras, the Corporation of Madras;

(b) in any other municipal area, the municipal council concerned;

(c) in any development block as defined in the Madras Panchayats Act, 1950 (Madras Act X of 1950), the panchayat union council concerned.”;

(ii) in section 4-A, sub-section (1), for the words “either in panchayat areas with a population of less than ten thousand at the last census or in non-panchayat areas”, the words “in panchayat areas with a population of less than ten thousand at the last census” shall be substituted;

(iii) for section 13, the following section shall be substituted, namely:—

“13. *Payment of compensation to local authorities.*—

(1) Ten per cent of the proceeds of the tax under section 4 collected every year in respect of entertainments held within the jurisdiction of any local authority shall be credited to the State Government, and the balance of ninety per cent shall be paid to the local authority:

Provided that the State Government may direct that such balance shall be distributed between the local authority aforesaid and any other local authority or authorities in the neighbourhood in such proportions as the State Government may fix:

Provided further that in respect of entertainments held within a development block the balance of ninety per cent of the proceeds of the tax aforesaid shall be distributed between the panchayat union council and the panchayats functioning in the development block in such proportions as the State Government may fix:

Provided also that nothing contained in this section shall be deemed to prevent the State Government from modifying at any time any order which assigns the entire balance of ninety per cent of the proceeds of the tax to a local authority or a panchayat, or as the case may be, fix the proportions in which such balance should be distributed among local authorities and panchayats if, in the opinion of the State Government,—

(a) the said order had been passed under any mistake whether of fact or of law; or

(b) the said order had been passed in ignorance of or without duly taking into account any material fact; or

(c) any new circumstances have arisen since the order was passed which make it expedient to modify it:

Provided also that no such modification shall be made in respect of any period after the expiry of two years from the end of that period.

(2) Whenever any modification is made under the second proviso to sub-section (1) in respect of any period, the State Government may recover from any local authority or any panchayat any sum paid to it in excess of what it would have been entitled to in accordance with the order as modified.”;

(iv) in section 16, sub-section (2), for clause (i), the following clause shall be substituted, namely:—

“(i) for authorizing any local authority or panchayat to collect the entertainments tax in the area within the jurisdiction of the local authority or panchayat or any part of such area, and for the powers to be exercised by the officers of the local authority or panchayat in connection with such collection”;

(v) in section 19, after the words “local authority” and “such authority”, the words “or panchayat” shall be inserted.

84. *Repeal of Madras Act XXX of 1955.*—The Madras Land Revenue (Additional Surcharge) Act, 1955 (Madras Act XXX of 1955), is hereby repealed.

THE SCHEDULE.

(See section 79.)

(i) All proceedings taken by or against a district board exercising jurisdiction over any area for which a panchayat union council has been constituted after the said date may be continued by or against that panchayat union council.

(ii) Any remedy by way of application, suit or appeal available to or against a district board exercising jurisdiction immediately before the said date over any area for which a panchayat union council has been constituted shall after the said date be available to or against the panchayat union council concerned.

(iii) Any action taken by a district board exercising jurisdiction before the said date over any area for which a panchayat union council has been constituted under this Act shall, subject to such directions as the Government may, by general or special order give in this behalf, be deemed to have been taken by that panchayat union council unless and until superseded by action taken by that panchayat union council.

(iv) Such part of the general funds of the district board which exercised jurisdiction over the area comprising that panchayat union as may be specified in this behalf by the Government shall stand transferred to and form part of the general funds of the panchayat union council having jurisdiction over that panchayat union.

(v) The land-cess levied under section 78 of the Madras District Boards Act, 1920 (Madras Act XIV of 1920), in a panchayat union for the fasli year in which the said date occurs shall be distributed among the panchayat union council and the panchayats having jurisdiction in any part of that union in such manner as the Government may, by general or special order, direct.

(vi) The elementary education fund constituted for a district board under the Madras Elementary Education Act, 1920 (Madras Act VIII of 1920), shall with effect from the said date form part of the Panchayat Union (Education) Fund constituted for the panchayat union councils having jurisdiction over the area over which the district board exercised jurisdiction immediately before the said date, in such proportions as the Government may by order specify.

(vii) Any tax levied by a district board under the Madras Elementary Education Act, 1920, before the said date in an area over which a panchayat union council exercises jurisdiction on and from the said date shall be deemed to have been levied by the panchayat union council under this Act as amended by the Madras Village Panchayats (Amendment) Act, 1958.

(viii) Where before the said date, a district board has made any contract in the exercise of its powers under the Madras District Boards Act, 1920 (Madras Act XIV of 1920), that contract shall be deemed to have been made in the exercise of its powers under this Act as amended by the Madras Village Panchayats (Amendment) Act, 1958, by the panchayat union council having jurisdiction over the area in which that council would have jurisdiction had this Act been in force at the relevant time; and all rights and liabilities which have accrued, or may accrue, under any such contract shall to the extent to which they would have been rights or liabilities of the district board, be rights or liabilities of the panchayat union council specified above.

For the purposes of this clause, there shall be deemed to be included in the liabilities which have accrued or may accrue under any contract—

(a) any liability to satisfy an order or award made by any Court or other tribunal in proceedings relating to the contract; and

(b) any liability in respect of expenses incurred in or in connection with such proceedings.

(ix) (a) The assets appertaining to such schools shall be deemed to include all rights and powers, and all property, whether movable or immovable, appertaining to the schools, including, in particular, cash balances, reserve funds, investments, deposits and all other interests and rights in or arising out of such property

as may be in the possession of district boards and all books of account or documents relating to the schools, and liabilities shall be deemed to include all debts, liabilities and obligations of whatever kind then existing or appertaining to the schools.

(b) Where a district board has established a provident or superannuation fund or any other like fund for the benefit of the employees of any such school, the moneys standing to the credit of any such fund on the date referred to in sub-clause (a) together with any other assets belonging to such fund shall stand transferred to and vest in the Government on such date.

(c) Every whole-time teacher and other employee of a district board industrial school which has been transferred to and vested in the Government and who was employed by the district board wholly or mainly in connection with such school immediately before the date referred to in clause (vii) of section 1, sub-section (3), shall on and from that date, become an employee of the Government and shall hold his office therein by the same tenure, at the same remuneration and upon the same terms and conditions and with the same rights and privileges as to pension and gratuity and other matters as he would have held the same on the date aforesaid if this Act had not been passed, and shall continue to do so unless and until his employment in the Government is terminated or until his remuneration, terms and conditions are duly altered by the Government.

(d) Notwithstanding anything contained in sub-clause (c) or in any contract of service, the Government may, for the purpose of rationalizing the pay scales of teachers and employees of industrial schools transferred to and vested in the Government or for the purpose of reducing the remuneration payable to teachers or other employees in cases where in the interest of the Government, a reduction is called for, alter the terms of service of teachers or other employees as to their remuneration in such manner as they think fit; and if the alteration is not acceptable to any teacher or other employee, the Government may terminate his employment on giving him compensation equivalent to three months' remuneration unless the contract of service with such teacher or other employee provides for a shorter notice of termination.

Explanation.—The compensation payable to a teacher or other employee under this sub-clause shall be in addition to and shall not affect any pension, gratuity, provident fund, money or any other benefit to which the teacher or other employee may be entitled under his contract of service.

(e) If any question arises as to whether any person was a whole-time teacher or other employee of a district board or as to whether any teacher or other employee was employed wholly or mainly in connection with a district board school immediately before the date referred to in sub-clause (a), the decision of the Government on the question shall be final.

(f) With effect on and from the said date, such of the officers and servants of the district board other than the employees of schools referred to in clause (vii) of section 1, sub-section (3), as the Government may consider suitable, may be appointed by the

Government in their discretion to any offices under the panchayat union councils and panchayats to which they may be deemed qualified; and the services of the rest shall be deemed to have been terminated.

The conditions of service of persons so appointed shall be regulated by rules made by the Government from time to time as if they had entered the service of the panchayat union councils or panchayats as the case may be on the date of their first entertainment as an officer or servant of the district board.

To those not so appointed, the Government may accord such relief by way of pension, gratuity, provident fund or leave with allowances as they may in their discretion deem fit.

No court shall entertain any suit or application for damages or compensation by any officer or servant of the district board affected by this clause or for variation of the relief, if any, granted under this clause.

(g) Unless otherwise expressly provided by or under this Act, all contracts, agreements and other instruments of whatever nature subsisting or having effect immediately before the date referred to in clause (i) and to which a district board is a party shall in so far as they relate to the schools aforesaid be as of full force and effect against or in favour of the Government as the case may be, and may be enforced or acted upon as fully and effectually as if, instead of the district board, the Government had been a party thereto or as if they had been entered into or issued in favour of the Government.

(h) If any item in suspense is ultimately found to affect an asset or liability of the nature referred to in any of the foregoing provisions of this section, it shall be dealt with in accordance with that provision. The benefit or burden of any assets or liabilities of a district board not dealt with in the foregoing provisions of this section shall pass to the Government in the first instance subject to such financial adjustments as the Government may by order direct.

(i) When after the said date, candidates are required for appointment to any post under a panchayat union council selection for appointment thereto shall, subject to such directions as may be issued by the Government, be restricted to persons who have been employed by district boards, and are thrown out of such employment in consequence of the transfer of the functions of district boards to panchayat union councils by this Act, so long as such persons desirous of selection are available and continue to be qualified and suitable for the post.

The Government may issue such general or special directions as they may think necessary for the purposes of regulating appointments under this sub-clause and otherwise giving due effect to the provisions thereof and no appointment to any post under a panchayat union council made in contravention of any such direction shall be deemed to have been validly made.

The scope of the Madras Village Panchayats (Amendment) Bill, 1958, is explained in the Notes on clauses below:—

Clause 1.—This clause contains the short title of the proposed Act and enables the Government to bring the Act into force in different areas on different dates. As in certain areas, it may not be possible to bring all the provisions of the Act into force on a single date, power is taken to extend the several sections of the Act to an area by stages. Under this clause, the entire Act is to be operative throughout the State before the 2nd October 1961 although as a measure of caution, a provision has been inserted for extending the above target date by one year at a time.

Having regard to the special local conditions in the Nilgiris district it has been considered desirable to take power to apply the Act to that district subject to such modifications as the Government may consider necessary. A provision to that effect has accordingly been made in this clause.

Clause 2 substitutes an amplified preamble for the existing preamble to the Madras Village Panchayats Act, 1950, so as to make it clear that the comprehensive amendments to that Act provided for in the Bill are intended to secure to all inhabitants in the State, social and cultural opportunities and to raise the standard of their living and improve the public health as visualised in the Directive Principles in the Constitution.

Clause 3 omits the word "Village" occurring in the short title to the main Act, as the Act after the Bill becomes law, provides for the constitution not merely of village panchayats but also of town panchayats and panchayat union councils. The "extent" clause in the Act [section 1 (2)] has also been amplified so as to include the Kanyakumari district and the Shencottah taluk of the Tirunelveli district within the scope of the legislation.

Clause 4.—As a consequence of the widening of the scope of the existing Act, some new terms have to be defined and some of the existing definitions have to be modified. The clause makes the necessary provisions.

Clause 5 makes a minor alteration in the heading of Chapter II.

Clause 6.—As the functions of the district board will after the legislation comes into force, be transferred to the Panchayat Union Council, the reference to the district board in section 4 is altered into a reference to the Panchayat Union Council.

Clause 7 provides for the constitution of town panchayat areas as municipalities in certain circumstances, the transfer of the assets and liabilities of the panchayats in those areas to the municipality and other consequential matters.

Clause 8 seeks to alter the present nomenclature of Class I Panchayats and Class II Panchayats into town panchayats and village panchayats respectively.

Clause 9.—The maximum strength of a panchayat allowed under the existing section 6 is 15. The clause raises this maximum to 25.

Clause 10.—Substitutes a new section 9 for the existing section. According to the new section the division of a village into wards and the determination of the number of members to be returned by each ward will be regulated by rules made by the Government instead of being specified in the Act itself.

Clause 11 makes a verbal amendment altering the words "district board" into "panchayat union council" in section 14.

Clause 12.—Under existing section 132 of the main Act, panchayats are deemed to be panchayat courts for the purposes of the Madras Village Courts Act, 1888, and it is also open to the Government to confer on panchayats civil or criminal jurisdiction not provided for in that Act. It is now proposed to delete that section. Consequently section 17 (1) of the Madras Village Panchayats Act which refers to section 132 will be inappropriate and so is proposed to be omitted.

Clause 13 amends section 23 (which relates to the circumstances in which the president or vice-president of a panchayat will cease to hold his office as such) so as to include a reference to the panchayat union council also.

Clause 14 amends section 25 (3) providing for the appointment of some person as a temporary president by the Inspector in the absence of the president or vice-president if no member of the panchayat is available for appointment as a temporary president.

Clause 15 seeks to omit the proviso to section 30 (a) under which it is obligatory on the part of the executive authority to refer certain matters to the Government.

Clause 16 amplifies section 34 (4) (which relates to the transfer of officers and servants of panchayats) as a consequence of the proposed constitution of panchayat union councils.

Clause 17 amends section 40, the idea being that the panchayat should submit its administration report to the panchayat union council instead of to the Inspector as hitherto and that the panchayat union council should send a consolidated administration report on its own working and on the working of all panchayats in the development block, to the Government.

Clause 19 inserts a new chapter—Chapter II-A—pertaining to the constitution and Government of Panchayat union councils and consists of twenty sections (sections 41-A to 41-T). New section 41-A authorizes the Government to declare any local area comprising a group of panchayat towns and panchayat villages to be a panchayat development block and to constitute for every such panchayat development block, a panchayat union. New sections 41-B to 41-S deal with the constitution of panchayat union councils for panchayat unions and their incorporation, strength of panchayat union councils, election of chairman and vice-chairman for panchayat union councils and

their duties and powers, devolution and delegation of the functions of the chairman, rights of individual members of panchayat union councils, appointment of Commissioners, appointment of officers and servants of panchayat union councils and provision for making rules relating to the classification, methods of recruitment, pay and allowances, discipline and conduct and conditions of service of such officers and servants, meetings of panchayat union councils, appointment of committees by panchayat union councils, preparation and submission of consolidated administration reports, provisions for the dissolution and supersession of panchayat union councils in certain cases, etc. New section 41-T authorizes the Government to make rules regarding the qualifications to be possessed for nomination as members of panchayat union councils, the circumstances in which a member may be removed from office or restored to office, the time and place of meetings, the conduct of proceedings at meetings, the division of duties among members, the powers of panchayat union councils, etc.

Clause 19 inserts a new heading before section 42 and makes a minor amendment for the purpose.

Clause 20 amends existing section 42 adding references to panchayat union councils in appropriate places and inserting a new provision [section 42 (6) (e)] for requiring a panchayat or panchayat union council to obtain the sanction of the Inspector or the sanction of any officer or person empowered by him before giving up a claim or closing down an institution which is a source of income as in some cases it may be necessary to examine the financial implications before giving up a claim or closing down an institution.

Clauses 21, 22 and 23.—These are consequential to the inclusion of provisions relating to panchayat union councils in the main Act.

Clause 24.—The existing section 47 (4) empowers the Government to cancel any notification issued by the Inspector, removing a president, vice-president or member of a panchayat and to postpone the date of removal pending decision of the question of such cancellation. A doubt has arisen whether the date of removal could be postponed after the notification takes effect. The proposed amendment makes the position clear.

Clause 25 provides for the passing of motions of no-confidence in presidents and vice-presidents of panchayats and for their removal from office when such motions are passed.

Clause 26 raises the period for which a panchayat may be superseded under section 48 from one year to two years.

Clause 27 makes verbal alterations in section 49 as a consequence of the constitution of panchayat union councils.

Clauses 28 and 29.—These clauses amend sections 50 and 51 of the existing Act (which deal with the mandatory and discretionary duties of panchayats) in view of the proposed transfer of some of the duties of panchayats to panchayat union councils. Section 50 as amended specifies the mandatory duties of panchayats such as the construction, repair and maintenance of public roads in the village,

lighting of public roads in built-up areas, construction of drains, cleansing of streets, etc. Section 51, as amended, specifies the discretionary functions of panchayats such as the planting and preservation of trees on the sides of public roads, control of village fairs and festivals, opening of markets, etc.

Clause 30.—This omits section 52 (which provides for the establishment and maintenance of common dispensaries, child welfare centres and such other institutions by two or more panchayats as these functions are proposed to be entrusted to panchayat union councils) and substitutes two new sections numbered 52 and 52-A. New section 52 enables two or more panchayats to construct and maintain water works and provide for a common burial and burning ground, while new section 52-A empowers the Government to direct any panchayat to provide for the lighting of public roads and public places within its jurisdiction. When such a direction is given, the Government may meet a reasonable portion of the cost of such lighting.

Clause 31 substitutes a reference to the panchayat union council and the Commissioner in section 53 (4) for the existing reference to the district board and its executive authority.

Clause 32 omits section 54 which relates to the power of the Board of Revenue to transfer the control of endowments and inams to panchayats as control over endowments and inams is proposed to be vested in panchayat union councils and not in panchayats. Necessary provision for enabling the Board of Revenue to transfer control over endowments and inams to panchayat union councils has been made in new section 62-F.

Clause 33 makes a minor alteration in section 56.

Clause 34 inserts a new chapter—Chapter III-A—dealing with functions, powers and property of panchayat union councils and consists of 11 sections, sections 62-A to 62-K.

Section 62-A casts a mandatory duty on panchayat union councils to make reasonable provision in respect of certain matters such as the construction, repair and maintenance of all public roads in the panchayat union which are classified as panchayat union roads, the establishment and maintenance of dispensaries, maternity and child welfare centres, poor houses, etc., the opening and maintenance of elementary schools, preventive and remedial measures connected with epidemics, etc.

New section 62-B casts a discretionary duty on the panchayat union council to make such provision as it thinks fit for carrying out such measures of public utility other than those falling under section 62-A as are calculated to promote the safety, health, comfort or convenience of the inhabitants of the panchayat union.

New section 62-C empowers the Government to direct any panchayat union council to provide for the lighting of public roads and public places within its jurisdiction. When such a direction is issued, the Government may meet a reasonable portion of the cost of such lighting.

New section 62-D authorizes the panchayat union council to accept donations and trusts.

Under new section 62-E, two or more panchayat union councils may establish and maintain common dispensaries, child welfare centres and such other institutions.

New section 62-F authorizes the Board of Revenue to transfer the control over endowments and inams in respect of which powers and duties attach to the Board under the Madras Endowments and Escheats Regulation, 1817, to the panchayat union council. Under the law as it stands now, the Board of Revenue can exercise that power in respect of panchayats.

Section 62-G confers on the Government, the Board of Revenue, the Collector, the Revenue Divisional Officer or any person or body of persons a general power to transfer to the panchayat union council with its consent the management of any institution or the execution or maintenance of any work or the exercise of any power or the discharge of any duty. The section confers a specific power on the Government to entrust to a panchayat union council the executive functions over any productive development work relating to animal husbandry, village industries and co-operation.

Under section 62-H all public roads in a panchayat union are vested in the panchayat union council together with all pavements, stones, materials, etc.

Section 62-I specifies the duty of the panchayat union council in respect of roads excluded from the operation of the main Act such as watering the roads, repairing the water-supply mains, etc.

Under new section 62-J, a panchayat union council may declare that any immovable property vested in itself shall vest in any panchayat in that panchayat union.

New section 62-K empowers the panchayat union council to acquire any immovable property required by it under the Land Acquisition Act, 1894.

Clause 34 substitutes a new chapter for the existing Chapter IV relating to taxation and finance.

According to the provisions in the new chapter, a panchayat union council has to levy (a) a local cess, and (b) a house-tax surcharge, and a panchayat has to levy (a) a house-tax; (b) a profession tax; (c) a vehicle tax, and (d) a duty on certain transfers of property. Subject to such rules as may be prescribed and with the sanction of the Inspector, a panchayat may also levy (a) a tax on agricultural land for a specific purpose and (b) a cess by way of sales tax on commercial crops, not being commercial crop on which a cess is being levied under the Madras Commercial Crops (Markets) Act, 1933. The local cess levied by the panchayat union council will be in lieu of (i) the land cess leviable under section 74-B of the Madras District Boards Act, 1920. (ii) the taxes leviable under any head of taxation

mentioned in section 34 (2) of the Madras Elementary Education Act, 1920, and (iii) the land revenue surcharge leviable under the Madras Land Revenue (Additional Surcharge) Act, 1955.

In order to augment the resources of panchayat union councils and panchayats specific provision has been made in the new chapter for the making of certain grants to them by the Government. The local education grant, the local cess matching grant, the local roads grant and the house-tax surcharge matching grant will be paid to the panchayat union councils and the house tax matching grant will be paid to the village panchayats. In addition, the Government will set apart every year a specific sum out of the land revenue collections and distribute such sum among panchayat unions with reference to the population in the development block concerned. The sums so credited to the accounts of the panchayat unions are to be known as land revenue assignments. For the purpose of sanctioning grants, the Government will classify development blocks in such manner as they may deem fit.

Every panchayat union will have two funds, one the Panchayat Union (General) Fund, and the other the Panchayat Union (Education) Fund. Every town panchayat will have a town panchayat fund and every village panchayat will have a village panchayat fund.

Necessary provisions have been included in the new Chapter IV as regards the items of receipts which should be credited to the Panchayat Union (General) Fund and those which should be credited to the Panchayat Union (Education) Fund, the manner in which the funds should be expended, the appointment of auditors, the preparation and sanction of budgets, etc. Provision has also been made for the grant of exemption from payment of taxes, writing off of irrecoverable amounts, the utilization of the land revenue staff for the collection of taxes and fees and the making of a contribution towards any expenditure incurred by the Government or by any panchayat union council, panchayat or other local authority if the expenditure is likely to benefit the inhabitants of the village concerned. A special provision has also been inserted in section 76 as regards the recovery of loans and advances made by the Government.

Clause 35 inserts new sections 78-A to 78-K on the lines of the corresponding sections in the Madras District Boards Act, 1920, which will cease to be in force in any area as soon as panchayat unions are constituted for that area. New sections 78-A and 78-B correspond to sections 135 and 136 of the Madras District Boards Act, 1920, and deal with the powers of the Commissioner of the panchayat union and the executive authority of the panchayat to order the closure of places of public entertainment in the event of the prevalence of any dangerous disease in the development block concerned and the prevention of minors suffering from any dangerous disease from attending schools. New sections 78-C and 78-D correspond to sections 137 and 138 of the Madras District Boards Act, 1920, and deal with compulsory vaccination and the obligation of heads of families to give information of small-pox to the Commissioner of the panchayat union and the village headman. New sections 78-E to 78-K reproduce sections 147 to 150, 153, 155 and 156 of the Madras Districts Boards Act, 1920,

with necessary modifications and deal with the precautions to be taken in case of dangerous structures, dangerous trees, dangerous tanks, wells, holes, etc., the fencing of buildings or lands and the pruning of hedges and trees, the removal of filth or noxious vegetation from lands and buildings, the power of the Commissioner of the panchayat union and the executive authority of the panchayat to use or sell materials of dangerous structures taken down and the bar to claim compensation for damages sustained, except as otherwise expressly provided in the Act.

Clauses 36 and 37 insert a reference to the panchayat union council in sections 79 and 80 of the main Act in addition to the existing reference to the panchayat in those sections and it is proposed to provide that the previous written permission of the Inspector should be obtained to open new markets in order to avoid unhealthy competition in running markets.

Clause 38 seeks to omit section 81 of the main Act which prohibits any person from opening a new private market or continuing to keep open a private market and which has been declared by the Madras High Court to be *ultra vires* the constitution.

Clauses 39 to 42 amend sections 82 to 85 of the main Act inserting references to panchayat union councils and Commissioners in addition to the existing references to panchayats in those sections as panchayat union councils also are proposed to be given powers with respect to private and public markets.

Clause 43 substitutes a new section for existing section 86 relating to the classification of markets and provides for the inclusion of a reference to panchayat union markets and for enabling the Government to revise from time to time the apportionment of income or the contributions payable to panchayat union councils and panchayats if such revision is recommended by the District Development Council.

A new section, section 86-A on the lines of section 180 of the Madras District Boards Act, 1920, has also been inserted enabling the panchayat union council to acquire the rights of any person to hold a private market, such acquisition being made under the Land Acquisition Act, 1904.

Clauses 44, 45 and 46.—These amend sections 91, 92 and 93 of the main Act (which relate to the grant of licences and provisions in respect of industries and factories) substituting references to the panchayat union council and Commissioner in the place of references to the panchayat and the executive authority.

Clause 47.—This omits certain words in section 95 which have become spent.

Clauses 48 to 60.—These amend the general provisions in sections 96 to 110 of the main Act including references therein to the panchayat union councils, commissioner, chairman and vice-chairman.

Clauses 61 and 62 amend sections 112 and 114 (relating to the rule-making powers of the Government and the bye-law making powers of the panchayat) and are consequential on the insertion of provisions relating to the constitution of panchayat unions and panchayat union councils in the State.

Clause 63 amplifies section 115 of the main Act so as to penalize any person who in any report or return to be furnished under the Act, makes any statement which is false and which he knows to be false or does not believe to be true as also any person who having the control or custody of any account book or other record fails to produce such book or record when required by any authorized officer to do so.

Clauses 64 to 68.—These amend sections 116 to 120, 123 and 124 of the main Act and are consequential on the constitution of panchayat unions and panchayat union councils.

Clause 69 provides for the extension of the Madras Village Panchayats Act, 1950, to the Kanyakumari district and the Shencottah taluk of the Tirunelveli district and for the repeal of the Travancore-Cochin Panchayats Act, 1950, with necessary saving provisions.

Clause 70 omits the reference to the Madras District Boards Act, 1920 occurring in one place in section 126 of the main Act and substitutes a reference to the panchayat union council for the reference to the district board occurring in another place in the above section.

Clause 71 amends section 127 of the main Act (which relates to delegation of powers) so as to include a reference to the panchayat union councils.

Clause 72 amends section 128 of the main Act so as to specifically provide that the Government may exercise their power of revision under that section after consulting the Inspector, the Collector or such other officer or authority as they may deem fit.

Clause 73 amends section 130 of the main Act which relates to the adjudication of disputes between a panchayat and one or more other local authorities so as to include panchayat union councils also with its scope.

Clause 74 substitutes a new section for section 132 of the main Act. Under that section every panchayat has to be deemed to be a panchayat court under section 9 (1) of the Madras Village Courts Act, 1888 and may exercise powers under that Act. The Government may also confer on any panchayat court any civil or criminal jurisdiction not provided for in the Madras Village Courts Act, 1888. As it is considered that panchayats should not be saddled with the powers of village courts, section 132 is proposed to be omitted and necessary provision made for the transfer of pending suits and proceedings to the appropriate courts constituted under the Madras Village Courts Act.

Clause 75.—Section 133 of the main Act empowers the Inspector-General of Registration to authorize the executive authority of a panchayat to exercise the powers and discharge the duties of a Sub-Registrar under the Indian Registration Act, 1908. *Clause 75* amplifies that section so that Commissioners of Panchayat unions may also be authorized to exercise such power.

Clause 76.—Section 137 of the main Act provides that all references to 'local boards' and 'Madras Local Boards Act, 1920' should be construed as references to 'district boards', 'panchayats' and 'Madras District Boards Act, 1920' as the case may require. In view of the gradual abolition of district boards provided for in the Bill, section 137 is proposed to be amplified for construing references to 'district boards', as references to 'panchayat unions'.

Clause 77 inserts two new sections 137-A and 137-B. Section 137-A provides for the appointment of a Special Officer to exercise the powers of a panchayat union council and of its chairman and the Commissioner until a panchayat union council is constituted.

New section 137-B provides for the continuance of the Special Officer of district boards up to 2nd October 1961 or such earlier date as may be specified by the Government in each case and for the cessation of the application of the Madras District Boards Act, 1920, to the area concerned after that date. The section also provides for the transfer of the property, rights, institutions, etc., of district boards to panchayat union councils.

Clause 78 re-enacts the existing section 138 which relates to the power of the Government to remove difficulties in first giving effect to the provisions of the Act with some verbal changes.

Clause 79 provides that in giving effect to the provisions of the main Act as amended by the Bill the said provisions shall be read subject to the transitory provisions contained in the schedule to the Bill. The clause also empowers the Government by notification to amend, add to or repeal the provisions in the schedule but all such notifications should be placed on the table of the Houses of the Legislature.

Clause 80 makes some minor alterations in sections 4 and 249 of the Madras District Municipalities Act, 1920.

Clause 81 makes the necessary alterations to the Madras Elementary Education Act, 1920, omitting the provisions relating to district boards to some provisions and substituting references to panchayat union councils in the place of references to district boards in some other provisions.

Clause 82 makes the necessary alterations to the Madras Motor Vehicles Taxation Act, 1931, omitting the provisions relating to district boards.

Clause 83 amends the Madras Entertainments Tax Act, 1929, and substitutes a new section for section 13, the object of the substitution being to provide that in respect of entertainments held within a development block the distribution of the proceeds of the tax under the above section between the panchayat union council, and the panchayats functioning in the development block will be in such proportions as the Government may fix.

Clause 84 repeals the Madras Land Revenue (Additional Surcharge) Act, 1955 as the additional surcharge payable under that Act is included in the land cess leviable by the panchayat union council under new section 62-L.

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