

ADMINISTRATIVE REFORMS COMMISSION

Report

ADMINISTRATION
OF
UNION TERRITORIES
AND NEFA



JANUARY, 1969

GOVERNMENT OF INDIA

ADMINISTRATIVE REFORMS COMMISSION

REPORT

ON

ADMINISTRATION
OF
UNION TERRITORIES
AND NEFA

CHAIRMAN

No. 2279/CH/ARC/69
ADMINISTRATIVE REFORMS COMMISSION
GOVERNMENT OF INDIA
SARDAR PATEL BHAVAN, NEW DELHI

January 28, 1969

Dear Prime Minister,

I have the pleasure to transmit herewith the tenth report of the Commission which is on the Administration of Union Territories and NEFA.

2. The Commission, at the very outset, considered it appropriate to make a separate examination of the administration of Union Territories. The Home Minister supported the idea and desired that the administration of NEFA be also included in such an examination, as also the financial problems facing the Union Territories. A Study Team was appointed with Shri R. R. Morarka as its Chairman. The Team, after making an exhaustive enquiry, gave us a report a copy of which is enclosed. Shri Morarka and his colleagues have done very useful work and they deserve our appreciation and thanks.

3. The Union Territories and NEFA, together constitute 11 administrative units with varying size and population. Together they cover an area of 1,87,104 sq. Kms. and a population over 1.6 crores (1966). Barring Himachal Pradesh, many of the Union Territories are not more than the size of a district and some are even the size of a tehsil. But the administrative edifices are very big, oversized and cumbersome. Administrations are often accused of delay, duplication, over-centralisation, over-staffing and expenditure outreaching resources. All these evils are found in abundant measure in the administration of these Territories. Under the democratic set-up we have, the administration should not only be responsive but also responsible. The true implementation of the twin principles lies in the proper measure of autonomy being conferred on these administrative units and not in the imitation of administrative structures of bigger States with Council of Ministers, Legislature and a large complement of Secretariat officers, departmental heads, district officers and the like. Having gone into the heart of the matter, we have recommended the conferment of maximum autonomy and delegation possible while cutting down the administrative hierarchy to size. Rights and responsibilities should rhyme with resources.

4. In this report we have not thought it necessary to make recommendations on all the suggestions made by the Study Team, particularly those regarding resources. We have confined ourselves to two broad issues, viz., (i) the approach which should be adopted in designing an appropriate

administrative structure, and (ii) the actual administrative set-up appropriate to each of the Union Territories and NEFA.

5. Looking into the history of developments leading to the present set-up of the Union Territories, we found that the Government's policy has varied from time to time in devising an administrative apparatus suited to the special needs of the Union Territories. No single approach has been allowed to continue for a sufficiently long time to get consolidated. Different measures of responsible government were conceded, withdrawn and given again. We have come to the conclusion that the measure of responsible government already given to the Union Territories of Himachal Pradesh, Manipur, Tripura, Goa, Pondicherry and Delhi, irrespective of what may be said for or against it in each case, should continue. There are, however, several shortcomings from which the territorial administrations are suffering. They are frustrated by over-centralisation of functions at the Centre and detailed supervision and frequent interference by the Union Ministries. We have, therefore, recommended that the Administrator of each territory, as a representative of the Central Government, should be invested with powers and authority to take decisions on the spot and with speed. The Administrator should have full disciplinary powers over all services of the territory. The Territorial Assembly should be empowered to function in a manner similar to that of a State Legislature. The Administrator should be authorised to exercise in appropriate cases the powers of the President to give assent to Bills. In the same context, we have also recommended that the Central non-Plan financial assistance to be available to the Union Territories with Legislatures should be indicated in advance for say, 5 or 3 years so that the time and labour involved in the multiple scrutiny of annual budgets by the Centre, as at present, is avoided.

6. There is considerable amount of over-staffing in the Union Territories leading to wasteful expenditure. The temptation to simulate a State in all respects is one of the causes for over-staffing. The administrative pattern of the States need not be imitated or reproduced in the Union Territories which are just comparable in size either to a tehsil or a district. We have accordingly recommended slimming the administrative organisation to its proper proportion, consistent with the size and resources of each territory. We have also made suggestions for reducing the number of Ministers in the Union Territories with Legislatures. We have drawn attention to another aspect of heavy expenditure, *viz.*, the large size of the Legislatures in the Union Territories in comparison with the neighbouring States. We have not, however, made any specific recommendation regarding the reduction in the size of the Legislatures because that would have taken us beyond our terms of reference.

7. In respect of their location, area, population, language, culture, stage of economic development and nature of the problems faced, the regions considered by us present considerable variety. No uniform treatment could,

therefore, be applied to them. For example, in NEFA, the overwhelming tribal character of the population has to be one of the guiding factors in devising its administrative set-up. We have recommended that the provisions of the Sixth Schedule to the Constitution may now be applied to NEFA. NEFA may be divided into a suitable number of autonomous districts and regions on the pattern of Assam Hill Districts. At the district level, actual implementation of policies, particularly developmental, may be left to the autonomous district and regional councils. Similar provisions have also been recommended for the hill areas of Manipur and the tribal belts of Tripura.

8. Himachal Pradesh, the largest Union Territory, has many attributes of a full-fledged State. The Chief Minister and the Members of Parliament appeared before the Commission and urged the conferment of Statehood on this Union Territory. The general thinking in the Union Government is also in favour of its Statehood, provided necessary conditions for it are fulfilled. We, however, did not examine these conditions as the subject was not within our terms of reference.

9. Delhi as the national capital has its special problems. Its present set-up suffers admittedly from the multiplicity of authorities. However, the special responsibilities of the Central Government, more particularly in New Delhi, cannot be overlooked. Taking all the relevant factors into consideration, we have tried to eliminate the multiplicity of authorities to the extent possible and give the administration a unified structure. We have, therefore, recommended the abolition of Delhi Municipal Corporation and the transfer of its functions to the Metropolitan Council. We have, however, suggested that the New Delhi Municipal Committee and Delhi Cantonment Board may continue with certain modifications. We have further recommended the creation of autonomous statutory bodies for transport, supply of electricity and, water supply and sewage disposal. We have made specific suggestions to make the Metropolitan Council more effective. We have also made recommendations to enable the Administrator to take decisions on many matters without reference to the Central Government and to enable the Executive Council to exercise authority in the 'transferred' field as a Ministry does in a State.

Yours sincerely,
(Sd) K. Hanumanthaiya

Shrimati Indira Gandhi,
Prime Minister of India,
New Delhi.

CONTENTS

<i>CHAPTER</i>		<i>PAGE</i>
I	Introductory -- -- -- -- -- -- -- --	1
II	The Approach -- -- -- -- -- -- -- --	3
III	North East Frontier Agency, Manipur and Tripura -- -- --	12
IV	Goa, Daman & Diu and Pondicherry -- -- -- -- --	19
V	Himachal Pradesh -- -- -- -- -- -- -- --	23
VI	Delhi -- -- -- -- -- -- -- --	27
VII	Other Territories -- -- -- -- -- -- -- --	40
VIII	Miscellaneous -- -- -- -- -- -- -- --	45
IX	Summary of Recommendations -- -- -- -- --	47
APPENDICES	-- -- -- -- -- -- -- --	55

CHAPTER I

INTRODUCTORY

Two of the subjects referred to the Commission for their examination relate to the "Machinery of the Government of India and its procedures of work" and "Administration at the State Level". Administration of the Union Territories could be considered as arising from both of these. The Commission, therefore, considered it appropriate to make a separate examination of the administration of Union Territories and, for this purpose, constituted in June, 1967, a Study Team under the chairmanship of Shri R. R. Morarka. The other members of the Team were Shri Triloki Singh, M.P., Shri M.N. Naghnoor, M.P., Shri L. C. Jain, Shri A. D. Pande and Shri D. J. Madan. Shri R. N. Chopra, Deputy Secretary in the Administrative Reforms Commission, worked as Secretary to the Team.

2. The Study Team was asked to examine the administrative structure of the Union Territories and suggest reforms to eliminate delays and secure economy in expenditure consistent with efficiency. The Team was also asked to examine the relations between the Government of India and the Administrations of the Union Territories and make recommendations for redefining them where necessary. Subsequently, at the instance of the Home Minister, the terms of reference of the Study Team were enlarged to include issues in the financial field, such as proposals for increase of revenue, financial requirements to meet committed revenue expenditure, budget and expenditure control, enunciation of the principles that should govern the determination of Central financial assistance to the Union Territories and the problem of the repayment of loans advanced by the Central Government.

3. The Home Minister again requested the Commission further to enlarge the area of the study so as to include the administration of the North East Frontier Agency. The terms of reference of the Study Team were accordingly enlarged.

4. We have, in this report, confined ourselves to two broad issues, viz., (i) the approach which should be adopted in designing an appropriate administrative structure for the Union Territories, and (ii) the administrative set-up considered suitable in the light of this approach for each of the Union Territories and NEFA.

5. Although we have subjected the Study Team's report to a careful study and have had prolonged deliberations thereon, we have not thought it necessary to make recommendations on all the suggestions put forth by the M10Deptt of A R/68.

Study Team. Such suggestions as are not specifically covered by our recommendations may, therefore, separately be considered by Government for decision.

6. We have commenced our report with a brief account of the historical developments leading to the present constitutional arrangements made for the administration of the Union Territories and NEFA. We have then considered the special factors which, in our view, must be taken into account in designing an appropriate set-up for their administration. The Territories do not admit of a uniform treatment as regards their set-up and needs, because their size and historical background vary widely. We have, therefore, attempted to divide them into groups and made suggestions for the set-up we consider suitable for each group.

7. The Study Team has conducted a comprehensive enquiry into the administration of all the Union Territories. Its report has highlighted in an objective manner the major defects and deficiencies found in the present arrangements for their administration. Their labours have proved fruitful though we have not fully agreed with their approach in all matters. The Commission wish to place on record, their appreciation of the valuable service rendered by the Chairman, the Members and the Secretary of the Study Team.

CHAPTER II

THE APPROACH

At the time India attained freedom, there were five Chief Commissioners Provinces, viz., Delhi, Ajmer-Merwara, Coorg, Panth Piploda and the Andaman & Nicobar Islands. They were directly administered by the Governor-General acting to the extent he thought fit through a Chief Commissioner appointed by him in his discretion. Of the five Provinces, only Coorg had a Legislative Council which had been created in 1923 under the provisions of the Government of India Act of 1919. Although it had legislative and deliberative powers, its resolutions on the budget were merely recommendatory. Its Bills required the previous sanction as well as the subsequent assent of the Governor-General.

2. When the Constitution came into force, Delhi, Ajmer-Merwara and Coorg were included in Part C of the First Schedule along with Himachal Pradesh, Vindhya Pradesh, Bhopal, Bilaspur, Kutch, Manipur and Tripura—all former princely States. The Andaman & Nicobar Islands were, however, included in Part D of that Schedule. The Laccadive, Minicoy & Amindivi Islands which at that time formed parts of Madras State were only later constituted into a Union Territory. The administration of the States in Part C as well as the Territories in Part D of the First Schedule, was made the direct responsibility of the President.

3. Later, under the provisions of Article 240 (as originally enacted), Councils of Ministers and Legislatures were created in Delhi and Himachal Pradesh (as also in Ajmer, Bhopal, Coorg and Vindhya Pradesh). Other Part C States (Kutch, Manipur and Tripura) were administered with the help of Councils of Advisers appointed by the President under the provision of Part C States Act, 1951. This experiment did not fare well, and in 1955, the State Reorganisation Commission recommended as follows :

“Taking all these factors into consideration, we have come to the conclusion that there is no adequate recompense for all the financial, administrative and constitutional difficulties which the present structure of these States presents and that, with the exception of two to be Centrally administered, the merger of the existing Part C States with the adjoining States is the only solution of their problems.”

4. The two States for which Central administration was recommended were Delhi and Manipur. In the latter case, the arrangement was to be a transitional one pending the State's merger with Assam. The Commission recommended the maintenance of the *status quo* for the Andaman & Nicobar

Islands. It recommended only advisory bodies and not legislatures for these Centrally administered areas.

5. The decisions of Government were embodied in the States Reorganisation Act, 1956, and the Constitution (Seventh Amendment) Act, 1956, constituting Delhi, Himachal Pradesh, Manipur, Tripura, the Andaman & Nicobar Islands and the Laccadive, Minicoy & Amindivi Islands as Union Territories, whose administration was to be the direct responsibility of the President acting through an Administrator under an appropriate designation. The other Part C States were merged in the neighbouring States.

6. Shortly thereafter, the people of Himachal Pradesh, Manipur and Tripura were accorded the privilege of association, through their representatives, with the administration of their Territories. Territorial Councils were constituted with substantial powers over local affairs such as education, public health, roads, transport, panchayats and animal husbandry. The Councils also had powers to levy taxes on professions, trades, callings, employments, tolls on bridges and school fees. This step represented some departure from the trend of keeping the Union Territories directly under the Central Government.

7. Later, the Portuguese and French possessions were freed and integrated with the Indian Union. They were constituted into the Union Territories of Dadra & Nagar-Haveli (1961), Goa, Daman & Diu (1962) and Pondicherry (1962). Their administration was also made the responsibility of the President as in the case of other Union Territories.

8. The Study Team has summed up the position reached at this stage in the following words;

- “(a) The administration of each Union Territory was carried on by the President through an Administrator.
- (b) There was no Legislature in any Union Territory and Parliament alone was empowered to legislate for them. In recognition of this fact, increased representation had been given to the Union Territories in both Houses of Parliament.
- (c) The Central Government under the Union Territories (Law) Act, 1950 had powers to extend State laws to the Union Territories of Delhi, Himachal Pradesh, Manipur and Tripura. Similar powers were available under the relevant Acts in respect of Dadra & Nagar-Haveli, Goa and Pondicherry.
- (d) The President had powers to make regulations for the peace, progress and good government of the Union Territories of the Andamans, the Laccadives, Dadra & Nagar-Haveli, Goa and Pondicherry.
- (e) A Municipal Corporation elected on the basis of adult franchise had been constituted in Delhi. Unlike most other municipal ad-

ministrations, the jurisdiction of the Corporation covered urban as well as rural areas.

- (f) In Himachal Pradesh, Manipur and Tripura, Territorial Councils had been constituted. Important matters of local concern, including Secondary Education, had been entrusted to them.
- (g) Advisory Committees associated with the Home Minister were constituted for Delhi, Himachal Pradesh, Manipur and Tripura. These included Members of Parliament from these Territories. The Committees were consulted about legislation, budget estimates and matters of general Policy."

9. Before these arrangements had any chance of stabilising, a process of rethinking was again set in motion. While Government recognised that continuance of Union Territories as separate entities could not indefinitely be perpetuated and an enduring settlement lay in their merger with the neighbouring States, they felt that pending such merger, some accommodation of the political aspirations of the people by associating them with the administration of their territories was necessary. Accordingly, in 1961, Government appointed an official committee with Shri Asoke K. Sen, the then Union Law Minister, as Chairman, to examine the question in all its implications. The Committee submitted its report in June, 1962. It recommended the introduction of the largest possible measure of autonomy and the association of popular representatives with the administration at every level. Setting up of Panchayati Raj and the transfer of more subjects to the Territorial councils were also recommended. However, it recognised that Central control over the territorial bodies in the matter of finance, as well as general policy, would have to be an integral part of the scheme of autonomy.

10. About the time the Asoke Sen Committee submitted its report in 1962, the integration of Goa, Daman & Diu and the *de jure* transfer of Pondicherry took place. Government felt that political sentiments seemed to require the establishment of full-fledged Assemblies and Executives responsible to them in these two Territories. In Himachal Pradesh, Manipur and Tripura, the Asoke Sen Committee had faced a near unanimous demand for the creation of legislative bodies subject to the paramount authority of Parliament. The emergence of Nagaland, during the same period, as a full-fledged State was also a factor of importance. These events impelled Government to go beyond the recommendations of the Asoke Sen Committee and establish Legislative Assemblies and Councils of Ministers on the lines of the scheme embodied in the repealed Government of Part C States Act, 1951.

11. The *status quo* was, however, continued in Delhi, the Andaman & Nicobar Islands, the Laccadive, Minicoy & Amindivi Islands and Dadra & Nagar-Haveli. Pressure for associating the people's representatives with the administration of Delhi persisted and in 1966, a new set-up was provided

for Delhi. The Metropolitan Council—an advisory and recommendatory body—and the Executive Council—a body to assist and advise the Lt. Governor in the exercise of his functions in respect of “transferred” subjects—were created. The Lt. Governor was, however, left free to exercise his functions in relation to the “reserved” subjects in his discretion.

12. Subsequently, as a result of the reorganisation of Punjab in 1966 and the controversy which followed, Chandigarh was added to the list of Union Territories. Its administration was placed on par with that of the other Union Territories without Legislatures.

13. In the Union Territories which have no Legislatures, public participation is obtained through advisory committees. Such committees are associated with the Home Ministry and the concerned Administrators.

14. Special administrative arrangements have been in existence in NEFA, first, as for a “Backward Tract” under the Government of India Act, 1919, then, as for an “Excluded Area” under the Government of India Act, 1935, and, lastly, as for a tribal area of Assam covered by the provisions of the Sixth Schedule to the Constitution. It is being administered in a manner similar to any Union Territory without Legislature through the Governor of Assam acting as Agent of the President. There is, however, provision for introducing the same pattern of administration as obtains in the Hill Districts of Assam, *i.e.*, through autonomous districts and regional councils.

15. From the brief history of the developments given in the foregoing paragraphs, it will be seen that various approaches have been adopted from time to time in devising an administrative apparatus suited to the special needs of the Union Territories. So far, not one of these has been allowed to prevail for a sufficiently long time to get consolidated. Whereas the British system of administration of the Chief Commissioner’s Provinces did not provide for people’s participation (except in Coorg), the Union Government adopted a pattern of representative government in several Part C States (Delhi, Himachal Pradesh, Ajmer, Bhopal and Vindhya Pradesh). They soon realised that the creation of representative governments at the Territorial level limited the overall responsibility enjoined on the President under the Constitution to ensure the good government of the Union Territories. Consequently, the steps taken towards responsible government were retraced, and, instead, direct Central administration on the old pattern was introduced. Within the space of seven years, this policy was again reversed. Five Union Territories were given a substantial measure of responsible government. Delhi had its measure of it, though it did not bring satisfaction to all concerned. Nor are the people of Himachal Pradesh, Manipur and Tripura satisfied. They continue to demand full-fledged statehood. The people of Delhi are asking for a full-fledged Legislature and a Council of Ministers.

16. While recognising the shortcomings of the present arrangements, the Study Team has come to the conclusion that it may not be possible to reduce the measure of responsible government already given to the five Union Territories with Legislatures and to Delhi. It has suggested the conferment of the maximum possible autonomy on the Territories, the Central Government restricting themselves to a limited jurisdiction. We are in general agreement with this approach.

17. Under the Constitution, unless otherwise determined by Parliament, the administration of Union Territories vests in the President acting to the extent he deems fit through an Administrator. The President acts on the advice of his Ministers who are responsible to Parliament. The Administrator is the agent of the President. There is thus no doubt that in theory, at least, this agency system is fully justifiable on constitutional-cum-democratic grounds.

18. However, in practice, during the last twenty years, strong sentiment has grown in favour of a responsible and responsive administration. Apart from this development being due to the general urge for democratic self-rule, it has been accentuated by the general impression—not altogether unsupported by experience—that in effect the administrative hierarchy at the Centre, and not the Ministers, largely regulates the affairs of these territories and interferes with the proposals which have received the imprimatur of people's representatives. In view of this history, we have to evolve a system which would satisfy the urge for democratic self-rule consistent with the interests of the Centre in the peace and good government of the area and provide a sound base for the sanctity of the people's voice reflected in a democratic Centre.

19. In some of the Union Territories, Parliament has set up Legislatures with defined functions and a Council of Ministers. In Delhi, Parliament has provided for a Metropolitan Council and an Executive Council in addition to a Municipal Corporation. Elsewhere, the Administrator is the sole administrative authority in the area and popular opinion is associated through the Home Minister's Advisory Body. Our own approach to the problem is that once the Centre's interests in peace and good government of these areas are secured, the democratic administrative bodies and Legislatures should be fully trusted to administer and look after the area in the same manner as in any democratic system of administration. We are sure that the Administrator, as the Agent of the President, will keep the Central Government fully in the picture as regards administrative development or deterioration so that the Central Government would be able to intervene effectively in the event of mal-administration. In the circumstances, it is not necessary either for the Central Government or the Administrator to interfere in the day-to-day functioning of the local administration whether a Territory is administered through a Legislature and Council of Ministers or otherwise.

20. Having said all this, we would also like to state that the demand for a full democratic set-up similar to the one in the States ignores the considerations of viability and size of the territories. It also ignores certain special advantages which these Territories enjoy compared to the States. The Study Team has shown that the number of Territories' representatives in Parliament is much larger than what they would be entitled to on the basis of their population. In the matter of Plan expenditure, they received assistance to the tune of Rs. 333.30 per capita during the Third Plan period whereas the average expenditure per capita in the States was Rs. 94 inclusive of the expenditure met out of States' resources. This over-representation and over-generous Plan assistance are taken for granted. The impression left by the control from the Union Ministries have over-shadowed the extra benefits enjoyed. The over-representation in Parliament may have to continue until the constitutional set-up in these Territories changes so that the people are brought on a par with the people of the States; but in the matter of expenditure, economy has to be effected. The first principle that is to be evolved is that their administration including their democratic institutions should not be beyond their means.

21. There is a considerable amount of over-staffing in the Union Territories. The temptation to look like a State in all respects is one of the causes for overstaffing. The administrative pattern of the States need not be imitated or reproduced in all the Union Territories most of which are comparable in size either to a tehsil or a district in a State. If economy and efficiency are to be introduced, the size of the officers hierarchy should be reduced. Further, it is not necessary to have high level officers for exercising powers simply because officers exercising those powers in a State happen to be functioning at a high level. The area of operation in the Union Territories is so small that it can be entrusted to junior officers invested with sufficient powers. Officers at lower levels in the Union Territories can therefore be empowered to exercise the powers and functions of higher categories of officers. This is the way to avoid the appointment of high level officers which needlessly involves much expenditure on them and on their under-studies. This delegation of powers to lower categories of officers will bring about economy in expenditure as well as expeditious disposal of business.

22. The foregoing paras set forth the general considerations we had to bear in mind when making our recommendations. However, in relation to their location, area, population, language, culture, stage of economic development and nature of problems, the Union Territories present considerable variety. If efficiency and economy of administration are to be the guiding factors in devising an appropriate administrative set-up for Territories of such varied nature, it will have to be accepted that there cannot be a uniformity of treatment.

23. Thus, Manipur and Tripura form a group by themselves in view of their peculiar tribal constituents and their problems of border security. (NEFA can also be included in this group).

24. Goa and Pondicherry have their former colonial history as justification for Central Administration and their present form of democratic government. Both these Territories are, however, comparatively small in size and in the magnitude of their problems. They can, therefore, be grouped together.

25. Himachal Pradesh, the largest Union Territory, has many attributes to a full-fledged State. Its administrative set-up must bear some relation to these attributes.

26. Delhi as the national capital has special problems which have no parallel in other Territories. It must, therefore, receive separate attention.

27. The remaining Territories, viz., the Island Territories of the Andaman & Nicobar and the Laccadive, Minicoy & Amindivis, Chandigarh and Dadra & Nagar Haveli can be grouped together. The problems of administrative organisation in these small pockets of territory are comparatively simple.

28. We have, therefore, followed the above grouping in making our recommendations in the following chapters. Before proceeding to those recommendations, we deal below with a matter in which the Territories, having a Legislature, are specially interested, viz., the procedure for passing the annual budget.

29. Under Section 27 of the Government of Union Territories Act, 1963, the Administrator shall annually cause to be laid before the Legislative Assembly, with the approval of the President, a statement of estimated receipts and expenditure of the Territory for the year concerned. After the demands have been voted and the Appropriation Bill has been introduced and passed by the Assembly, it is reserved by the Administrator like every other Bill, for the consideration of the President. In practice, the budget of a Union Territory with a Legislature is processed in the Central Government at three stages. The territorial administrations are first required to give in detail the demands for grants which are scrutinised in the administrative Ministry, consolidated in the Home Ministry and referred to the Finance Ministry. The Ministry of Finance examines the demands keeping in view the availability of funds and makes cuts, if necessary. These statements of accepted estimates are then sent to the Territorial Administration. Thereafter, the Territorial Administration prepares the draft Annual Financial Statement and forwards it to the Ministry of Home Affairs for obtaining the approval of the President. This is scrutinised in the Home Ministry mainly with a view to ensuring that the assumptions regarding grants-in-aid and loans are the same as those made at the time of the first

scrutiny. Lastly, the Appropriation Bill as passed by Territorial Assembly is scrutinised by the Ministries of Home Affairs and Finance with a view to ensuring that the Bill tallies with the Annual Financial Statement examined at the second stage.

30. We are of the opinion that in respect of non-Plan expenditure, the grants need not be fixed after a detailed scrutiny by the Central Government. After reviewing the relevant factors and in consultation with the representatives of the Territories' Legislatures, the amount of annual grant may be indicated for a period of five, or, say, three years. This will enable the Territory to frame its budget with clear knowledge of the amount it is likely to receive from the Central Government, and the time spent in Central scrutiny may considerably be reduced. In determining the Quantum of grants, due note will, of course, have to be taken of the special problems of the Territory concerned, the scope for increasing its revenue and for tapping new sources thereof.

31. In this connection, the Study Team has suggested the establishment of a special Finance Commission to suggest quinquennial devolutions. We are not in favour of appointing such a Commission. The analogy of the States is not quite relevant. In their case, the Finance Commission has mainly to determine the share from the divisible pool of Central revenues, though, of course, it also recommends grants for covering revenue deficits. The States themselves raise most of the resources to meet their non-Plan expenditure. The resources of the Union Territories are meagre and most of their expenditure is to be met by the Centre. It is, therefore, preferable to leave the task of fixing grants to the Centre itself. This will also provide for flexibility when unforeseen situations are to be met.

32. As regards Plan expenditure, the existing arrangements for determining Central assistance, which are the same as those applicable to States, may continue. The total plan outlay and the resources to be mobilised by each Union Territory will be decided at the annual plan discussions held with the Planning Commission. Central assistance will be determined on the basis of approved outlay and the expected resources.

33. After these changes are effected, there will be no need for the Central Government to scrutinise the budget of a Union Territory with a Legislature as at present. The Central Government should, no doubt, have overall powers. We do not envisage that the Territorial Administrations will be so reckless as to invite Central interference.

34. So far as the Union Territories without Legislatures are concerned, now their budgets form part of the budget of the Ministry of Home Affairs and the existing procedure may continue.

Recommendation 1 :

We, therefore, recommend that Central financial assistance to Union Territories with Legislatures, for non-Plan expenditure, should be indicated in advance for 5 or, say, 3 years so that the time taken by annual Central scrutiny may be reduced.

CHAPTER III

NORTH EAST FRONTIER AGENCY, MANIPUR AND TRIPURA

The continuing hostility on the Indo-Pakistan border in Tripura and the Sino-Indian border in NEFA has made the defence arrangements for these territories a matter of particular concern to the Centre. Although the Indo-Burma border in Manipur is comparatively quiet, a large part of this Territory is subject to depredations of Naga hostiles. National security is, therefore, as much a problem in this Territory as in the other two. Parts of Tripura are also subject to sporadic disturbances by elements of the Mizo underground movement. In parts of eastern NEFA, which borders on Nagaland, there are reports of activities by the Naga underground movement. The security needs of the north-eastern region as a whole make it essential that whatever administrative arrangements are devised for the three Centrally administered areas must subserve the needs of national security.

2. In our view, the factors which will have to be kept in mind in devising an appropriate administrative set-up for these areas are:

- (a) the predominant tribal character of the populations in NEFA, Manipur and Tripura;
- (b) the comparative remoteness of these areas from Delhi and the consequent delay in making references and obtaining orders, a delay which may be harmful in an emergency; and
- (c) the existence of representative governments in Manipur and Tripura and in spite of this, persisting demands for statehood.

The satisfaction of the people with the administration goes a long way towards ensuring the objectives of national security and defence. These factors clearly point to the need for an administration, which is, to the largest possible extent, self-contained and does not have to depend on day-to-day or even periodic orders and instructions from the Centre.

The North East Frontier Agency

3. NEFA is constitutionally a part of Assam. The pattern of its administration is laid down in the Sixth Schedule to the Constitution. While the Hill Districts of Assam, which are also covered by the same Schedule, are administered through a system of autonomous district/regional councils with substantive legislative, judicial and administrative powers NEFA is, for the present, administered by the President through the Governor of Assam as his Agent. For this purpose, the President has powers to make regulations for the peace, progress and good government of the territory.

However, the Governor of Assam with the prior approval of the President may, by notifications, apply all or any of the provisions relating to autonomous districts, regions to NEFA or any part thereof.

4. As we have indicated earlier, the overwhelming tribal character of the population should be one of the guiding factors in devising an appropriate administrative set-up for NEFA. The Constitution (Sixth Schedule) itself takes cognizance of this factor and contemplates its administration being patterned in the long run on the system prevailing in other tribal areas of Assam. It is our view that the time has now come for bringing the administration in NEFA on par with that of the Hill Districts of Assam. This can be done by the Governor issuing an appropriate notification in this regard with the prior approval of the President

5. We suggest that the Agency may be divided into a suitable number of autonomous districts, one for each major tribal area. For the more important smaller tribes separate autonomous regions, which are conceived on the lines of the autonomous districts, can be formed. It is necessary that the integrity of each major tribal group should be kept intact,

6. At the district level, actual implementation of policies, particularly developmental, may be left to the autonomous districts and regional councils. The district administration may only concern itself directly with law and order, internal security, revenue, treasury and accounts.

7. We agree with the Study Team that in addition to the Advisor, it is sufficient to have three Secretaries and a Judicial Officer. The senior-most Secretary may have a status equivalent to that of a Director in the Central Government. Other Secretaries may have the status of a Deputy Secretary in the Central Government. The distribution of work between the Adviser and the Secretaries may be as proposed by the Study Team in para 738 of its report. As a general rule, executive heads of departments should function as a part of the Secretariat and enjoy powers, appropriate to their responsibilities and status. This is essential because in the administration of areas like NEFA, quickness of decision and non-duplication of authority are of the essence of administration.

8. Personnel for manning senior posts may, as a general rule, be obtained from Assam. In special cases, however, personnel can also be obtained from the Centre. This matter can well be left to the discretion of the Governor. Officers of the All-India Services should be provided directly by the Centre. Technical advice, guidance and supervision can be obtained from officers of the Assam Government and, if required, from the Centre.

9. We agree with the Study Team that there is no need to upgrade the post of the Adviser to the Governor to the level of an Additional Secretary in the Central Government. We do not however, agree with its suggestion for upgrading the posts of Judicial Officer and of a Superintending Engineer,

as such upgrading which adds to the administrative expenditure in this small area is hardly justified. We endorse the Team's proposal for a separate Five-Year Road Building Programme and the provision of air services. Other proposals for NEFA made by the Study Team are commended for Government's consideration and decision.

10. The role of the district administration will be a limited one. It will not be necessary to have officers of the status of Deputy Commissioner in every district. Officers of lower rank, with appropriate designations, may be empowered to exercise the powers of Deputy Commissioners.

Recommendation 2 :

We, therefore, recommend that :

- (1) (a) The provision of the Sixth Schedule to the Constitution relating to the administration of the tribal areas of Assam may now be applied to NEFA by issue of an appropriate notification.
 - (b) Keeping in mind the need for maintaining the integrity of each major tribal group, NEFA may be divided into a suitable number of autonomous districts and autonomous regions on the pattern of the Assam Hill Districts.
 - (c) At the district level, actual implementation of policies, particularly developmental, may be left to the autonomous district and regional councils. The district administration may only directly administer law and order, internal security, revenue, treasury and accounts.
- (2) In addition to the Adviser, three Secretaries and one Judicial Officer are adequate. The status of the senior-most of the Secretaries should be that of a Director in the Central Government and of the other two that of a Deputy Secretary in the Central Government. The distribution of work between the Adviser and the Secretaries may be as proposed by the Study Team in para 738 of its report.
 - (3) As a general rule, executive Heads of Departments should function as a part of the Secretariat.
 - (4) Personnel for manning senior posts in the administration may, as a general rule, be obtained on deputation from Assam. In special cases, however, personnel can also be obtained from the Centre. Discretion in this matter may be left to the Administrator. Officers of the All-India Services may be provided directly from the Centre. In relation to the technical services, supervision and guidance may be obtained from Assam. Where required, they may be obtained from the Centre.

- (5) There should be a separate Five-Year Road Building Programme and provision for air services for NEFA.
- (6) It will not be necessary to have officers of the status of Deputy Commissioners in every district. Officers of lower rank, with appropriate designations, may be empowered to exercise the powers of Deputy Commissioners.

Manipur

11. Although the overall responsibility for the administration of Manipur vests in the President acting through an Administrator, this is one of the Territories where there is a Legislature and a Council of Ministers. Border security is, however, the special responsibility of the Administrator.

12. In the Government of Union Territories Act, 1963, special provision has been made for the administration of the hill areas which are mainly inhabited by tribal people. A Standing Committee of the Manipur Legislature consisting of all MLAs representing the hill areas has been created. This Committee must be consulted in regard to any legislation connected with management of land and forests, use of canal water for irrigation, shifting cultivation, village and town committees, appointment and succession of chiefs or headmen, inheritance of property, marriages and social customs. This list follows the list of subjects in respect of which the autonomous district councils of Assam have legislative powers. A detailed procedure has been laid down for consultation with the Standing Committee and for dealing with its report in respect of Bills on any of these subjects.

13. In many ways the problems of this territory are similar to those of NEFA. Security and maintenance of public order are as much a problem in Manipur as they are in NEFA. Moreover, its substantial tribal population claims an individuality of its own. It would, therefore, be appropriate to deal with its administration in a manner similar to that of NEFA. There is, as in NEFA, need for a self-contained administration which would obviate the need for frequent references to Delhi. Its pattern must, however, take into account the democratic system that is functioning in this Territory.

14. Having in view the strategic importance of the territory, the Administrator should be of the status of an Additional Secretary or a senior Joint Secretary in the Central Government. Through adequate delegation of powers he could function as the Central Government in relation to the Territorial Administration. It will then be unnecessary to refer to the Central Government a large number of cases for orders and sanction. The consideration that the official status of the Administrator is lower than that of the Secretaries of administrative Ministries at the Centre should not come in the way of delegation of necessary powers to him. The size and resources of the Territory must be the principal factors to be taken into consideration

in fixing the status of the Administrator. It is not necessary to raise his status merely for the purpose of delegating higher powers.

15. Suitable amendments have to be made in the Rules of Business which at present make it incumbent on the Administrator to refer a large number of matters to the Central Government before issue of orders. The Administrator's powers in relation to the services should be enhanced. He may be given full disciplinary powers in relation to all services of the Territory.

16. We do not see any need for a large Council of Ministers in this small Territory. The Council may consist of the Chief Minister, a Minister and one or two Deputy Ministers. In order to prevent proliferation of Ministers, statutory provision may be made in the Government of Union Territories Act, 1963, limiting the size of the Council of Ministers.

17. The Legislative Assembly may be empowered to function in a manner similar to that of a State Legislature. The Administrator may be authorised to exercise, in appropriate cases, the powers of the President to give assent to Bills. Where the Administrator considers that a Bill is of such a nature that it is necessary to obtain legal advice at a higher level, he should be enabled to consult the legal advisers of the Central Government. A Bill, which would have been reserved for the assent of the President had it been a State Bill, shall be so reserved. Thus, the Administrator should function as a constitutional head comparable to the Governor of a State. Border security and law and order may, however, continue to be his special responsibility.

18. In the secretariat, there are at present six Secretaries including the Chief Secretary. For a territory with a population of about 7.80 lakhs (1961 census) which is much less than that of an average district in a State, a secretariat of this size is out of all proportion. The Study Team has suggested a Chief Secretary and three Secretaries. In our view, this number is also excessive. It should not be difficult to organise the work in such a manner that three Secretaries, including the Chief Secretary, will suffice.

19. The distribution of work in the Secretariat can be organised on the lines indicated at Appendix I. As we have suggested in the case of NEFA, personnel for manning senior posts may, as a general rule, be obtained from Assam. In special cases, at the discretion of the Administrator, personnel can also be obtained from the Centre. Technical advice, guidance and supervision can also be obtained from officers of the Assam Government, and, if required, from the Centre. Officers of the All-India Services should be provided directly by the Centre.

20. There is a substantial tribal population in this Territory mainly confined to the hill areas. The tribal people fall into two broad ethnic groups, the Kukis and the Nagas. For the reasons given in the case of NEFA, we suggest that the system of tribal administration now prevailing in

the Hill Districts of Assam may be introduced in these tribal areas. This will mean the creation of two autonomous districts for the Kuki and the Naga tribal areas. If necessary, autonomous regions can be carved out for smaller tribal groups. Statutory provisions will have to be made for this purpose in the Government of Union Territories Act, 1963.

21. It will not be necessary to have officers of the status of Deputy Commissioner in such new districts. Officers of lower rank, with appropriate designations, may be empowered to exercise the powers of Deputy Commissioners. It is, however, necessary that such functionaries must be resident within their sub-divisions.

Recommendation 3 :

We, therefore, recommend that :

- (1) The status of the Administrator may be equivalent to that of an Additional Secretary or a senior Joint Secretary in the Central Government.
- (2) Adequate powers may be delegated to the Administrator so that he can function as final authority in relation to the Territorial Administration. Those provisions of the Rules of Business which require prior concurrence of the Central Government in a large number of cases before issue of orders may be deleted.
- (3) The Administrator may be given full disciplinary powers in relation to the services of the Union Territory.
- (4) The council of Ministers should consist of the Chief Minister, a Minister and one or two Deputy Ministers. In order to prevent proliferation of Ministers, statutory provision may be made in the Government of Union Territories Act, 1963, limiting the size of the Council of Ministers.
- (5) The Legislative Assembly may be empowered to function in a manner similar to that of a State Legislature. The Administrator may be authorised to exercise, in appropriate cases, the powers of the President to give assent to Bills. Where the Administrator considers that Bill is of such a nature that it is necessary to obtain legal advice at a higher level, he should be enabled to consult the legal advisers of the Central Government. A Bill which would have been reserved for the assent of the President had it been a State Bill, shall be so reserved.
- (6) The secretariat may consist of a Chief Secretary and two Secretaries. The distribution of work can be organised on the lines indicated at Appendix I.

- (7) Personnel for manning senior posts in the Administration may, as a general rule, be obtained on deputation from Assam. In special cases, however, personnel can also be obtained from the Centre. Discretion in this matter may be left to the Administrator. Officers of the All-India Services may be provided directly from the Centre. In relation to the technical services, supervision and guidance may be obtained from Assam and if required, from the Centre also.
- (8) The hill areas of Manipur may be constituted into two autonomous districts for the Kuki and Naga tribal areas. If necessary, autonomous regions can be carved out for smaller tribal groups. Necessary statutory provision may be made for this purpose in the Government of Union Territories Act, 1963.
- (9) It may not be necessary to have officers of the status of Deputy Commissioner in the new districts. Officers of lower rank, with appropriate designations, may be empowered to exercise the powers of the Deputy Commissioner.

Tripura

22. The problems of this Territory are similar to those of NEFA and Manipur. It also has a substantial tribal population.

Recommendation 4 :

We, therefore, recommend that the pattern of the administrative set-up in Tripura should be, *mutatis mutandis*, based on the one recommended for Manipur.

CHAPTER IV

GOA, DAMAN & DIU AND PONDICHERRY

The population and area of Goa, Daman & Diu are 6·26 lakhs (1961 census) and 3733 sq. kms. respectively. The population and area of Pondicherry are 3·69 lakhs (1961 census) and 474 sq. kms. respectively. Thus they are comparable to a tehsil in a State; and a small one at that, in the case of Pondicherry.

2. Both these Territories have a long history of colonial rule. While *de facto* transfer of Pondicherry was effected in 1964 after protracted negotiations with France, Goa had to be wrested from the Portuguese in 1961. They were constituted into Union Territories in 1962 and formally integrated in the Indian Union. The fact that they had for long been under foreign rule, isolated from the rest of India, explains their being treated as Centrally administered areas immediately on their integration in the Indian Union. Backwardness and the needs of the national security—both factors of importance in favour of Central administration—have no application to either of these two Territories.

3. In the case of Goa, an effort was made for its merger with Maharashtra and that of Daman and Diu with Gujarat. Because of commitments given at the time of the integration of this Territory with the Indian Union, it was decided to ascertain the wishes of the people through an "Opinion Poll". In the poll held in January, 1967, the people gave a clear verdict in favour of maintaining the *status quo*. Further, according to the 1956 Indo-French Treaty of Cession, the wishes of the people must be ascertained before any change is made in the constitutional status of Pondicherry. We cannot, however, rule out the possibility of the ultimate merger of these small Territories in the neighbouring States, especially when it is remembered that the discontinuous character of their constituent units makes it difficult to have an efficient administrative set-up functioning from a central point. There should then be a considerable reduction in expenditure on the costly and elaborate paraphernalia associated with a separate Territorial Administration.

Goa, Daman & Diu

4. The present set-up is far too elaborate and costly in relation to the actual needs of the Territory. A Lt. Governor aided and advised by a Council of Ministers consisting of the Chief Minister, two Ministers and one Deputy Minister; a Legislature of 30 members; a secretariat consisting of the Chief Secretary and six Secretaries; and a total staff complement of 12,970,

which in proportion to the population of the Territory is nearly three times the corresponding proportion in the case of the States—all this appears to be totally unrelated to the legitimate needs of a Territory of the size of Goa.

5. If the actual administrative needs of a Territory of the size of Goa, Daman & Diu are the only factors to be taken into account in organising its administration, this Territory can, at best qualify for the set-up normally found in a district. This would mean, on the one hand, an administration headed by an officer of the status of Collector and on the other, a democratic body in the nature of a Zilla Parishad. The other components of the administration would then be adjusted to fit into this picture. Such a simplification of the administration would result in considerable economy in administrative expenditure.

6. Parliament has, however, made provision for a democratic form of government in this Territory modelled on a full-fledged State. The arrangements have now been in existence for over five years and simplification of the administration has to be effected retaining the democratic set-up.

7. At the head of the administration there may be an Administrator of the status of a Joint Secretary in the Central Government. As we have suggested in the case of Manipur and Tripura, this functionary, through adequate delegation of powers, may be enabled to function as the Central Government *vis-a-vis* the Territorial Administration. Suitable amendments may be made in the Rules of Business so as to delete all such rules which require prior concurrence of the Central Government before issue of orders. The Administrator's powers in relation to the services of the Territory should be enhanced so that he can exercise full disciplinary control over them.

8. The Council of Ministers, to aid and advise the Administrator, may consist of the Chief Minister, a Minister and a Deputy Minister. As we have suggested in the case of Manipur and Tripura, proliferation of Ministers may be prevented through statute.

9. The Territorial Legislature may function in the manner recommended for the Manipur Legislature in para 17 of Chapter III.

10. There is no need for full-fledged secretariat as in the States. In our view, all that is needed is a Secretary-*cum*-Finance Officer to the Administrator. There may be a separate Law Officer. For the rest, the executive heads of departments can function as a part of the Secretariat of the Territorial Administration, and at the same time, be in charge of the field organisations of their respective departments.

11. Personnel for manning senior posts may, as a general rule, be obtained from the neighbouring States. The Administrator, in his discretion, can also obtain officers from the Centre. Technical advice, guidance and supervision should be obtained from officers of the neighbouring States and,

if required, from the Centre. Officers of the All-India Services should be provided directly by the Centre.

12. At the district level, there may be a separate Collector and a Superintendent of Police. We do not see any need for a separate Collector for Daman and Diu. Instead, a duly empowered Additional District Magistrate will serve the purpose. He can also look after the needs of Dadra & Nagar-Haveli as is the case at present.

Recommendations :

We, therefore, recommend that :

- (1) There may be an Administrator of the status of a Joint Secretary in the Central Government.
- (2) Adequate powers may be delegated to the Administrator on the lines suggested for the Administrators of Manipur and Tripura.
- (3) The Council of Ministers may consist of the Chief Minister, a Minister and a Deputy Minister. The size of the Council of Ministers may be limited by statute.
- (4) The Legislative Assembly may function in the manner recommended in para 17 of Chapter III.
- (5) There is no need for a full-fledged secretariat modelled on the secretariats of the States. A Secretary-cum-Finance Officer to the Administrator and a separate Law Officer will suffice. In all other departments, the executive heads can function as a part of the Secretariat of the Territorial Administration.
- (6) Personnel for manning senior posts may, as a general rule, be obtained on deputation from the neighbouring States. The Administrator, in his discretion, may also obtain officers from the Centre. Officers of the All-India services should be provided directly by the Centre. Technical advice, guidance and supervision should be obtained from officers of the neighbouring States and, if required, from the Centre.
- (7) At the district level, there may be a separate Collector and a Superintendent of Police. The Collector of Daman who looks after Dadra & Nagar-Haveli, may be replaced by a duly empowered officer of the status of an Additional District Magistrate.

Pondicherry

13. The Union Territory of Pondicherry resembles Goa, Daman & Diu in the discontinuous character of its constituent units (Pondicherry, Karaikal, Yanam and Mahe), the smallness of its area and population and

the state of its economic development. There is a provision for its administration by a Lt. Governor aided and advised by a Council of Ministers consisting of a Chief Minister and four Ministers. There was a Legislature of 30 members till its dissolution in September, 1968. The secretariat consists of a Chief Secretary and five Secretaries and a total staff complement of 9,100 which in proportion to the population of the Territory is more than thrice the corresponding proportion in the States. This administrative edifice is as unrelated to the actual needs of a Territory of the size of Pondicherry as is the case of Goa. In these circumstances, the set-up for Pondicherry should, in our view, be similar to the one recommended for Goa, Daman & Diu.

Recommendation 6 :

We, therefore, recommend that the pattern of the administrative set-up in Pondicherry may be, *mutatis mutandis*, based on the one recommended for Goa, Daman & Diu.

CHAPTER V

HIMACHAL PRADESH

The reorganisation of the Punjab and the consequent transfer of the areas of that State to Himachal Pradesh has increased the area of the Union territory from 28,192 sq. kms. to 58,232 sq. kms. and its population from 13.51 to 28.12 lakhs (in terms of the 1961 census). Himachal Pradesh is thus larger in area than Punjab, Haryana, Nagaland or Kerala.

2. The Chief Minister and Members of Parliament from Himachal Pradesh appeared before us and tendered evidence that Himachal Pradesh deserves to be granted full Statehood. They reinforced their claim with the argument that it has become a bigger territory after the merger in 1966 of parts of the erstwhile Punjab State. The claim for Statehood is supported by all the political parties in Himachal Pradesh and even by the officials. The Members of the Legislature and officials transferred from Punjab plead that their status has been lowered by their being transferred from a State to a Union Territory. The Minister of State for Home Affairs said in Rajya Sabha on August, 9, 1968 that—

“Himachal Pradesh is the biggest Union Territory in our Country from the point of view of size and there is some kind of public support to the demand that Himachal Pradesh should become a full State. We have full sympathy for this demand. We do not want to hold back Statehood from Himachal Pradesh a day longer than necessary. As a matter of fact, it is our firm policy to help Himachal Pradesh gain financial resources as quickly as possible and once their financial resources become equal to their requirements and they obtain the condition of financial viability, we would not hesitate to give it Statehood”.

3. Thus, the Central Government as well as the leaders and officials of Himachal Pradesh are in general agreement about its right to Statehood. The only point that remains to be determined is whether the necessary conditions are fulfilled. This would require detailed enquiries into financial viability and other relevant circumstances, which we have not undertaken as the subject is not strictly within our terms of reference. We would, therefore, leave this question for the consideration of Government and confine ourselves to making recommendations for improvement in the present arrangements.

4. The Administration in Himachal Pradesh is headed by a Lt. Governor aided and advised by a Council of Ministers consisting of a Chief Minister, six Ministers of Cabinet rank and five Deputy Ministers.

There is also a Legislature of 60 elected members. The secretariat consists of a Chief Secretary of the status of a joint Secretary in the Central Government. There are, in addition, eight *ex-officio* Secretaries. The territorial Administration employs a total staff of about 86,700 persons, which in proportion to the population of the Territory is about four times the corresponding proportion in the case of the States.

5. In the current year, against an estimated expenditure of Rs. 79.95 crores, the Territory's revenues are likely to account for only Rs. 14.43 crores (percentage of expenditure to revenue—526.2). The deficit will have to be made good through grants and loans from the Centre. The elaborate administrative arrangements and the surfeit of staff casts an avoidable burden on the Central Government Exchequer. While it is true that this situation is inherent in the financial relations between the Central Government and the Union Territory, it does not mean that effective steps should not be taken to simplify the administration so as to diminish this burden.

6. Considering the population, area and problems of administration of Himachal Pradesh, we do not recommend any change in the status of the Administrator as that of Lt. Governor. We have already made a recommendation in relation to the other Union Territories with Legislatures that the Administrator should be duly empowered to function as the "Central Government" *vis-a-vis* the Territorial Administration. That recommendation applies also to the Lt. Governor of Himachal Pradesh. This will obviate the necessity for frequent references to the Centre for orders and sanctions. Suitable amendments may be made in the Rules of Business to delete all references to rules which require prior concurrence of the Central Government before issue of orders.

7. The size of the Council of Ministers is needlessly large. It may be reduced so as to consist of the Chief Minister, two Ministers of Cabinet rank and two Deputy Ministers. This limit should be prescribed by statute.

8. The Legislative Assembly in Himachal Pradesh may function in the manner recommended for Manipur Legislature in para 17 of Chapter III.

9. At the secretariat level, the Study Team has recommended a Chief Secretary of the status of a Joint Secretary and four Secretaries (one of whom may function as Development Commissioner) of the status of Deputy Secretaries in the Central Government. It has, in addition, recommended one *ex-officio* Secretary in-charge of the Department of Multi-purpose Projects & Power. In our view, the number of Secretaries recommended by the Study Team is excessive. We feel that a Chief Secretary of the status of a Joint Secretary and three Secretaries of the status of Deputy Secretaries will suffice. In addition, the Chief Engineer, Multi-Purpose Projects & Power, can function as a part of the Secretariat.

10. The work in the Secretariat can be organised on the lines indicated at Appendix II.

11. We appreciate that the arrangements for functional departments will have to generally follow the arrangements existing in the neighbouring States. In other words, there may be a Chief Engineer, PWD, a Development Commissioner, a Director of Agriculture, a Director of Education, a Chief Conservator of Forests, a Director of Industries, a Registrar of Co-operative Societies and a Director of Health Services. Considering the special development needs of this backward territory, it does not seem necessary to make a change in their status.

12. The Study Team has pointed out the scope for reduction in the number of districts in the Territory and thereby achieving a considerable saving in administrative overheads. The team has suggested a study in depth by the Home Ministry in consultation with the Himachal Pradesh Administration before a rationalisation of district boundaries is undertaken. We are in agreement with these proposals and we suggest that steps should be initiated to achieve some reduction in the number of districts.

13. The Study Team has pointed out that on the basis of recent work studies conducted by the Staff Inspection Unit of the Ministry of Finance, a surplus of about 25% has been located in the head quarters organisations of the Himachal Pradesh Administration. The Team has remarked : "Even in their discussions with us, officials and non-officials were unanimous that over-staffing throughout the Himachal Pradesh Administration had reached a level where surplus staff was a positive drag on the Administration. Despite open acknowledgement of this situation, not much has been done to get rid of the unwanted surplus". The study Team has viewed this situation with some anxiety and has stated :

"If the extent of over-staffing is more or less the same at other levels of the Administration, there may be an excess of about 21,675 officials in this Territory. The SIU has calculated that there will be an economy of Rs. 16.19 lakhs per annum through the abolition of 413 posts. If we adopt these figures, it is conceivable that an economy of about Rs. 8.50 crores per annum can be effected through the abolition of 21,675 posts. While we concede that on political considerations, it may not be possible to retrench so much staff, it does not mean that the Himachal Pradesh Administration should not at least initiate action to cut down its staff in accordance with the SIU's recommendations".

14. The Study Team has clearly brought out the immense scope for economy in the administration. It has also made a number of concrete suggestions for remedial action. We agree with the Study Team that there is a need for urgent action to effect substantial economies in this field.

Recommendation 7 :

We, therefore, recommend that :

- (1) A Lt. Governor may continue to be the Administrator in Himachal Pradesh.
- (2) The powers of the Administrator may be enhanced on the lines suggested for the Administrators of Manipur, Tripura, Goa, Daman & Diu and Pondicherry.
- (3) The Council of Ministers may consist of the Chief Minister, two Ministers of Cabinet rank and two Deputy Ministers. The size of the Council of Ministers may be limited to this maximum by statute.
- (4) The Legislative Assembly may function in the manner recommended in para 17 of Chapter III.
- (5) The Secretariat may consist of a Chief Secretary and three Secretaries of the status of a Joint Secretary and Deputy Secretaries respectively of the Central Government. In addition, the Chief Engineer, Multi-Purpose Projects & Power, can function as a part of the Secretariat. The distribution of work in the secretariat can be organised on the lines indicated in Appendix II.
- (6) In the functional departments, the present arrangements may continue.
- (7) A study in depth may be undertaken by the Home Ministry in consultation with the Himachal Pradesh Administration with the object of rationalisation of district boundaries and reducing their number.
- (8) Immediate steps may be taken to effect substantial economies in order to reduce the gross over-staffing which exists in this Administration.

CHAPTER VI

DELHI

Introduction:

The administration of the Union Territory of Delhi vests in the President acting through an Administrator designated as Lt. Governor. In order to give a representative character to the administrative set-up, a Metropolitan Council consisting of 61 members, of whom 56 are elected from territorial constituencies and five are nominated, has been created. Although it resembles a legislature, it does not have any legislative powers. It is only entitled to discuss and make recommendations on following matters:

- (a) proposals for undertaking legislation with respect to matters in the State List or the Concurrent List;
- (b) proposals for extension to Delhi of any enactment in force in a State;
- (c) proposals for legislation referred to it by the Administrator;
- (d) the estimated receipts and expenditure pertaining to Delhi to be credited to and made available from the Consolidated Fund of India;
- (e) matters of administration involving general policy and schemes of development; and
- (f) any other matter referred to it by the Administrator.

Besides the Metropolitan Council, there is an Executive Council. It has the appearance of a Council of Ministers, but is not responsible to the Metropolitan Council. Moreover, its advice is not binding on the Administrator, who can, in case of difference of opinion, refer the disputed matter to the President for decision.

2. Even in this modified form of democratic government, there is an element of diarchy. The Delhi Administration Act, 1966 provides that in respect of law and order, including organisation and discipline of the police, and with respect to such other matters as the President may specify in this behalf, the Administrator shall function in his discretion. By this provision, therefore, the functions and responsibilities of the Administrator have been grouped into two categories—one the “reserved” category with regard to which the Administrator can function in his discretion and the other the “transferred” category with regard to which the Administrator normally functions with the assistance and advice of his Executive Council.

3. At the local government level, there is a Municipal Corporation with jurisdiction over the entire Union Territory of Delhi except for the areas

under the jurisdiction of New Delhi Municipal Committee and the Delhi Cantonment Board. This body is responsible for the functions normally assigned to a local government institution in charge of the municipal administration of a city. Unlike most other bodies of this type, however, it also has jurisdiction over the rural area of Delhi. It consists of 100 elected Councillors and six Aldermen elected by the Councillors. The Corporation is headed by a Mayor and a Deputy Mayor who are elected annually. The Corporation functions through six committees, the Standing Committee, the Delhi Transport Committee, the Delhi Electric Supply Committee, the Delhi Water Supply & Sewage Disposal Committee, the Rural Areas Committee and the Education Committee. The main executive authorities of the Corporation are the Commissioner, the General Manager (Electricity), the General Manager (Transport), etc.

4. The New Delhi area has a separate municipal body consisting of 11 members, all nominated. It consists of the President and four other official members and six non-official members. Powers of nomination vest in the Lt. Governor of Delhi. To place this matter beyond doubt, the Central Government have by notification "reserved" for the Lt. Governor all matters relating to the appointment of members and the President of the New Delhi Municipal Committee, their numbers, terms of office, etc. This body functions like any other municipal body of a similar type. Special provision has, however, been made in respect of the New Delhi Municipal Committee *vis-a-vis* the Territorial Administration. Any decision by the Executive Council in relation to matters concerning New Delhi requires the concurrence of the Administrator and in case of difference of opinion, the views of the Administrator prevail.

5. The Delhi Development Authority, a statutory body created under the provisions of the Delhi Development Act, 1957, is responsible for promoting and securing the planned development of Delhi. This body consists of the Lt. Governor functioning as Chairman *ex-officio* a whole-time Vice-Chairman, two whole-time members appointed by the Central Government for Finance and Accounts, and Engineering, representatives of the Municipal Corporation of Delhi and the Metropolitan Council, three nominees of the Central Government and the Commissioner of the Delhi Municipal Corporation *ex-officio*.

6. The administration of the cantonment area is entrusted to the Delhi Cantonment Board, the functions of which are identical with other similar Boards in the country. It consists of seven nominated members and another seven elected members.

7. The Study Team has examined at considerable length the peculiar features of the administrative set-up devised for the Union Territory of Delhi. It has, in particular, examined the administration at the Territorial level and

has pointed out that the Central Government are finding it difficult to discharge their constitutional responsibilities to ensure the proper administration of the national capital. Any attempt on the part of the Central Ministries to take account of the day to day working of the Territorial Administration in their respective spheres of activities, is resisted on the score that it amounts to interference with the autonomy of the Territorial Administration—an Administration which has been conceived in the image of a State Government but without such plenary powers as a State possesses. There is also a complaint that the people have been denied representative government at the State level. The Study Team has observed that the two institutions which have been created at this level, viz., the Metropolitan Council and the Executive Council, are no substitutes for a Legislature and Council of Ministers, for the former has no legislative powers and the latter is not subject to the control of the representative body, the Metropolitan Council.

8. From the brief description of the administrative arrangements for Delhi given above it is evident that there is a multiplicity of authorities functioning therein. In a Territory with an area of 1,483 sq. kms. there are two governments, three local authorities and a development agency. There is the Central Government at the highest level and then the Territorial Administration with the Lt. Governor, an Executive Council and a Metropolitan Council. The local authorities are the Municipal Corporation, New Delhi Municipal Committee and the Cantonment Board. The development agency is the Delhi Development Authority.

9. In the evidence adduced before the Study Team, it was generally admitted that the multiplicity of authorities in this Territory had not made for efficient administration. It was suggested that the only remedy lay in the creation of a single unified authority generally in charge of the administration of the Territory as a whole.

10. While the Study Team seems to recognise the shortcomings of the present arrangements and the need for concentrating powers in a single unified authority, it has sought to achieve this objective by modifications in the present set-up. It has stated: "The guiding principle which should govern the relations of the Central Government with the Delhi Administration is that in respect of 'transferred' subjects, irrespective of the legal position, the Central Government must treat the Delhi Administration in a manner similar to any State Government, particularly, in matters of day to day administration". In other words, it has suggested that through conventions the Metropolitan Council and Executive Council might be accorded the *de facto* status of a State Government. While we appreciate this suggestion, we do not think that it goes far enough. Reliance on the mere recognition through convention of the Territorial Administration as a State Government will not help in effectively reducing the multiplicity of authorities.

functioning in this Territory. In our view, concrete steps must be taken to reduce the levels which are at present concerned with the administration of Delhi.

11. In formulating a scheme for the administration of Delhi, the following factors will have to be kept in view:

- (a) The special responsibilities of the Central Government in Delhi as the national capital, and more particularly in New Delhi where the principal offices of the Central Government and many foreign missions are located.
- (b) The responsibility of the Central Government to ensure that the administration of the national capital and its development is regulated on sound, efficient and modern lines.
- (c) The need for ensuring that the municipal administration of the New Delhi area conforms to the standards required in a capital city.
- (d) The existence of several central institutions of all-India importance, in the fields of education, health, agriculture, research, etc.
- (e) Its relationship with the neighbouring States of Uttar Pradesh and Haryana.
- (f) The industrial and commercial importance of Delhi, which involves the need for continuous coordination between subjects in the State and the Union Lists.

12. We will also have to keep in mind that the Constitution provides for the creation of Legislatures and Councils of Ministers only in five Union Territories of which Delhi is not one. Therefore, without an amendment of the Constitution neither of these bodies can be created in this Territory.

13. We accordingly give in the following paragraphs an outline of our scheme for the administration of this Territory.

Cantonment:

14. The cantonment area will have to be kept outside the general arrangements devised for the administration of the Territory. It will continue to be governed in accordance with the provisions of the Cantonments Act, 1924. We are, however, of the view that in order to ensure an integrated administration responsive to the developmental needs of the Territory, there will have to be some link between the Cantonment Board and the arrangements made for the rest of the Territory. Our proposals on this point are indicated at the appropriate place.

15. The Commission have appointed a separate Study Team on "Defence Matters" which is also examining cantonment administration. Our recommendations for reform in the administration of Delhi Cantonment will be made in our report on the above subject.

Recommendation 8 :

We, therefore, recommend that the administration of the cantonment area may continue to be governed by the provision of the Cantonments Act, 1924, subject to such changes we may suggest in our report on the Defence Matters.

New Delhi Municipal Committee:

16. For purposes of municipal administration, the area which at present falls under the jurisdiction of the New Delhi Municipal Committee (approximately 42 sq. kms.) may continue as a separate unit. The main reason for this recommendation is that in New Delhi are situated the main offices of the Union Government and other government premises, either offices or residences meant for Ministers, government servants, Members of Parliament, etc. It will, however, be necessary to ensure that this municipal body fits into the general pattern for a single unified authority in charge of the administration of the Union Territory as a whole.

17. This is necessary because of the advantages that will accrue from overall control of bodies in charge of supply of electricity and water, transport and other municipal amenities. This objective can be achieved in the manner set out in a later part of this chapter.

18. While we concede the need for a separate municipal body for the New Delhi area, we feel that it should have a measure of popular representation. We, therefore, recommend that in addition to the President, five members may be elected to the Committee from suitable territorial constituencies and five more members may be nominated by the Central Government. The President of the Committee should continue to be nominated by the Central Government as at present, but he need not invariably be an official.

Recommendation 9 :

We, therefore, recommend that :

- (1) For the purposes of municipal administration, New Delhi may continue as a separate unit.
- (2) The New Delhi Municipal Committee may consist of a President, five members to be elected from suitable territorial constituencies and five members to be nominated by the Central Government.
- (3) The President of the Committee should be nominated by the Central Government but he need not invariably be an official.

Statutory Boards :

19. Before we set out our proposals for the arrangements to be made for the areas outside Delhi Cantonment and New Delhi, it will be appropriate

if we first spell out our proposals for the arrangements to be made for the provision of such basic amenities as electric and water supply, transport, etc. We understand that Government have under consideration a proposal for the creation of three statutory bodies, viz., a Road Transport Corporation, Electricity Board and a Water Supply and Sewage Disposal Board. They will take over the functions relating to transport, bulk supply of electricity and water and sewage disposal from the Municipal Corporation. The municipal authorities concerned with these functions are then to be abolished. "We are in complete agreement with the need for such statutory bodies. These bodies should include besides experts, representatives of the Contonment Board, the New Delhi Municipal Committee and the Delhi Metropolitan Council (described hereinafter). As a general rule, the experts should constitute two-thirds of the total number of members on the Board. This is essential in order to ensure that the Boards are alive to the grievances of the public and their needs. Overall supervision should vest in the Central Government functioning through the Administrator. The power reserved for the Central Government in respect of these bodies should be on the lines we have recommended in respect of public sector undertakings, viz.,

- (i) to appoint the Chairman and the Government representatives;
- (ii) to appoint, in consultation with the Chairman, other members;
- (iii) to give directions to these bodies as to the exercise and performance of their functions in matters involving national security or substantial public interest and to ensure that they give effect to such directions;
- (iv) to call for such returns, accounts and other information with respect the property and activities of these bodies as may be required from time to time;
- (v) to authorise the amount of capital to be raised and the terms and conditions on which it may be raised;
- (vi) to approve the five-year and annual plans of development and the capital budget;
- (vii) to approve their revenue budget in case there is an element of deficit which is proposed to be met by obtaining funds from the Government; and
- (viii) to approve agreements involving foreign collaboration proposed to be entered into by these bodies and to approve purchases and contracts of major nature involving substantial capital outlay which are in excess of the powers vested in the Boards.

20. In order that the people's representatives can generally supervise the functioning of these bodies, we suggest that the Metropolitan Council may be empowered to discuss their annual reports.

Recommendation 10 :

We, therefore, recommend that :

- (1) Autonomous statutory bodies may be created for Transport, Supply of Electricity, and Water Supply & Sewage Disposal.**
- (2) In addition to experts, the Cantonment Board, New Delhi Municipal Committee and the Delhi Metropolitan Council should have representation on these bodies. As a general rule, the experts may constitute two-thirds and the others one-third of the members of the Boards.**
- (3) Overall supervision of these bodies may vest in the Central Government functioning through the Administrator. The powers we recommend for the Central Government are indicated in paragraph 19.**
- (4) The annual reports of these bodies may be discussed in the Metropolitan Council.**

Metropolitan Council :

21. The Metropolitan Council should continue. It now consists of 56 elected and 5-nominated members. Its strength and composition may be revised as follows :

- (a) 56 members chosen by direct election from territorial constituencies from the areas not included in the Cantonment and New Delhi;
- (b) 3 representatives of the New Delhi Municipal Committee and one representative of Delhi Cantonment Board; and
- (c) one representative each of the statutory bodies for Transport, Electric Supply and Water Supply & Sewage Disposal.

22. The representatives of the New Delhi Municipal Committee and the Cantonment Board must be from among their elected members.

23. There is at present an Executive Council to assist and advise the administrator in the exercise of his functions in relation to matters enumerated in the State List and Concurrent List except when he is required to act in his discretion. This set-up may continue with an important modification. The Executive Council should be collectively responsible to the Metropolitan Council and thus enjoy a position similar to that of a Council of Ministers in some other Union Territories. The Executive Council may consist of Chief Executive Councillor and two Executive Councillors. The Chief Executive Councillor will be appointed by the Administrator who will naturally select one who commands a majority in the Metropolitan Council. The other Executive Councillors will be appointed by him on the advice of the Chief Executive Councillor.

24. There should be a clearly demarcated field in which the Administrator should be allowed to function in his discretion. The Executive Council will

not be called upon to advise him on matters arising in this field. The demarcation should be made in precise terms so that there may be no occasion for conflict between the Administrator and the Executive Councillor in this regard. We suggest that the following matters be "reserved" for the Administrator, *viz.* :—

- (i) Public order; maintenance of law and order; and security of the State;
- (ii) Police, including Railway and Village police.
- (iii) Administration of justice, constitution and organisation of local Courts; Officers and servants of such Courts; and fees taken in such Courts.
- (iv) Hospitals and dispensaries of the Central Government and of the Central Government Health Service.
- (v) Services in relation to items (i), (ii), (iii) and (iv) above.
- (vi) Universities.
- (vii) Lands and buildings vested in or in the possession of the Union situated in the Territory.

25. The Metropolitan Council may continue to have the right to discuss and make recommendations with respect to the following matters in so far as they relate to Delhi :

- (a) proposals for undertaking legislation with respect to any of the matters enumerated in the State List or the Concurrent List in the Seventh Schedule to the Constitution in so far as any such matter is applicable in relation to Union Territories;
- (b) proposals for extension to Delhi of any enactment in force in a State relating to any matter enumerated in the State List or the Concurrent List;
- (c) proposals for legislation referred to it by the Administrator with respect to any of the matters enumerated in the State List or the Concurrent List;
- (d) the estimated receipts and expenditure pertaining to Delhi to be credited to and made available from the Consolidated Fund of India; and notwithstanding anything contained in the Delhi Development Act, 1957, the estimated receipts and expenditure of the Delhi Development Authority;
- (e) matters of administration involving general policy and schemes of development in so far as they relate to matters enumerated in the State List or the Concurrent List;
- (f) any other matter referred to it by the Administrator.

26. We agree with the proposal of the Study Team that the recommendations of the Metropolitan Council on legislative matters must as a general rule, be accepted by the Central Government and acted upon accordingly. The prohibitions which exist at present in the Rules of Business regarding the initiation of legislation by the Territorial Administration without the prior approval of the Central Government, may be removed. In other words, the Metropolitan Council can, on its own initiative, discuss new legislative measures and recommend their adoption to the Central Government. This will afford full opportunity to the Metropolitan Council to have its say in the field of legislation. Parliament will, however, continue to legislate for this Territory.

27. In the "reserved" field the Administrator will act as an agent of the Central Government. In the "transferred" field, he will function as a constitutional head similar to a Governor in a State. However, if any issue arises in this field which in the opinion of the Administrator impinges on any matter included in the Union List he may refer it to the Central Government for their decision.

28. Considering the responsibilities of the Administrator, we recommend that he should be of the status of a Secretary in the Central Government. We expect the Administrator and the Executive Council to work in close harmony. We also envisage that the Administrator will play the role of a coordinator bringing in harmony and understanding.

29. The Metropolitan Council must have an elected presiding officer. There is also need for a functionary who can discharge the ceremonial functions associated with the civic head of a city administration. We recommend that the presiding officer of the Metropolitan Council may discharge this function and that he may be designated as "Mayor". He will not have any executive powers.

30. The executive machinery of the Territorial Administration should be simplified. We do not see the need for duplicating an elaborate Secretariat and also connected paraphernalia of the type seen in the States. It will be sufficient if there are one or two Secretaries to help the Administrator in "Reserved Subjects". Executive functions may be carried out through specialised departments concerned with subjects such as Medical & Public Health, Agriculture, Revenue, Taxation, Education, Animal Husbandary and Municipal Affairs. The status of the executive heads can be appropriately adjusted in accordance with the importance of each charge. They need not necessarily be equivalent to their counterparts in the States.

31. With the reorganisation of the Metropolitan Council and the enlargement of its jurisdiction, the Delhi Municipal Corporation may be abolished. Thereafter, the Metropolitan Council will be responsible for municipal administration throughout the Territory except in the areas falling

within the jurisdiction of the New Delhi Municipal Committee and the Delhi Cantonment. This arrangement will enable the administration to do away with the duplication of several departments, which is a feature of the existing set up. Unified departments can then be created for subjects like education, medical and public health, works and roads. This should lead to considerable economy in administrative costs.

32. The Metropolitan Council may constitute a number of Standing Committees. Each of them may be presided over by the Chief Executive Councillor or one of the Executive Councillors, in accordance with their portfolios. There may be a separated committee or committees for municipal functions. In respect of the Municipal functions, the Metropolitan Council may be empowered to frame regulations and bye-laws.

33. Administration of various State Level tax laws will be the responsibility of the Territorial Administration. Inasmuch as the Metropolitan Council will now assume the functions of the Delhi Municipal Corporation, it may be empowered to levy the following municipal taxes :

- (i) Property tax.
- (ii) A tax on vehicles and animals;
- (iii) A theatre tax;
- (iv) A tax on advertisements other than advertisements published in the newspaper;
- (v) A duty on the transfer of property;
- (vi) A tax on the buildings payable along with applications for sanction of building plans;
- (vii) An education cess;
- (viii) A local rate on land revenue;
- (ix) A tax on professions, trades, callings and employments;
- (x) A tax on the consumption, sale or supply of electricity;
- (xi) A betterment tax on increase in urban land values caused by the execution of any development or improvement work;
- (xii) A tax on boats; and
- (xiii) Tolls.

34. The Territory's budget will broadly consist of three parts, viz. (a) the budget relating to the metropolitan Council's municipal functions, (b) the budget relating to the "reserved" subjects, and (c) the budget relating to the "transferred" subjects.

35. The budget relating to municipal functions may be framed by the Territorial Administration and presented to the Metropolitan Council for

vote. Receipts will be made up of recoveries from the municipal taxes enumerated above and such grants and loans as are given by the Centre.

36. As for the budget relating to "reserved" subjects, it is directly connected with the special responsibilities of the Central Government in the national capital. Hence, the budget may be framed by the Administrator and submitted to the Central Government who will present it to Parliament for vote.

37. In relation to the budget for the "transferred" subjects, we suggest that a procedure be evolved whereby the Central Government and the Territorial Administration, through mutual consultations, can decide in advance the quantum of grants-in-aid and loans to be given to this Territory. The Administration can then frame the Territory's budget and present it to the Metropolitan Council for discussion. The budget may, thereafter, be forwarded to the Central Government along with the recommendations of the Metropolitan Council. As we have stated earlier, Government should, as a general rule, accept all recommendations of the Metropolitan Council. This rule must also apply to Delhi's budget estimates.

38. As the Metropolitan Council will function in a manner similar to a State Legislature in that the actions of the Executive Council will be subjected to close scrutiny through questions and various types of motions, we feel that Parliament and the Union Government may, by convention, agree to forgo their right to intervene in matters of day to day administration in respect of which the Administrator has taken a decision with the assistance and advice of the Executive Council. Matters in which the Administrator has acted in his discretion need not, however, be covered by this convention. A convention of this type will help in strengthening the hands of the Administrator to function as a unified authority for the Territory as a whole.

Recommendation 11 :

We, therefore, recommend that :

- (1) The Metropolitan Council may be reconstituted so as to consist of :—
 - (a) 56 members directly elected from territorial constituencies from areas outside the jurisdiction of the New Delhi Municipal Committee and the Cantonment Board.
 - (b) 3 representatives from the New Delhi Municipal Committee to be elected by its members from amongst themselves.
 - (c) One member to be elected by the Cantonment Board from amongst its members.

- (d) One member each from the three statutory bodies to be set up for Electric Supply, Transport and Water Supply & Sewage Disposal.

The representatives of the bodies mentioned in (b) & (c) should be from amongst their elected members.

- (2) The Delhi Municipal Corporation may be abolished and its functions entrusted to the Metropolitan Council.
- (3) (a) The Metropolitan Council shall have the right to discuss and make recommendations with respect to the matters enumerated in para 25. Parliament will continue to legislate for this Territory.
- (b) The recommendations of the Metropolitan Council on legislative matters must, as a general rule, be accepted by the Central Government and acted upon accordingly.
- (c) The prohibitions which exist in the Rules of Business regarding initiation of legislation by the Territorial Administration without prior approval of the Central Government, may be removed.
- (4) The Administrator may be empowered to function in his discretion in relation to the subjects enumerated in para 24.
- (5) In the exercise of his functions in the "transferred" field, the Administrator will be advised by the Executive Council consisting of a Chief Executive Councillor and two Executive Councillors. The Chief Executive Councillor should be appointed by the Administrator (who will select the person commanding a majority in the Metropolitan Council). The two Executive Councillors should be appointed by the Administrator on the advice of the Chief Executive Councillor. The Executive Council will be collectively responsible to the Metropolitan Council.
- (6) If any issue arises in the "transferred" field, which in the opinion of the Administrator impinged on any matter included in the Union List or the Concurrent List, he may refer it to the Central Government for their decision.
- (7) The administrator may be of the status of a Secretary in the Central Government. There may be only one or two Secretaries to assist him particularly in the reserved subjects. Executive functions may be carried out through specialised departments.
- (8) There should be a presiding officer of the Metropolitan Council elected by the Council. He will have no executive functions. He should be designated as "Mayor" and will discharge the ceremonial functions associated with the civic head of a city administration.

- (9) (a) The Metropolitan Council may constitute a number of Standing Committees. Each of them may be presided over by the Chief Executive Councillor or an Executive Councillor in accordance with their portfolios. There may be a separate committee or committees for municipal functions.
- (b) In respect of its municipal functions, the Metropolitan Council may be empowered to frame regulations and bye-laws.
- (c) The executive functions of government may be carried out through specialised departments.
- (10) The Territorial Administration will be responsible for the administration of such tax laws as are normally levied by the States. It should also be empowered to levy the municipal taxes enumerated in paragraph 33.
- (11) The Territory's budget may be broadly divided into three parts :
- The first, dealing with the purely municipal functions, which will be framed by the Territorial Administration and presented to the Metropolitan Council for vote;
- The second, dealing with the "reserved" subjects which may be framed by the Administrator and submitted to the Central Government who will present it to Parliament for vote;
- And the third, relating to "transferred" subjects, which may be framed by the Territorial Administration after ascertaining the quantum of Central assistance. When the budget has been discussed by the metropolitan Council, its recommendations may then be forwarded to the Central Government who must, as a general rule, accept such recommendations.
- (12) As the Metropolitan Council will function in a manner similar to a Legislature, Parliament and the Union Government may agree to forgo their right to intervene in matters falling in the "transferred" field.

CHAPTER VII

OTHER TERRITORIES

We now take up for consideration the four remaining Union Territories. These are:

- (i) the Andaman & Nicobar Islands;
- (ii) the Laccadive, Minicoy & Amindivi Islands;
- (iii) Chandigarh; and
- (iv) Dadra & Nagar-Haveli.

A feature common to all these Territories is that they are administered without Legislatures and Councils of Ministers. Moreover, they are comparatively small in areas as well as population. Our efforts have, therefore, been directed towards a simplification of these administrative organisations so as to minimise the expenditure.

The Andaman & Nicobar Islands

2. The 241 islands, which comprise the Andaman & Nicobar group, are strategically located in the Bay of Bengal. Apart from six or seven large islands, the others are comparatively small in size. The total area of all the islands taken together is 8,293 sq. kms. and their population is 63,548 (1961 census). As many as twelve languages are spoken in the Territory. The tribal population is 14,122. It resembles the Union Territories of the eastern region in its remoteness from Delhi, its problems of administration, its need of security and the existence of a large percentage of tribal people. These factors prove the need for a maximum degree of self-reliance in administrative matters.

3. Having in view the strategic importance of the territory, the Administrator should be of the status of an Additional Secretary or a senior Joint Secretary in the Central Government. His powers may, however, be on the lines recommended for the Administrators of other Union Territories. In order that the Administrator may keep in touch with the needs of the public opinion, an advisory committee may be associated with him.

4. The Administrator's secretariat, at present, consists of a Chief Secretary and two Secretaries. In addition, the Development Commissioner and Chief Conservator of Forests function as ex-officio Secretaries. We do not see any need for this elaborate set-up. In our view, the Administrator's secretariat need only consist of a Secretary-cum-Finance Officer of the status of an Under Secretary in the Government of India and a separate

Law Officer. In all other department work, the executive heads should function as a part of the Secretariat. Whenever required, technical supervision and guidance may be obtained from officers located at the Centre but they should visit the Islands at least once in six months and more frequently, if so required.

Recommendation 12 :

We, therefore, recommend that :

- (1) **The Administrator may be of the status of an Additional Secretary or a senior Joint Secretary in the Central Government. Adequate powers may be delegated to him on the lines we have recommended for the Administrators of other Union Territories.**
- (2) **In order that the Administrator may keep in touch with the needs of the public, an advisory committee may be associated with him.**
- (3) **The Administrator's secretariat may consist of a Secretary-cum-Finance Officer of the status of an Under Secretary in the Government of India and a Law Officer. The executive heads of departments may function as a part of the secretariat.**
- (4) **Technical supervision and guidance may be obtained from officers located at the Centre. They should visit the Islands at least once in six months and more frequently, if so required.**

The Laccadive, Minicoy & Amindivi Islands

5. It would appear *prima facie* difficult to justify a separate Administrator for a Territory with an area of 28 sq. kms. and a population of 24,108 (1961 census). There are, however, valid grounds for maintaining the *status quo*. For one thing, the location of the Territory in the midst of the sea at a considerable distance from the mainland creates many problems of administration; for another, the backwardness of its population, which consists almost entirely of scheduled tribes, places a considerable financial burden on the administering authority. In these circumstances, we feel that it will be in the larger interests of the local people and of the nation, if this Territory continues to be Centrally administered. Although there may be some scope for economy in the administrative machinery functioning in this Territory, it is, by and large, organised in a proper manner.

Recommendation 13:

We, therefore, recommend that the administrative set-up in the Laccadive, Minicoy & Amindivi Islands may continue unchanged.

Chandigarh

6. Chandigarh owes its origin to the language controversy in bilingual Punjab. The Boundary Commission which went into the demarcation of the boundaries of the Haryana and Punjab States was unanimous on all matters except Kharar tehsil, in which Chandigarh is located. The Chairman and one member recommended its inclusion in Haryana, while the third member left that it would be more appropriate to include it in Punjab. Government accepted all other recommendations of the Boundary Commission except that relating to Kharar tehsil. They decided in favour of constituting certain portions of the disputed tehsil, including the town of Chandigarh, into a Union Territory. This step was intended to be a temporary measure till a permanent solution could be found.

7. The failure to find an early permanent solution to the future of Chandigarh is proving to be a costly and unnecessary burden on the national exchequer. For a Territory with an area of 150 sq. kms. and population of about 1.40 lakhs (1966), a set-up headed by a Chief Commissioner, a secretariat consisting of two Secretaries and a total staff complement of 9,400 government servants which in proportion to the population of the Territory is more than nine times the corresponding population in the case of the States, appears to be extravagant.

8. Till such time as a final solution is found to the future of this Territory, its administration should be simplified to the extent possible.

9. The status of the Administrator of this Territory need not be higher than that of a Joint Secretary in the Central Government. He may, however, have powers similar to those we have recommended for the Administrators of the other Union Territories.

10. There is no need for a full-fledged secretariat modelled on those of the States. All that is needed is a Secretary-cum-Finance Officer to the Administrator of the status of a Deputy Secretary in the Government of India and a separate Law Officer. The heads of executive departments should function as a part of the secretariat.

11. As a general rule, personnel for manning senior posts may be obtained from the neighbouring States of Punjab and Haryana. Officers of the All-India Services can be obtained directly from the Central Government. Technical supervision and guidance should also be obtained from the neighbouring States.

Recommendation 14 :

We, therefore, recommend that :

- (1) There may be an Administrator of the status of a Joint Secretary in the Central Government. Adequate powers may be delegated to him

on the lines we have recommended for the Administrators of other Union Territories.

- (2) The Administrator's secretariat may consist of a Secretary-cum-Finance Officer of the status of a Deputy Secretary in the Central Government, a Law Officer and the executive heads functioning as a part of the secretariat.
- (3) Personnel for manning senior posts may be obtained from the neighbouring States and, if necessary, from the Centre. Technical supervision and guidance may also be obtained from the neighbouring States.

Dadra and Nagar-Haveli

12. This Territory has a common boundary with Gujarat and Maharashtra. The Governments of both the States, have, at various times, proposed the merger of this Territory in their respective States basing their claims on affinity of language. At one time, the Government of Gujarat even proposed the division of the Territory between itself and Maharashtra. Opinion within the Territory, however, favours its continuance as a separate administrative entity under direct Central administration. The Varishtha Panchayat, the representative body of the Territory, in March 1964, drew the attention of the Central Government to its resolution of October, 1962 wherein the Panchayat had pointed out to Government that the people of the territory had been given an assurance that their separate identity would be maintained.

13. A Territory with an area of 489 sq. kms. and a population of 57,963 (1961 census) is at best comparable to a small tehsil. The total staff complement of about 900 employed in this Territory should be capable of reduction.

14. The present administrative arrangements for this Territory are as follows. The Lt. Governor of Goa, Daman & Diu functions as the Administrator of the Territory. He is represented locally by the Collector of Daman, who also functions as Collector of Dadra & Nagar-Haveli. The actual work of administration is transacted through a number of departmental charges. Each departmental head is in charge of the field organisation of his department and also acts as assistant to the Collector in relation to his departmental subject. In addition to coordination at the level of the Collector, there is another functionary designated as Secretary to the Administrator who provides another focal point of coordination below the Collector. He acts as the Collector's general assistant in this matter. Locally this arrangement is called the "Secretariat-cum-district" pattern.

15. In this connection the Study Team has observed as under:

"..... we gathered the impression that the present administrative set-up (the Secretariat-cum-District type) is suited to its peculiar

needs. Not only is this system working efficiently, but it is also economical. We are informed that at the initiative of the Collector, a Work Study Committee has been examining the staff structure in various offices of the Administration with a view to reorganisation and economy. We were interested to learn that as a result of the recommendations of this Committee, 39 posts were found surplus. This has resulted in an economy of Rs. 1.10 lakhs per annum; in addition, the creation of 56 posts which had been approved in the past was postponed, thus resulting in a preventive economy of Rs. 3 lakhs. In a set-up which appears to be functioning well and where the Administration is alive to the needs of reorganisation and economy, there does not appear to be any advantage in making unnecessary changes. We have not, therefore, made any recommendation for change in the set-up of this small Territory."

16. So long as Dadra & Nagar-Haveli continues as a Union Territory, we agree with the conclusions of the Study Team.

Recommendation 15 :

We, therefore, recommend that the administrative set-up in Dadra & Nagar Haveli may be allowed in its present form. The Administrator may, however, explore further avenues of economy in administrative expenditure.

17. Some Union Territories have Legislatures. Delhi has a Metropolitan Council. Dadra and Nagar-Haveli have Varisht Panchayat which acts as an advisory committee to the Administrator. In NEFA, Government have already decided to have Agency Council. In all these cases, people's representatives are associated with the administration.

In the case of Chandigarh, Andaman & Nicobar Islands and Laccadive, Minicoy & Amindivi Islands, there are Advisory Committees at the level of Administrators, the members of which are all nominated. We feel that the principle of associating the elected representatives with the administration is a sound one and should be adopted. We accordingly recommend that at least half the number of members of these Advisory Committees may be elected.

Recommendation 16 :

We recommend that at least half the members of the Administrators' Advisory Committees for Chandigarh, Andaman / Nicobar Islands and Laccadive, Minicoy & Amindivi Islands may be elected.

CHAPTER VIII

MISCELLANEOUS

Organization at the Centre

The Study Team has made several proposals for reform of the organisational arrangements at the Centre for the administration of Union Territories. Of these recommendations, we may consider two, viz.,

- (a) upgrading of the post of Additional Secretary in charge of Union Territories to a full-fledged Secretary; and
- (b) qualifications of persons appointed as Administrators.

2. In our report on the "Machinery of the Government of India and its procedures of work" we have taken the view that the disadvantages of setting up a separate department for Union Territories outweigh the advantages. We have based this view mainly on the consideration that the Political Wing of the Home Ministry has a special responsibility in the maintenance of peace and tranquillity in the Union Territories. This Wing also looks after the matters of internal security in the country as a whole. If a separate department for Union Territories is to be created, it will bifurcate this responsibility and will also take the Home Secretary out of the picture. The Study Team has also generally followed a similar reasoning in rejecting the idea for a separate department for the Union Territories.

3. As a separate department for Union Territories is not needed, we do not see any justification for a full-fledged Secretary for this work. The present arrangements may, therefore, be allowed to continue.

4. The Study Team has suggested that in view of the duties and responsibilities of the Administrators, experienced civil servants and other persons with wide experience of civil administration will be the most suitable for appointment to such posts. While we are in agreement with this view, we specifically wish to reiterate that Government should not confine its choice only to officials as appears to be the general rule at present.

Election of the President and Vice-President

5. The Members of the Legislatures of the Union Territories appeared before the Commission and urged that they should have voting rights in electing President and Vice-President of India. They said that in this matter they were treated as "second class citizens". The Study Team has gone thoroughly into this matter. The people of the Union Territories participate in the election of the President and Vice-President through their representatives in the Lok Sabha and Rajya Sabha, where they have been accorded

over-representation in comparison to the States. To provide the voting rights to the Members of the Legislatures in the Union Territories over and above the extra representation in the Parliament would not be justified. The Study Team has come to the conclusion that the Union Territories are, on the whole, not at any disadvantage in comparison to the States in the matter of electing the President and the Vice-President. Any proposal to give the MLAs voting rights in the Presidential election will have to be accompanied by a reduction in the representation of the Union Territories in the Parliament. We do not consider it worthwhile to disturb the *status quo* to achieve a result which will be just the same as at present with regard to the participation in the election of the President and the Vice-President.

Size of the Legislatures in Union Territories

6. In conclusion, we would like to refer to the fact that the Legislatures in the Union Territories have too large a number of members as compared with their neighbouring States. Thus, the present strength of the Legislative Assemblies throws up an average of one representative per 26,000 of population in Manipur and per 28,000 of population in Tripura whereas in the neighbouring State of Assam the average population per constituency is 94,228. In Goa, the average population per Assembly constituency is 39,000, while the corresponding average in neighbouring Maharashtra is 1,46,495. Similar averages for Pondicherry and Madras are 12,300 and 1,43,400 respectively. Similarly, in the case of Himachal Pradesh the corresponding average is 46,862 as compared with the figure of 1,16,346 in Punjab. We wish to bring this matter to the notice of Government as a factor contributing to the increased administrative expenses. Our terms of reference, however, preclude us from making recommendation regarding the reduction of the strength of Legislatures.

CHAPTER IX
SUMMARY OF RECOMMENDATIONS

CHAPTER II
THE APPROACH

Central financial assistance to Union Territories with Legislatures for non-Plan expenditure should be indicated in advance for 5, or, say, 3 years so that the time taken by annual Central scrutiny may be reduced.

CHAPTER III
NORTH EAST FRONTIER AGENCY MANIPUR
AND TRIPURA

NEFA

- (1) (a) **The provisions of the Sixth Schedule to the Constitution relating to the administration of the tribal areas of Assam may now be applied to NEFA by issue of an appropriate notification.**
- (b) **Keeping in mind the need for maintaining the integrity of each major tribal group, NEFA may be divided into a suitable number of autonomous districts and autonomous regions on the pattern of the Assam Hill Districts.**
- (c) **At the district level, actual implementation of policies, particularly developmental, may be left to the autonomous district and regional councils. The district administration may only directly administer law and order, internal security, revenue, treasury and accounts.**
- (2) **In addition to the Adviser, three Secretaries and one Judicial Officer are adequate. The status of the senior-most of the Secretaries should be that of a Director in the Central Government and of the other two that of a Deputy Secretary in the Central Government. The distribution of work between the Adviser and the Secretaries may be as proposed by the Study Team in para 738 of its report.**
- (3) **As a general rule, executive Heads of Departments should function as a part of the secretariat.**
- (4) **Personnel for manning senior posts in the administration may, as a general rule, be obtained on deputation from Assam. In special cases, however, personnel can also be obtained from the Centre.**

Discretion in this matter may be left to the Administrator. Officers of the All-India Services may be provided directly from the Centre. In relation to the technical services, supervision and guidance may be obtained from Assam. Where required, they may be obtained from the Centre.

- (5) There should be a separate Five-Year Road Buildings Programme and provision for air services for NEFA.
- (6) It will not be necessary to have officers of the status of Deputy Commissioners in every district. Officers of lower rank with appropriate designation may be empowered to exercise the powers of Deputy Commissioner.

MANIPUR

- 3 (1) The status of the Administrator may be equivalent to that of an Additional Secretary or a senior Joint Secretary in the Central Government.
- (2) Adequate powers may be delegated to the Administrator so that he can function as final authority in relation to the Territorial Administration. Those provisions of the Rules of Business which require prior concurrence of the Central Government in a large number of cases before issue of orders may be deleted.
- (3) The Administrator may be given full disciplinary powers in relation to the services of the Union Territory.
- (4) The Council of Ministers should consist of the Chief Minister, a Minister and one or two Deputy Ministers. In order to prevent proliferation of Ministers, statutory provision may be made in the Government of Union Territories Act, 1963, limiting the size of the Council of Ministers.
- (5) The Legislative Assembly may be empowered to function in a manner similar to that of a State Legislature. The Administrator may be authorised to exercise, in appropriate cases, the powers of the President to give assent to Bills. Where the Administrator considers that a Bill is of such a nature that it is necessary to obtain legal advice at a higher level, he should be enabled to consult the legal advisers of the Central Government. A Bill which would have been reserved for the assent of the President, had it been a State Bill, shall be so reserved.
- (6) The secretariat may consist of a Chief Secretary and two Secretaries. The distribution of work can be organised on the lines indicated at Appendix I.
- (7) Personnel for manning senior posts in the Administration may, as a general rule, be obtained on deputation from Assam. In special

cases, however, personnel can also be obtained from the Centre. Discretion in this matter may be left to the Administrator. Officers of the All-India Services may be provided directly from the Centre. In relation to the technical services, supervision and guidance may be obtained from Assam, and if required, from the Centre also.

- (8) The hill areas of Manipur may be constituted into two autonomous districts for the Kuki and Naga tribal areas. If necessary, autonomous regions can be carved out for smaller tribal groups. Necessary statutory provision may be made for this purpose in the Government of Union Territories Act, 1963.
- (9) It may not be necessary to have officers of the status of Deputy Commissioners in the new districts. Officers of lower rank, with appropriate designations, may be empowered to exercise the powers of the Deputy Commissioners.

TRIPURA

- 4 The pattern of the administrative set-up in Tripura may be *mutatis mutandis*, based on the one recommended for Manipur.

CHAPTER IV

GOA, DAMAN & DIU AND PONDICHERRY

GOA, DAMAN & DIU

- 5 (1) There may be an Administrator of the status of a Joint Secretary in the Central Government.
- (2) Adequate powers may be delegated to the Administrator on the lines suggested for the Administrators of Manipur and Tripura.
- (3) The Council of Ministers may consist of the Chief Minister, a Minister and a Deputy Minister. The size of the Council of Ministers may be limited by a statute.
- (4) The Legislative Assembly may function in the manner recommended in para 17 of Chapter III.
- (5) There is no need for a full-fledged secretariat modelled on the secretariats of States. A Secretary-cum-Finance Officer to the Administrator and a separate Law Officer will suffice. In all other departments, the executive heads can function as a part of the secretariat of the Territorial Administration.
- (6) Personnel for manning senior posts may, as a general rule, be obtained on deputation from the neighbouring States. The Administrator, in

his discretion, may also obtain officers from the Centre. Officers of the All-India Services should be provided directly by the Centre. Technical advice, guidance and supervision should be obtained from officers of the neighbouring States, and if required, from the Centre.

- (7) At the district level, there may be a separate Collector and a Superintendent of Police. The Collector of Daman who looks after Dadra & Nagar-Haveli, may be replaced by a duly empowered officer of the status of an Additional District Magistrate.

PONDICHERRY

- 6 The pattern of the administrative set-up in Pondicherry may be *mutatis mutandis* based on the one recommended for Goa, Daman & Diu.

CHAPTER V HIMACHAL PRADESH

- 7 (1) A Lt. Governor may continue to be an Administrator in Himachal Pradesh.
- (2) The powers of the Administrator may be enhanced on the lines suggested for the Administrators of Manipur, Tripura, Goa, Daman & Diu and Pondicherry.
- (3) The Council of Ministers may consist of the Chief Minister, two Ministers of Cabinet rank and two Deputy Ministers. The size of the Council of Ministers may be limited to this maximum by statute.
- (4) The Legislative Assembly may function in the manner recommended in para 17 of Chapter III.
- (5) The secretariat may consist of a Chief Secretary and three Secretaries of the status of a Joint Secretary and Deputy Secretaries respectively of the Central Government. In addition, the Chief Engineer, Multi-purpose Projects & Power, can function as a part of the secretariat. The distribution of work in the secretariat can be organised on the lines indicated in Appendix II.
- (6) In the functional departments, the present arrangements may continue.
- (7) A study in depth may be undertaken by the Home Ministry in consultation with the Himachal Pradesh Administration with the object of rationalisation of district boundaries and reducing their number.
- (8) Immediate steps may be taken to effect substantial economies in order to reduce the gross over-staffing which exists in this Administration.

-CHAPTER VI

DELHI

- 8 The administration of the Cantonment area may continue to be governed by the provision of the Cantonments Act, 1924, subject to such changes we may suggest in our report on 'Defence Matters'.
- 9 (1) For the purposes of municipal administration, New Delhi may continue as a separate unit.
- (2) The New Delhi Municipal Committee may consist of a President, five members to be elected from suitable territorial constituencies and five members to be nominated by the Central Government.
- (3) The President of the Committee should be nominated by the Central Government but he need not invariably be an official.
- 10 (1) Autonomous statutory bodies may be created for Transport, Supply of Electricity, and Water Supply and Sewage Disposal.
- (2) In addition to experts, the Cantonment Board, New Delhi Municipal Committee and the Delhi Metropolitan Council should have representation on these bodies. As a general rule, experts may constitute two-thirds and the others one-third of the members of the Boards.
- (3) Overall supervision of these bodies may vest in the Central Government functioning through the Administrator. The powers we recommend for the Central Government are indicated in paragraph 19.
- (4) The annual reports of these bodies may be discussed in the Metropolitan Council.
- 11 (1) The Metropolitan Council may be reconstituted so as to consist of :—
- (a) 56 members directly elected from territorial constituencies from areas outside the jurisdiction of the New Delhi Municipal Committee and the Cantonment Board.
- (b) Three representatives from the New Delhi Municipal Committee to be elected by its members from amongst themselves.
- (c) One member to be elected by the Cantonment Board from amongst its members.
- (d) One member each from the three statutory bodies to be set-up for Electricity Supply, Transport and Water Supply and Sewage disposal.

The representatives of the bodies mentioned in (b) & (c) should be from amongst their elected members.

- (2) The Delhi Municipal Corporation may be abolished and its functions entrusted to the Metropolitan Council.
- (3) (a) The Metropolitan Council shall have the right to discuss and make recommendations with respect to the matters enumerated in para 25. Parliament will continue to legislate for this Territory.
- (b) The recommendations of the Metropolitan Council on legislative matters must, as a general rule, be accepted by the Central Government and acted upon accordingly.
- (c) The prohibitions which exist in the Rules of Business regarding initiation of legislation by the Territorial Administration without prior approval of the Central Government may be removed.
- (4) The Administrator may be empowered to function in his discretion in relation to the subjects enumerated in para 24.
- (5) In the exercise of his functions in the "transferred" field, the Administrator will be advised by the Executive Council consisting of a Chief Executive Councillor and two Executive Councillors. The Chief Executive Councillor should be appointed by the Administrator (who will select the person commanding a majority in the Metropolitan Council). The two Executive Councillors should be appointed by the Administrator on the advice of the Chief Executive Councillor. The Executive Council will be collectively responsible to the Metropolitan Council.
- (6) If any issue arises in the "transferred" field, which in the opinion of the Administrator impinged on any matter included in the Union List or the Concurrent List, he may refer it to the Central Government for their decision.
- (7) The Administrator may be of the status of a Secretary in the Central Government. There may only be one or two Secretaries to assist him particularly in the 'reserved, subjects. Executive functions may be carried out through specialised departments.
- (8) There should be a presiding officer of the Metropolitan Council elected by the Council. He will have no executive functions. He should be designated as "Mayor" and will discharge the ceremonial functions associated with the civic head of a city administration.
- (9) (a) The Metropolitan Council may constitute a number of Standing Committees. Each of them may be presided over by the Chief Executive Councillor or an Executive Councillor in accordance

with their portfolios. There may be a separate committee or committees for municipal functions.

- (b) In respect of its municipal functions, the Metropolitan Council may be empowered to frame regulations and bye-laws.
 - (c) The executive functions of government may be carried out through specialised departments.
- (10) The Territorial Administration will be responsible for the administration of such tax laws as are normally levied by the States. It should also be empowered to levy the municipal taxes enumerated in paragraph 33.
- (11) The Territory's budget may be broadly divided into three parts :
 The first, dealing with the purely municipal functions, which will be framed by the Territorial Administration and presented to the Metropolitan Council for vote;
 The second, dealing with the "reserved" subjects which may be framed by the Administration and submitted to the Central Government who will present it to Parliament for vote;
 And the third, relating to "transferred" subjects, which may be framed by the Territorial Administration after ascertaining the quantum of Central assistance. When the budget has been discussed by the Metropolitan Council, its recommendations may then be forwarded to the Central Government who must, as a general rule, accept such recommendations.
- (12) As the Metropolitan Council will function in a manner similar to a legislature, Parliament and the Union Government may agree to forgo their right to intervene in matters falling in the "transferred" field.

CHAPTER VII

OTHER TERRITORIES

Andaman and Nicobar Islands

- (12) (1) The Administrator may be of the status of an Additional Secretary or a senior Joint Secretary in the Central Government. Adequate powers may be delegated to him on the lines we have recommended for the Administrators of other Union Territories.
- (2) In order that the Administrator may keep in touch with the needs of the public, an advisory committee may be associated with him.
- (3) The Administrator's secretariat may consist of a Secretary-cum-Finance Officer of the status of an Under Secretary in the Government of India and a Law Officer. The executive heads of departments may function as a part of the Secretariat.
- (4) Technical supervision and guidance may be obtained from officers located at the Centre. They should visit the Islands at least once in six months and more frequently, if so required.

Laccadive, Minicoy & Amindivi Islands

- 13 The administrative set-up in the Laccadive, Minicoy & Amindivi Islands may continue unchanged.

Chandigarh

- 14 (1) There may be an Administrator of the status of a Joint Secretary in the Central Government. Adequate powers may be delegated to him on the lines we have recommended for the Administrators of other Union Territories.
- (2) The Administrator's secretariat may consist of a Secretary-cum-Finance Officer of the status of a Deputy Secretary in the Central Government, a Law Officer and the executive heads functioning as a part of the secretariat.
- (3) Personnel for manning senior posts may be obtained from the neighbouring States and, if necessary, from the Centre. Technical supervision and guidance may also be obtained from the neighbouring States.

Dadra & Nagar Haveli

- 15 The administrative set-up in Dadra & Nagar-Haveli may be allowed in its present form. The Administrator may, however, explore further avenues of economy in administrative expenditure.
- 16 At least half of the members of the Administrators' Advisory Committees for Chandigarh, Andaman & Nicobar Islands and Laccadive, Minicoy & Amindivi Islands, may be elected.

Sd/-

K. Hanumanthaiya
Chairman

Sd/-

H. V. Kamath
Member

Sd/-

Debabrata Mookerjee
Member

Sd/-

T. N. Singh
Member

Sd/-

V. Shanka
Member

Sd/-

V. V. Chari
Secretary

New Delhi,

January 28, 1969

APPENDIX I

ORGANISATION OF WORK IN THE MANIPUR AND TRIPURA SECRETARIATS

In addition to a Chief Secretary, we have recommended two Secretaries each in the Manipur and Tripura secretariats. The work in the secretariat can be organised as under :

Sl. No.	Secretary	Subjects	Executive head, if any
1.	Chief Secretary	Home Services General Administration (including Vigilance & Secretariat Admn.) Publicity Transport Civil Supplies Planning Development Welfare	I. G. of Police Publicity Officer Director of Transport Director of Civil Supplies (a) Director of Agriculture (b) Director of Fisheries (c) Director of Animal Husbandry. (d) Registrar of Cooperative Societies. Director of Social Welfare
2.	Finance Secretary	Finance Budget Excise & Taxation Revenue P.W.D.	 (a) Commissioner of Sales Tax (b) Commissioner of Excise Deputy Commissioner Principal Engineer
3.	Secretary, Law	Law Judicial Industries Labour Local Self-Government	 Director of Industries Labour Commissioner
4.	Director of Medical Services	Medical Health	
5.	Director of Public Instructions	Education	

APPENDIX II
ORGANISATION OF WORK IN HIMACHAL PRADESH
SECRETARIAT

In addition to a Chief Secretary, we have recommended three Secretaries for the Himachal Pradesh secretariat.

The work in the secretariat can be organised as under :

Sl. No.	Secretary	Subjects	Executive head, if any
1.	Chief Secretary	Home Police Services General Administration (including Vigilance & Secretariat Admn.) Administrative reforms Public Relations Planning Revenue Forests	I.G. of Police I.G. of Prison Director of Public Relations (1) Director. Land Records and Consolidation of Holdings. (2) Revenue Commissioner Chief Conservator of Forests
2.	Secretary Finance	Finance Budget Excise & Taxation Transport Tourism Public Works	Excise & Taxation Commissioner. Director of Transport Director of Tourism Chief Engineer, PWD.
3.	Secretary Development	Agriculture (including Fisheries). Animal Husbandry Community Development, Panchayats & Welfare. Cooperation Education Health	Director of Agriculture Director of Animal Husbandry Director of Community Development, Panchayats and Welfare. Registrar of Cooperative Societies. Director of Education (a) Director of Health Services (b) Principals of Medical Colleges.
4.	Secretary	Law Judicial Local Self-Government (other than Panchayats) Industries Labour	 *Director of Industries & Civil Supplies.
5.	Chief Engineer, Multi-Purpose Projects	Multi-Purpose Projects Power	

*The Study Team has also made a similar recommendation based on the ground that civil supplies work has diminished considerably and whatever work now remains can be handled by the Director of Industries.

Price : Inland Rs. 1.30 Paise.

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