7.7.15 Borrowings and Loans

Tuticorin City Municipal bodies borrow from the state government and other agencies when they cannot afford to meet their expenditures with their existing revenues. The borrowing power of a local government is regulated under Local Authorities Loans Act (1914). This act provides that Tuticorin City Municipal Governments can borrow for development activities and for payment of debt charges. Local bodies are permitted to borrow for constructive activities. The State Local Finance Commission and Central Finance Commission lending hands to the Municipal Finance today.

CHAPTER EIGHT

CONCLUSIONS AND SUGGESTIONS

Beginning early in the nineteenth century, Municipal institutions came up in fits and starts with restricted franchise. It was only early in this century that some far reaching steps were taken: for instance, division of a city/town into Municipal wards and discussions on Municipal issues and policies. The process gained some momentum after 1920, with the passage of Municipal Acts in various states. With the introduction of Provincial Autonomy after 1935, Municipal units in several states introduced the system of elected community panels for purposes of selecting representation. The President of Municipal Boards came to be elected heads, though deprived of even the minimum of statutory powers.

The chairman of the Tuticorin Municipality is, in accordance with the provisions of the statute, elected by the councilors. It has been a sound practice, in conformity with the democratic process, thereby making both the chairman
and the councilors work on principles of reciprocity, confidence and trust. The suggestion is that the chairman should instead be elected directly by the electorate, is devoid of any adequate reasoning for the simple reason that under the existing circumstances, a chairman, directly elected by the people, will recurrently face the problem of gaining a majority behind him; of ensuring the continuity of such a majority; and, in the process, of making adjustments with such a contrived majority, obviously watering down several of the basis policies he might have in view.\textsuperscript{166} It was discovered that in the present statute the office of the chairman has not always been held in due esteem, nor has it been given adequate opportunities of vindicating the statutory potential it possesses. The experience with the provision of ‘no-confidence motion’ is a significant pointer, especially because it has either weakened the position of chairman or made him a mere tool for partisan purposes. Personal bickering, divisive political influences, casteism and questionable tactics of men in public life have conspired to weaken leadership; and, in turn, discipline, integrity, unity of purpose and concern for lifting the level of public life have suffered by default an design.

Tuticorin Town Municipality Chairman is the chief Executive Officer and head of the executive wing of the Municipality. All executive powers are vested in the Municipality Chairman. Although the Municipality is the legislative body laying down policies for civic governance of the city, it is the Chairman who is responsible for execution of the policies. The Chairman is appointed for a fixed term that is mentioned in the respective state's statutes. However, his tenure in a Municipality may get either extended or reduced. The Chairman's powers are

\textsuperscript{166} M.P.Sharma, Local Self-Government and Finance in Uttar Pradesh, op. cit., p. 203.
classified into two broad categories: those listed in the statute creating the Municipality and those delegated by the Municipality or the Standing Committee.

In Tuticorin Municipality there was an urgent necessity for complete overhauling of the entire systems and to have a vibrant and an efficient Municipal Chairman. That coveted Cruz Fernandez who became the Father of Tuticorin Municipality. He dedicated his life for the poor and the needy people of Tuticorin. In the past Tuticorin generated growth surprisingly despite limited resources with the help of Cruz Fernandez overcoming plenty of difficulties with an iron hand.

The patterns of relationship between the Executive authority and Municipal units show interesting aspects. First, there are instances where the relationship is cordial, by and large; secondly, there are instances of strained relationship; thirdly, there are also instances where the Executive Officer dominates over the Chairman; and, finally, there are as well cases where the chairman dominates over the Executive Officer. It needs no emphasis that for an Executive Officer to perform his duties satisfactorily, a sympathetic and understanding President is a vital necessity. Unity and harmony of purpose is, indeed, an essential prerequisite.

In some cases the electors were known to have given ample evidence of their responsibilities and thereby they have collaborated with the Municipal executives. There were also cases where the Chairman and President joined hands to reap the spoils of an unhealthy deal. It is easier to assess why relations between these two servicearies were strained; there were discernible political
and personal reasons. Where the Executive Officer dominated, it was discovered that much depended upon the personality, political strength and potential, or their absence in the chairman.

A close perusal would show that, by and large, expenditure on public health, sanitation, water supply and public works has considerably increased during 2004-2006 comparatively little attention is paid to lighting, cattle pounds, public utility, education and public safety measures. The Municipal units also levy taxes, borrow money and receive grants-in-aid in order to implement their policies and perform their services. With a little of imagination, tact and integrity the services might be effectively performed. But the actual state of affairs shows an entirely different picture.

It might be said with ample justification that paucity of funds is a visit hindrance in the successful working of Tuticorin Municipality. Municipal finances have failed to keep pace with the phenomenal increase in population. One would agree with the findings of the Administrative Reforms Committee of 1962 and the Chaturvedi Committee of 1963 that there is not only considerable room for improvement in the serviceal discharge of Municipal obligations but that the priorities have to be appreciated sooner than later. And, yet, one would observe that, as matters stand today, nowhere is the crisis of character in public life more obvious than in the malserviceing of the obligations of Municipal units. Given proper interest and initiative by the government, integrity and purposiveness amongst councilors and concerted application to Municipal priorities, there I no reason why the whole set-up might not be transformed into a dynamic system in keeping with the needs and expectations of the community.
With regard to administrative supervision and control, it might be pointed out that a positive attitude and action accordingly to validate its efficacy are essential if mere “fault finding” has to be replaced by “constructive help”. That would elevate the level and impact of not only supervision and control, but would also be conducive to better working of Municipal units. The political over-tones in the working of the Directorate of Local Bodies can be ignored only at the peril of an efficient Municipal government. In fact, the Directorate of Local Bodies ought to be renamed and called the Directorate of Municipalities as it does not cover any other local institutions. Also, the Directorate should find effective ways and means to normalize its present rather liberal attitude in spending. And, yet, it has to be appreciated that, by and large, much of the good of supervision and control lies in how effectively, and also impartially, it is put to use.

The participation of the people in the Municipal elections is not an encouraging one. Tuticorin Municipality were larger in size of wards are being larger in size. The proposal to increase the number of wards is the long pending issue but it has not been materialised till to become the corporation. People have taken active interest only after the entry of political parties entered the fray in the local body elections from 1996. Earlier, the response from the people in the election is a lukewarm only. The developmental schemes of the Municipality were carried out successfully with co-operation if the State Government. But it is criticised as that the developmental schemes are selected and implemented in a biased manner. Arguments are ripe to frame a consensus formula to implement the development schemes. Municipal proceedings and transactions of the council were smooth and cordial but the store in the council after the entry of political parties in the election. The local bodies functions and schemes are politicised. Of course, it is not viable to adhere the Jayprakash Narayan Philosophy of keeping
away political parties from the local bodies elections, since all political parties have spread their tentacles in the work and corner of all the places in the country. However, it is necessary to have a consensus view over the activities of the Tuticorin Municipality must be channelised as non-political manner.

The leadership of Tuticorin Municipality is an appreciable one. The chairman of the Tuticorin Municipality, Mr Cruz Fernandez was not only a dedicated worker but also contributed a lot of money from his own pocket. The services like water supply and drainage, Hygiene in the public places especially in the market etc., staped only through his contribution and mobilised donations collected by him. He is an accepted leader cut across the boundaries of caste, color and creed. He is the person who enjoys the confidence of the elected members of the council as well the officials working in the Municipality. He extended his hand and mind to serve the people of the Municipality. People in Tuticorin were not only co-operative with the activities of the Tuticorin Municipality and spontaneously participate in the process of development and in honor to him, his name is given in the Municipality building.

As people have pointed out the paucity of funds to the Municipality is a routine problem of the Municipality in general. The Tuticorin Municipality provides all the necessary obligation functions in a marginal manner. In addition to taxes, funds for the obligatory functions were collected voluntarily from the people who provide donations to the activities of Municipality.

The Municipal Finance is in very of bad shape (24.11.99 report). The Municipal School maintenance is handed over to State Government from 1.4.90. The problem of road facilities to the people is not fulfilled by the Municipality
adequately for the paucity of funds. However, street lights facilities were provided to the people in full surging, new lights connection were given wherever it is necessary. Water supply and Public Health were adequately provided. Due to the lack of funds, loan repayment is postponed. The audit objections in 1998-99 was 3675 which has been reduced to 3547 in 1999-2000. To provide water supply, in a new scheme is approved for the estimate of Rs.1727 lakhs. (M.A. & Water Supply). 2D No. 19 dated 3.3.99.

The total house supply connection is 24995, Commercial water supply is 1077 ad Industrial supply is 5 total 26077. In addition to that public pipes 659. The piped water supply covers 117.879 km and non-piped water supply is 10.43 km. However, to fulfill the needs of people, the distribution of water is provided by Lorries where piped supply is not viable. Effective steps may be taken to provide adequate water to the people. The state government and the Central Government must study the problems of Municipal services for which a comprehensive Commission may be instituted.

**BIBLIOGRAPHY**

