It has always been realised that no system of local self Government can function successfully unless it is provided with adequate finance. The success of Panchayats like that of other local bodies depends on their sound financial position. But the Panchayat, mostly due to their inadequate finance, are always handicapped to discharge properly the numerous functions assigned to them from time to time. To study and report on the problem of local finance, the Government of India constituted the local Finance Enquiry Committee, consisting of 10 members with Shri P.K. Watte as its Chairman, The Committee submitted its report to Government of India in 1950. With regard to the financial resources of village Panchayat, the committee recommended the following among others:

(1) The Panchayat should levy taxes on House or Chulla or property.

(2) There should be voluntary labour tax with provision for payment in kind in lieu thereof.

(3) The Panchayat should be given financial assistance from other sources. There should be an unconditional allotment to a Panchayat of 15 percent land revenue collected from the
Panehayat area. In addition there should be a surcharge on the transfer of immovable property within panchayat area and the proceeds of which should go to the Panchayat fund.

(4) The Panchayat, wherever possible should be encouraged to collect land revenue and land cess on commission basis.

(5) The Panchayat should be encouraged to undertake remunerative enterprises namely Markets, slaughter houses, cart and bus stands and ferries, cooperative farming, diaries etc.

It is seen that the financial resources suggested by the committee are hardly sufficient to carry out the numerous functions assigned to the Panchayat under the Panchayat Laws. The same subject was further dealt with by the Taxation Enquiry Commission. The Commission in its Report submitted in 1954, opined that instead of assigning multifarious functions, a few well chosen and clearly defined duties should be assigned to the Panchayat. As regards finance to the Panchayats the Commission expressed "It will be helpful to the Development of village Panchayat, if it is ensured that a Panchayat need not, as soon as established, resort to taxation. During the period of initial growth, a substantial part of the finances required by each new Panchayat should be placed at its disposal by the State Government".
The Commission recommended exclusively for local bodies the following items of taxation.

(i) Taxes on lands and buildings.

(ii) Taxes on the entry of goods into the area of a local authority for consumption, use or sale therein, popularly known as assize octroi.

(iii) Taxes on vehicles other than those mechanically propelled.

(iv) Taxes on animals and boats.

(v) Taxes on profession, trades, callings and employments.

(vi) Taxes on advertisements other than newspaper advertisements.

(vii) Theatre or show tax, and

(viii) Duty on transfer of property.

From the very beginning Panchayats in Assam were not provided with adequate finance to meet their requirements. The financial resources of these bodies may be broadly categorized under the heads.

(1) grants from Government,

(2) tax, rates, cess etc. to be imposed by the Panchayat bodies.

(3) income from remunerative assets to be either created or vested with the Panchayat bodies, and

(4) contributions from public and other organisations.

Here it appears that except Government grants other sources were mostly unadequate. Nor there was any sincere attempt on the part of the panchayat to raise its own income availing the provisions given under the panchayat laws.

**Village Authority :-**

The village authority constituted under the Assam Local self Government Act 1915, had the following sources of revenue credited to the village fund.

(1) Sums assigned out of local Fund by the Local Board of their own initiative or under Government order.

(2) Sums as may be allotted by Government from provincial revenues.

(3) Sums on penalty of offences committed under this Act.

(4) Sums as directed under the cattle trespass Act. 1871

(5) proceeds of Market within the village, the management of which is entrusted.

(6) Such receipts from public ferries as Government may place.

(7) Fines and fees realised by village bench or village court constituted under the Bengal village self Government Act.
The Assam Rural Self Government Act 1926 repealed the Act of 1915. Under the act of 1926 a village Authority derived its income from

(1) Allotments from village development fund
(2) Contribution from Local Board.
(3) Proceeds of permit fees for grazing or removal of fuel or other forest produce in the village forest transferred to the village authority.
(4) Penalties, fines, fees or costs under the Act.
(5) Contribution from private sources.
(6) All other sums intended to be credited to the village fund.

Besides, a village Authority was empowered to impose an assessment for executing works of public utility. From this list of the sources of revenue it appears that there was no any assured source of income. Everything depended on the wish of the Government and the local Board. As a result of which the village authorities could not carry out their functions successfully.

Rural Panchayat,

The sources of income of the Rural Panchayat under the provision of the Assam Rural Panchayat Act 1948 were

(1) Contribution from Government.
(2) Contribution from other sources including contribution from any local authority or private individual.
(3) Receipts from public ferries, schools, hospitals, hats, pounds, tolls on bridges, and any assessment of tax or rates in force in the panchayat area hitherto received by the local Board.

(4) Local rates.

(5) Proceeds of taxes on (a) land revenue at a rate not exceeding one anna per rupee or bigha (in case of permanently settled areas), (b) uncultivated cultivable lands, (c) buildings (d) marriage, water, health, education, boats, cycles, carts, cattle and fire wood.

(6) Receipts from Panchayat Adalot.

(7) Sale proceeds of dust, dirt, dung or refuse collected.

(8) Labour tax at such rate not more than 36 days in a year by each able bodied male person between the age of 18 years and 40 years or the amount equal to the wages of double the units of such labour.

Of all these provisions the Government contribution was the only source of income of most of the Rural Panchayats. Each of the Rural Panchayats established upto 1951-52 (51 numbers) were allotted Government grant in aid of Rs. 55,000 for 5 years according to the breakup of first
year Rs. 15000, second year Rs. 18,000; third year Rs. 16,000; fourth year Rs. 4000 and fifth year Rs. 2000. Such Government grant was first credited to the Assam Rural Development fund and then distributed by the Director of Panchayats to the respective Sub-divisional Rural Development fund. The Deputy Commissioner or Sub-divisional Officer, after keeping 10 percent of the fund as reserved fund for meeting the expenses of salary etc. to the Rural Panchayat Secretaries distributed the balance to the Rural Panchayat.

It was perhaps due to the general resistance from the Local Boards that the Rural Panchayat Act 1948, had to be amended in 1955 and 1955. According to the amendment of 1952, only the receipts from minor hats and cattle pounds along were assigned to the Rural Panchayat instead of all other receipts as mentioned under the item (3) above.

By another amendment of the Act in 1955 the provision for granting a share of the receipts in cart tax by the Local Board was also discontinued. Thus, the transfer of receipts of the Local Board to the Rural Panchayat contemplated by the Act was not done. As regards taxation, the Rural Panchayat was authorised to levy a tax on items mentioned under item (5) above. The Rural Panchayat (amendment) Act 1952 provided for levying license fees on tea-stalls, restaurants, and for the collection of hides and bones. But the Rural Panchayats were reluctant to levy any tax. The question of receipts from Panchayat Adalots did not arise as the Government did not constitute Panchayat Adalots under the provisions of the Act.
The Government grant in aid to each Rural Panchayat was later reduced to Rs. 33,000 for three years since 1962-53.

The Government however, besides the general grants, gave some other grants like compensatory grant in lieu of local rate, rural water supply and communication grants to each Rural Panchayat. The achievement of the Rural Panchayat with such limited fund provisions was remarkable. They could obtain people's contribution in labour for the repair and construction of roads, tanks, bunds, bridges, school and library buildings. Contribution by the people in cash and kind was also obtained for the establishment of public institutions. The self help scheme of 50% subsidy of the value of constructional works which was initiated by the then Rural Development Department of the Government was successful to some extent. The Rural Panchayat also undertook all their constructional works on self help basis.

GAON PANCHAYAT AND ANCHALIK PANCHAYAT

The Assam Panchayat Act 1959 continued the Assam Rural Development fund and the Sub-divisional Rural Development fund created under the Assam Rural Panchayat Act 1948. These funds were distributed to the Anchalik Panchayats and Gaon Panchayats constituted under this Act.

The sources of income of the Panchayats under the Act of 1959 were:—
I. Contribution from Government.

(a) The original Act provided for a share of land revenue collection not less than 10 percent and 15 percent of the net receipts (after providing for Mausadari Commission) to the Anchalik Panchayat and Gaon Panchayat respectively. The above 25% was raised to 37% in 1962.

(b) The local rate collected from the Gaon Panchayat area to the respective Gaon Panchayat and from the tea-garden areas not covered by Gaon Panchayat to the respective Anchalik Panchayat. As these funds could be released only after obtaining collection figures of land revenue and local rate from the respective areas, the Panchayat had to wait for a long time to obtain funds. With a view to remove this difficulty the Assam Panchayat (Amendment) Act 1964 substituted the provision by making an alternative provision for granting a share of land revenue of such amount not less than 17 paisa and 33 paisa per capita of population to the Anchalik Panchayat and Gaon Panchayat respectively. This amendment Act also provided for paying local rate collection to the Gaon Panchayat at the rate of 25 paisa per capita. A special fund was created with the balance of local rate collection if any remained after the
distribution as above. The purpose of such a fund was to meet any shortfall of collection in any year and for allotment to financially weak Panchayats. The Act also provided for a matching grant of an equal amount of house tax collected by the Gaon Panchayat.

Besides the above, following Government grants were made available to the Anchalik Panchayats.

(1) Funds under the schematic budget provision of the Community Development Programme (except the expenditure on Block establishment)

(2) Funds of different development departments of the Government for the Block level schemes were to be channelised through the anchalik Panchayat. In this regard only Agriculture Department channelised funds under minor irrigation schemes. All other development departments somehow or other avoided to follow this principle.

(3) Other Government funds on specialised schemes like Crash Scheme on Rural Employment, Applied Nutrition Programme, Composite Programme for Women and Children on Nutrition Education, Special feeding programme etc. were utilised in the Blocks in association with the Anchalik Panchayat.

(4) Loan for the creation of remuneration assets.

II. TAXES, FEES etc.

The recommendation of the Taxation Enquiry Commission for taxation on lands, buildings, entry of
consumable goods, vehicles, animals, boats, trade and callings, duties on transfer of property by the Local bodies was accepted. The Gaon Panchayat was empowered to impose taxes on "house" (substituted by the Assam Panchayat (Amendment) Act 1964 for the words "brick or concrete buildings") water supply; sale of firewood and thatch, conservancy, lighting, slaughter houses, fees on registration of cattle sold in local area, license fees from tea-stalls, hostels, restaurants, sweet meat shops, on collection of hides and bones, private hats and surcharge on duty for transfer of immovable properties. The Anchalik Panchayat was authorised to impose taxes on (i) fisheries allotted to the Anchalik Panchayat (ii) Cultivable lands lying fallow for two years (iii) houses/supply of water conservancy and lighting in areas directly under their administration, (iv) cess on water rate for recovery of cost and maintenance of minor irrigation works (v) license fee on carts, carriages, cycles and boats, cinema halls, circus, professional variety shows, fairs, brick and tile kilns, confectionary and bakery, saw mills, timber depots, bamboo stalls, oil and rice mills and license fee for tea-stalls, hotels, restaurants, sweet-meat shops, collection of hides and bones in areas directly under their administration.

The Mohkuma Parishad had no taxation powers up to 1967. It was only by an amendment of the Act in 1967, the Mohkuma Parishad were provided with the power of imposing cess or water rate against the costs of embankment, drainage.
and irrigation works so as to utilise the money for the maintenance and repairs of such works. But no Mohkuma Parishad in the State, took any action in this regard.

Even the provision of matching grant of an equal amount against house tax collection by the Panchayat provided by the Government in every year could not be availed by the Gaon Panchayats except a few Gaon Panchayats of the Cachar District where it was not resented because of the old tradition of paying village chowkidary tax.

III. REMUNERATIVE ASSETS.

The Gaon Panchayats were allotted cattle pounds and the sale proceeds of pounds were credited to the respective Gaon Panchayat fund. The Basars were differentiated as major and minor under the original Act. A Basar fetching an income of more than Rs. 7500 was termed as major basar or hat. The major hats were allotted to the Anchalik Panchayat and the minor hats to the Gaon Panchayat. This provision was later on changed by the Assam Panchayat (Amendment) Act 1964 with the object of effecting equitable distribution of the income between the Gaon Panchayat and Anchalik Panchayat. Under this provision the difference between major and minor hats was removed and the settlement of all hats was entrusted to the Mahkuma Parishad. A hat was to be settled every year and the annual receipts thereof
were to be divided among the Gaon Panchayats within the jurisdiction of which the hat was situated. An amount upto Rs. 3000, would go to the Gaon Panchayat and the balance thereafter upto Rs. 7000 to the Anchalik Panchayat, and the balance thereafter to the common pool. One third of such pool money was distributed on the basis of area-cum-population among all the Anchalik Panchayats and two third among all the Gaon Panchayats situated within the Mahkuma Parishad area. The hat fetching annual income upto Rs. 5000 was to be maintained and regulated by the Gaon Panchayat concerned where the hat was situated and hats fetching more than Rs. 5000 was to be maintained and regulated by the Anchalik Panchayat concerned. By a further amendment of the Act in 1967, provision was made for keeping one fifth of the sale proceeds of hats with the Mahkuma Parishad after paying the amount due as annual instalment for the repayment of loan, if any, taken from the Government for improvement of the hat. This share was to be utilised, by the Mahkuma Parishad for carrying out the duties and functions since assigned to the Mahkuma Parishad, including the maintenance cost of the hat. This Amendment Act empowered the Mahkuma Parishad to settle the public ferries other than Government ferries and the Panchayat fisheries falling within the jurisdiction of the Mahkuma Parishad.
The Mohkuma Parishad could retain 20 percent of the sale proceeds of each public ferry in its fund. The remaining 80 percent of the sale proceeds was to be paid to such Anchalik Panchayat within whose jurisdiction the ferry was situated. If the ferry was situated within the jurisdiction of more than one Anchalik Panchayat the sale proceeds was to be distributed equitably amongst all such Anchalik Panchayats. In case of an inter Mohkuma Parishad Public ferry, the sale proceeds of such a ferry was first distributed equitably among such Mohkuma Panchayads and thereafter the distributions to the Anchalik Panchayat concerned made in the aforesaid manner. As regards the proceeds of Panchayat fisheries the Mohkuma Parishad could retain in its fund only the contingent expenditure incurred in connection with the sale of such fisheries. The balance of sale proceeds was to be paid to the Gaon Panchayat and Anchalik Panchayat concerned.

The Government of Assam provided in their budget every year for loans to the Panchayat Raj Bodies for the purpose of creating remunerative assets. The statement shown below for the years reveals that quite a small number of panchayat did avail this opportunity and as such a considerable portion of the budgetted amount had to be surrendered every year.
Loan and grants to Panchayats

<table>
<thead>
<tr>
<th>Year</th>
<th>Budget estimate</th>
<th>Actual expenditure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-71</td>
<td>Rs. 72,000.00</td>
<td>Rs. 24,000.00</td>
</tr>
<tr>
<td>1971-72</td>
<td>Rs. 119,000.00</td>
<td>Rs. 35,000.00</td>
</tr>
</tbody>
</table>

The financial problems of Gaon Panchayat and Anchalik Panchayat

There were 2602 Gaon Panchayats in the State which had average annual receipt of Rs. 1500 each and they were mostly dependent on Government grants. Out of its annual receipts each Gaon Panchayat was to make an obligatory expenditure of Rs. 1200 as salary on the Gaon Panchayat Secretary. As such they could hardly undertake any developmental activities of their own. This state of affairs led them to assume agency function of the Block/Anchalik Panchayat. The very objective of rural self Government institution was bound to be frustrated. With this background, the new Panchayati Raj Act 1972 is aiming at making the Gaon Panchayat organisation as an economically viable unit with more financial resources.

Since 1964 the State Government provided the works fund under the C.D. Programme to the Anchalik Panchayat concerned according to the recommendation of the study team on Panchayati Raj Assam in 1963. This team also recommended that all Block level schematic funds
of the respective development department of the State Government should be channelised through the Anchalik Panchayat. Except the Panchayat and C.D. Department no other department came forward in such direction. The Agriculture department with much reluctance transferred fund in respect of their schemes of minor irrigation programme only. It was only because of certain special programme like Applied Nutrition Programme, Special Feeding for children and nursing mother, Crash Schemes on Rural Employment the Development Block activities had to keep on going since attainment of post stage II (Normalised) stage by most of the Development Blocks. The Anchalik Panchayats being mostly dependent on the funds of the Community Development programme became practically inactive. It was therefore, felt that unless the development departments transfer some of their departmental schemes to the Panchayati Raj bodies such organisation can not function effectively. So the present Panchayati Raj Act, 1972 has provided not only for transferring scheme of the respective development department to the Mahkuma Parishad but also the staff involved therein for the execution of such schemes.

In this connection, it may be suggested that while the Government of India established the Development Blocks as a set pattern of administration for Rural Development there should be an annual working fund even after normalisation of Dev. Blocks and such fund should be given to the Blocks so that extension programme in the Development Blocks can go on for all time to come.
There has been an attempt to increase the fund provisions of the Panchayati Raj bodies under the Assam Panchayati Raj Act 1972. Firstly, the share of land revenue has been increased to one rupee per capita of the population in the Panchayats. Out of this 45 paisa per head is apportioned to the Gaon Panchayat, 45 paisa per head to the Mahkuma Parishad and 10 paisa per head as an equalisation fund for financing the weak Panchayats and Mahkuma Parishads.

Secondly the Mahkuma Parishad is to effect annual settlement of the Markets in the rural areas other than the private markets and to distribute the sale proceeds amongst the Gaon Panchayats and itself according to the prescribed rates. The sale proceeds of a hat upto Rs. 5000 is to be given to the Gaon Panchayat where the hat is situated. The proceeds if any above Rs. 5000.00 and upto Rs. 12,000.00 is to be retained by the Mahkuma Parishad after paying Rs.5000 to the Gaon Panchayat. If a hat is settled at an amount more than Rs. 12,000 the excess amount is to be credited to a common fund for further distribution. For example if a market fetched an annual income of Rs. 25,000.00, the Mahkuma Parishad is to pay Rs. 5000.00 to the Gaon Panchayat where the market is situated, Rs. 7000.00 shall be retained with the Mahkuma Parishad and the balance amount of Rs. 3000 to be credited to the common pool. Such distribution is to be made with the balance remaining after payment of loan instalment and interests if any standing against the market.
One third of the common pool money accrued from the different markets in the Subdivision is to be retained in the Mahkuma Parishad fund while the two third amount is to be distributed equally amongst all the Gaon Panchayats under the Mahkuma Parishad. This provision has increased the allocations to the Gaon Panchayats from the market receipts.

Thirdly the Mahkuma Parishad is to settle the public ferries other than the Government ferries and to retain 20 percent of the total receipts in the Mahkuma Parishad fund while the balance amount is to be distributed equitably to the Gaon Panchayats concerned.

Forthly the Act has provided for the transfer of Government fishery fetching an annual income not exceeding Rs. 5000.00 to the Gaon Panchayat where such fishery is situated. The Government is also empowered to transfer any Government fish ferry as may be deemed necessary to a Mahkuma Parishad. These provisions have not been found to be given effect so far. It can be said that if these provisions are given effect the income of many Gaon Panchayats and Mahkuma Parishads will be increased significantly. Fifthly wide taxation powers have been given to both Mahkuma Parishad and Gaon Panchayats. The Mahkuma Parishad is empowered to impose taxes on professions, trades,
callings, manufactures and productions and license fees on cinema Halls, brick or tile kilns, saw mills, rice mills, oil mills, hullers, timber depots and petrol and diesel sale depots. A Panchayat tax on every household can also be imposed by the Mahkuma Parishad. Besides, the Mahkuma Parishad can levy extra charge on local rates. The Gaon Panchayat has been empowered to impose taxes on private markets, shops, pharmacies, Tailoring, Laundry, Hair cutting saloon, carpentry workshop, automobile workshop, water supply, sale of firewood, thatch or bamboo, conveyancy, lighting and slaughter houses. Besides, the Gaon Panchayat can impose a tax on cultivable lands lying fallow for two consecutive years. The Gaon Panchayat can also realise fees on sale of cattle, fishing, water rates, tea stalls, hotels, resturants, sweet meat shops, collection of hides and bones, carts, carriages, cycles, circus, professional shows, fairs, confectionary and bakery and private fisheries used for commercial purpose. Thus it appears that the Mahkuma Parishads and Gaon Panchayats are vested with wide powers of taxation on various items and if they can utilise such powers it will go a long way to make these Panchayati Raj bodies financially sound as well as self supporting. A closer view to the items of taxation will reveal that all these taxes are within the capacity of the persons concerned to render such financial assistance to their own democratic institution.
As regards the Panchayat tax from every household it can be said that a token contribution to the Panchayat from every family is quite essential to develop a sense of belonging to their own Panchayat institution. The prevailing tendency of the village people to demand services rather than contributing for running the Panchayat institution is detrimental to the very objective of self Government.

In consideration of the importance of the Panchayat tax from every household, a provision has been made in the Assam Panchayati Raj act 1972 for compulsory matching grants of an equal amount by the Government against the collections of such taxes. This provision has presumably been made with a view to encourage the Mahkuma Parishads for the imposition of the Panchayat tax. It is yet to be seen whether the Mahkuma Parishads have realised its importance and can avail the offer of matching grants. It is however discouraging to note that not a single Mahkuma Parishad has been able to impose these taxes so far and within a period of two years since they had started functioning.

State Government Finance

The State Government besides placing the funds under the community Development Scheme as grants in-aid to the Anchalik Panchayats and a share of land revenue and local rates, had provided funds under different Panchayat
sector schemes in the Government Budget. The following statement shows in respect of four consecutive years will reveal the position of such finance.

**ACTUALS OF PANCHAYAT SECTOR SCHEMES**

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Loans and Grants for Panchayats</td>
<td>0.24</td>
<td>0.35</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>2. Grants for Gaon Panchayat Office Building</td>
<td>0.25</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>3. Sammilan</td>
<td>0.05</td>
<td>0.10</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>4. Training of Gaon Panchayat Secretaries</td>
<td>1.06</td>
<td>1.15</td>
<td>1.22</td>
<td>1.06</td>
</tr>
<tr>
<td>5. Ehuance pay to the Panchayat Secretaries</td>
<td>1.25</td>
<td>1.15</td>
<td>1.00</td>
<td>1.50</td>
</tr>
<tr>
<td>6. Publication of literatures</td>
<td>-</td>
<td>.05</td>
<td>.05</td>
<td>.42</td>
</tr>
<tr>
<td>7. Panchayati Raj Training for non officials</td>
<td>0.73</td>
<td>0.39</td>
<td>1.46</td>
<td>0.75</td>
</tr>
<tr>
<td>8. Study tour of non officials</td>
<td>0.11</td>
<td>-</td>
<td>0.30</td>
<td>-</td>
</tr>
<tr>
<td>9. Compensatory grants in lieu of local rates</td>
<td>24.54</td>
<td>24.51</td>
<td>23.00</td>
<td>-</td>
</tr>
<tr>
<td>10. Grant in Aids and Panchayats share of land revenue</td>
<td>44.02</td>
<td>45.00</td>
<td>44.02</td>
<td>41.02</td>
</tr>
</tbody>
</table>

Source: - Directorate of Panchayat & C.D., Assam.
Under the provision of the Assam Panchayati Raj Act 1972 all the existing Block Development Schemes under the Panchayat and Community Development Department and certain village schemes of the sericulture and weaving, Industries and P.W.D.(R & B) Departments have been transferred to the Mahkuma Parishads along with the funds and staff involved therein. A statement in respect of the transferred schemes during 1974-75 is shown below.

**Transferred Schemes to Mahkuma Parishad during 1974-75**

<table>
<thead>
<tr>
<th>Schemes under Panchayat and C.D. Department</th>
<th>Amount released by Government</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. C.D. Schemes</td>
<td>4,28,800</td>
</tr>
<tr>
<td>2. T.D. Schemes</td>
<td>8,04,400</td>
</tr>
<tr>
<td>3. A.N.P. Schemes</td>
<td>8,10,000</td>
</tr>
<tr>
<td>4. Construction of Panchayat Bhavans</td>
<td>24,20,200</td>
</tr>
<tr>
<td>5. Well construction programme</td>
<td>4,24,000</td>
</tr>
<tr>
<td>6. Panchayat Staff</td>
<td>4,29,624</td>
</tr>
<tr>
<td>7. Salaries of Block Staff and deputed officer to the Mahkuma Parishad from P.&amp; C.D. Department</td>
<td>53,63,661</td>
</tr>
<tr>
<td>8. T.A. of Block Staff and contingencies for Block offices</td>
<td>5,53,000</td>
</tr>
</tbody>
</table>

**Total: 10,2,38,785**

B. Cottage Industries Department. 20,000

C. Sericulture and Weaving Department. 3,16,130
During the year 1975-76, some schemes transferred in respect of the aforesaid Departments have been continued under the Mahkuma Parishads.

This year the P.W.D.(R&B) Department has come up for transfer of their village roads schemes under the Minimum Needs programme and for which Rs. 38,03,919.00 against the scheme and Rs. 3,38,000.00 against salary etc. of the subordinate Engineers are being transferred to the Mahkuma Parishads.

According to the statutory provisions under the Assam Panchayati Raj Act 1972 the Government sanctioned the following amounts to the Mahkuma Parishads and the Gaon Panchayats during the year 1974-75 and 1975-76.

**Land Revenue and local rates**

<table>
<thead>
<tr>
<th></th>
<th>1974-75</th>
<th>1975-76</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land Revenue to Mahkuma Parishad/ Gaon Panchayats</td>
<td>1,04,22,869</td>
<td>116,19,659.70</td>
</tr>
<tr>
<td>Local rates to the Gaon Panchayats.</td>
<td>12,38,819.00</td>
<td>93,60,150.86</td>
</tr>
</tbody>
</table>

*This amount includes the balance amounts due for the year 1972-73, 1973-74 and 1974-75.

Source :- Directorate of Panchayat at and C.D., Assam.
The Government of India had also undertaken certain specific schemes like training of non official representatives in the Panchayats and granting incentive awards to the best Panchayati Raj institutions in the National, State and district level competitions.

**Conclusion:**

The ideal is that the self Government institution should depend primarily on its own financial resources and too much dependence on Government aid will lead them to agency functions only. On the other hand while such institutions are being set up under certain legislation the tendency of depending entirely on the Government grants is always there. As such all possible efforts should be made not only from the Government side but also from the local leaders to make such institutions self supporting in the long run.

However the necessity of giving financial assistance to such bodies by the Government can not be ruled out. The Government in consideration of the dignity and autonomy of self Government institutions, should provide certain share of its own resources to these bodies instead of adhoc grant. The Santhan Committee on Panchayat Raj finance observed "Financial resources have to be adequate for the functions allotted to each Panchayat Raj institution. No-where in the world can local bodies function without substantial assistance from Governments. At the same time ,
it will detract from the dignity and autonomy of a self-Governing institution if it is to be entirely dependant on assistance from above. It is essential for stability and growth of these institutions that they have substantial and growing resources which are entirely within their power to exploit and to develop.

The financial provisions of the Assam Panchayati Raj Act 1972 appear to be quite progressive. Besides the provision of sharing the departmental budget funds with the Panchayati Raj bodies, quite a number of independent resources like Bazars, ferries, fisheries, pounds, taxation and fees provisions on varied local items, substantial share of land revenue, and other Government collections, entire local rate etc. are being provided to the Mahukum Pashishud and Gaon Panchayat within their respective spheres. Thus it appears that there has been a remarkable improvement in Government grants to the Panchayati Raj Institutions under the present Act. But this is not sufficient to meet all the charges by the Panchayats if they depend mainly on Govt. grants. They will hardly be able to take up all the functions assigned to them if they can not raise their own funds to a considerable extent by mobilising the probable resources within their powers. Their failure in this direction will again make these institutions weak and inactive like that of the defunct Panchayat Raj institutions.