PART 2

ORGANISATION AND WORKING

OF

THE REGULATED MARKETS
CHAPTER IV
FOUNDATIONS AND STRUCTURES: HIERARCHICAL PYRAMIDING:
FUNCTIONING LINKS


B: Formation Preliminaries: Nine stages -- Discussion -- Overall assessment.


D: Sub-Committee: 1. Constitution and Composition: Concept development -- Position under the Gujarat Act, 1963 -- Analysis of data as on 31-8-64. 2. Functions. 3. Utility.

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G: Size and Composition of Employment Units: Measure of size -- Employment situation on 31-8-64 -- Typical co-relations -- Employee-classification -- Data analysis.

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A: Introduction

The management of any institution has to be goal-oriented.
There has to be an organisation through which the goals can be attained. The organisation has to be structured in relation to the aims sought to be achieved. As E.F.L. Brech has very aptly put it in a pathy sentence: "Organisation is the framework of management." To be efficient and efficacious, its goals must be as clear and precise as possible. The advent and the operation of the institution of regulated markets have to be viewed in relation to the aims and purposes for which they were created and the organisation through the medium of which these were to be achieved.

Under the free market economy, agricultural produce used, for years, to be sold mainly either at the village level or in the primary wholesale markets. There existed an imbalance in the bargaining power of the numerous small producer-sellers vis-a-vis the buyers/traders. The former constituted the weaker section as the marketable surpluses and the per transaction quantities they could offer for sale were mostly meagre, their waiting capacities were extremely limited owing to their illiteracy, poverty, chronic indebtedness, financial insecurity and dependence upon the moneylenders-cum-traders. The trading class was stronger and more organised than the scattered sellers. They had an impact on the structure of prices that prevailed in the agricultural markets. Oligopolistic buying, underhand dealings in terms of bids and offers, various malpractices including overweighment, extraction of indiscriminate quantities in the form of free samples, manipulation of accounts,
delayed payments, unwarranted compulsory deductions by way of
the multiplicity of levies and charges, and aftersale disputes
under false pretexts resulting in retrospective reduction in
the prices already agreed upon, and the absence of any pro-
vision for the equitous and just settlement of disputes at
any level resulted in the exploitation of the agriculturist-
sellers. For a long time, the Governments functioned only as
a revenue collecting, law and order authority, unconcerned
about all such happenings in the agricultural sector. It was
only in 1897, as stated earlier, that the first legislation—
the Berar Law in one of the provinces — empowered its Govern-
ment to come to the rescue of the sellers of agricultural
produce by declaring certain markets as regulated ones wherein
trading was regularised and malpractices were controlled. Under
the Law, the markets were to be managed either by an indivi-
dual or a Committee appointed by the Resident.¹ In the Bombay
Cotton Markets Act, 1927, it was only the committee form of
organisation was provided for the management of regulated
markets to be established under it.² The Committees were to
be composed of elected members representing various interests,
with a small minority of Government nominees and were thus
supposed to function independently.³ The Royal Commission on

Agriculture endorsed this approach for acceptance in regard to future marketing legislation in the country. This has continued to be the basis of the formation of Market Committees in Gujarat until, now of course, with compositional changes here and there in the subsequent enactments as would be discussed later in this chapter at appropriate places.

**Formation Preliminaries**

The establishment of a regulated market involves, as at present, both statutory and non-statutory processes. We have, for our purpose, divided them into 9 steps.

**Step 1:** An elaborate inquiry into the potentialities of a marketing centre is undertaken — though not statutorily required — as a preliminary step to enable the Government to take a decision if it should be regulated. A good survey report generally includes valuable basic information, data and analysis on various aspects as follows:

1. Estimates of production, local consumption and marketable surplus of the commodities concerned.
2. Actual annual sales, during past few years, of the commodities at the assembling market and within

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5. Different Commissions and Committees including the Royal Commission on Agriculture, the Bombay Provincial Banking Enquiry Committee, the India Central Banking Enquiry Committee, the Baroda Banking Inquiry Committee, emphasised the need for undertaking detailed surveys before regulating markets.

the proposed market area.

(iii) Examination of the movement of prices over a period of years and the extent of seasonal fluctuations therein in the same and neighbouring markets.

(iv) Factors influencing the quality and the quantities of supplies.

(v) Distance between the assembling centre and the centres of concentrated production.

(vi) Situation of the market to be established, the state of means of transportation and communication, and seasonality of their availability.

(vii) A critical examination of (a) the existing marketing machinery, (b) the efficiency of the market with regard to its physical conditions, its administration, the facilities it offered for the storage of agricultural produce, shelter for men and cattle, water supply and sanitation, banking, insurance, postal services, etc., and (c) the channels through which the commodity passes its journey from the producers to the consumers.

(viii) Types of middlemen and the costs of their services; the malpractices prevalent.

(ix) Position of the Co-operative Movement and its potential in effecting a reduction in marketing costs in area.

(x) Existing system of market intelligence and its best possible utilisation.
(xi) Availability of a suitable site for locating a market yard.

(xii) Estimates of benefits they may accrue to the producer-sellers in the event of the establishment of a regulated market in the area.

(xiii) Estimates of income and expenditure of a Market Committee sought to be established.

(xiv) Possibility of rationalisation of an reduction in the marketing costs.

(xv) Sizes of market area and market proper.

(xvi) Commodities to be brought under regulation.

(xvii) Probable response and co-operation from the interests concerned.

The conduct of preliminary surveys is entrusted to the departmental staff in charge of specific regions or zones—usually Government servants of the rank of Co-operative Officers. Despite the well set out procedures, the officers experienced a lot of difficulties in the collection of data as they had no statutory authority to enforce compliance to their requirements. The contents of the reports, therefore, depended upon the drive and the persuasive abilities of the officers concerned and the degree of their influence on the local sources of supply of reliable information. Consequently, in most of the cases, the reports became just stereotyped documents instead of serving as reliable guide for the formation
of economically viable and administratively efficient regulated markets. It is my observation that such reports have acted as one of the significant causes for the stagnancy or failures of some of the markets.

Step 2: Based on the consideration of the preliminary survey report, the District Registrar formulates the proposal for the regulation of a market — both in terms of market area and the commodities to be covered — and submits it to the Director of Agricultural Marketing, through the Divisional Deputy Registrar concerned. This step, too, is non-statutory or departmental in character.

Step 3: The Director, if satisfied, declares in the Official Gazette his decision on the proposal in the form of a preliminary notification under Sec. 5(1) of the Gujarat Act, 1963, specifying his intention of regulating the purchase and sale of specified produce in specified area and invites objections and suggestions, if any, within the specified period.

Prior to the application of the Gujarat Act, such a proposal had to pass through a chain of intermediaries, both in the Co-operative and Revenue Departments. The Marketing Inspector was the initiating authority both for a Preliminary Survey and the formulation of a proposal for regulation. The Assistant Registrar Co-operative Societies, the Assistant Marketing Officer, the Collector and the Director of Agricultural Marketing acted as the intermediaries between him and the Divisional Commissioner who was the final authority for taking a decision on the proposal. It was on the recommendation of the Expert Committee that the earlier powers of the Revenue Officers under the Bombay Act were withdrawn. The grant of authority to the Director for taking the final decision was intended to cut down procedural delays.

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of not less than a month from the date of the publication of
the notification. The law further requires (i) the publication
of the notification by the Director in Gujarati in a newspaper
having circulation in the area and his arranging for the
affixing of its copy at some conspicuous place in the office
of each of the local authorities functioning in the area
specified in the notification, and (ii) his endorsing a copy
of the notification to each of the local authorities function­
ing in the area specified therein with a request to submit
its objections and suggestions, if any, in writing to him with­
in a specified period.

Step 4: Under Sec. 6(1) of the Gujarat Act, the Director
issues the final notification in the Official Gazettee declar­
ing the whole area as previously notified or any part thereof
to be the market area in respect of all or any of the kinds
of agricultural produce specified in the preliminary notifica­
tion on fulfilment of three conditions: (i) the expiry of the
period specified in the preliminary notification, (ii) the
consideration of objections and suggestions, if any, received
within the specified time-limit, and (iii) the completion
of the proceedings of such inquiry as may be necessary. This
notification also requires to be published in the same manner
as prescribed for the preliminary notification. The effect of
this declaration is that, from the date of its publication, no

place within the declared market area can be used for the purchase or sale of the agricultural produce specified in the notification except as provided in the Act. 10 The Director may grant licence to any one to use any place as a stop-gap arrangement till the establishment of a Market Committee there. In actual practice, this proved to be an effective paper provision as the trading continued to take place, as in the past, as long as the licences were not issued by the properly constituted Market Committees. Not a single case was reported to me in my investigations, where such a licence in the transitional period between the dates of the publication of the final notification and of the first issue of licences by the Market Committees was ever thus issued by the Director. 11 This meant a gross connivance of the violation of the Act everywhere. Certainly, there are practical difficulties. Their solution lies in amending the Act to make it compulsory for traders to take out licences within one month latest from the date of the commencement of business by the Market Committee which, too, must be specified in the Act, taking the period that may be involved in the completion of required preliminaries.

For any subsequent inclusion or exclusion of territory in the market area so declared and addition or deletion of *-----*

10. Sec. 6(2) of the Gujarat Act: Vide: J-14: p.4.
any kinds of agricultural produce so notified require the following of the same procedure as above under Sections 5(1) and 6(1) of the Gujarat Act.

Step 5: Soon after the declaration of market area, the Director asks his subordinate officer concerned at the district level to submit his proposals for the constitution of a Market Committee for the market area so declared, along with the names of the persons to be nominated on the first Market Committee. Ordinarily, the District Registrar of Co-operative Societies does informally discuss the names he has in view with the leading workers in the groups to be represented on the Market Committee so as to ensure their co-operation and active participation in the management of its affairs. No definite criteria or procedures have been laid down for such nominations. The officers at the district level have to be cautious in selecting the right type of persons without indulging in local party-politics as the first Committee has always to do a great amount of spade work, to face much initial opposition from the vested interests affected and to establish healthy conventions from the very beginning.

Step 6: The Director considers the recommendations received from his sub-ordinate officers and issues three simultaneous notifications declaring (i) the incorporation of the Market Committee by name for the market area notified, (ii) nominating persons on the first Market Committee as approved by the

Government, and (iii) directing the Market Committee to
establish a market yard in its market area.  

... The Act does not specify the time-limit within which
the Director has to establish a Market Committee. There are
instances where Market Committees have been established
after a considerable lapse of time from the dates of decla-
ration of the market areas. It has been found that the time-
lag is of around six months. Normally, the establishment of
a Market Committee must not take more than two months. A
check on the dilatory action needs to be provided in the Act
itself in terms of such a specific time-limit.

Step 7: The Director or any person authorised by him has
to call the first meeting, to be presided by him without a
vote, of the first Market Committee as soon as possible after
its constitution to elect the Chairman and the Vice-Chairman
from amongst the members representing agriculturists, traders
and co-operative marketing societies. A specific time-limit

13. Directorate of Agricultural Marketing, Ahmedabad and
J-14: pp. 5-7.

14. Under Rule 28 of the Bombay Rules, 1941, the Collector or
any person authorised by him was to call such a meeting.

15. Under Sec. 6(5) of the Bombay Act, 1939, all members re-
presenting, irrespective of their constituencies, were
eligible for being elected as Chairman and/or Vice-Chair-
man. The Gujarat Act, 1965, under Sec. 17(1) has made
the members representing the local authorities and the
Government ineligible for these posts. Vide: J-7: p.2148
and J-14: pp. 6-7.
needs to be provided in the Act itself for calling these meet-
ings. Ordinarily, no business other than the election of a
Chairman and a Vice-Chairman is transacted in such first-
meetings.

Step 8: The Market Committee in its subsequent meeting/s
takes decisions pertaining to the fixing up of (i) the coverage
of the principal market yard and the sub-market yard, if any,
in terms of enclosures, buildings and localities, and (ii)
the peripheries of the markets proper. Accordingly, it sub-
mits proposals to the Director, through the District Registrar
and the Deputy Registrar, for notifying the principal market
yard — also the sub-yard/s, if any, -- and the market/s
proper. The Director then notifies them simultaneously under
Sec. 7(2) and (3), from which date the market comes into
existence. 17

Step 9: The Committee finalises the bye-laws for the regula-
tion of business, the issuance of licences, the conditions
of trading in the market area, etc. on the lines of model
bye-laws prescribed by the Directorate. These are then sub-
mitted, through the District Registrar, to the Director 18

16. This can be done by adding the words "but not later than
60 days" between the words 'be' and 'the' in the first
18. The powers to approve the bye-laws, etc. have been dele-
gated to the Divisional Deputy Registrars as Deputy
Directors who have to seek prior approval of the Director
in respect of a few bye-laws as specified.
for registration under Section 60 of the Act. The Director, if satisfied that they are not inconsistent with the Act and the Rules made thereunder, registers them and issues a certified copy to the Market Committee. No registration can be refused without giving the Market Committee a prior opportunity of being heard.

The Committee can start functioning once the bye-laws have been registered.

**Overall assessment:** The process of declaring a regulated market as existing today is the culmination of significant changes in basic statutory requirements since the inauguration of the Berar System in the country in 1897 as is evidenced in the briefest summary given in relation to the different Acts in operations during the last seven decades. (Vide; App. IV.1). A unilateral decision-making by the Government has given way to democrat consultations and decentralisation in the administrative authority. The Gujarat Act embodies the cream of the experience gained over year of application of the marketing legislation and makes for increased public participation in the management. The fixing up of the responsibility of the implementation of the Act on the shoulders of the Director of Agricultural Marketing should minimise avoidable delays at every stage. This expectation does not yet seem to have materialised everywhere. An attempt has been made to make a comparative case-study of the period involved
in the formation, during 1959-66, of three typical Market Committees situated in three different districts -- one -- Unit A -- formed under the Bombay Act, 1939, and two -- Units B & C -- formed under the Gujarat Act, 1963. (Vide: App.IV.2). The time-lags between the submission of the proposals for issuing preliminary notification and the registration of the bys-laws were as follows:

<table>
<thead>
<tr>
<th>Unit</th>
<th>Years</th>
<th>Months</th>
<th>Days</th>
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<tbody>
<tr>
<td>A</td>
<td>2</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>B</td>
<td>3</td>
<td>1</td>
<td>15</td>
</tr>
<tr>
<td>C</td>
<td>1</td>
<td>8</td>
<td>21</td>
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It is essential that the communication channels in the departmental headquarters and the field organisations are streamlined. It should become incumbent upon the Directorate to exercise a more stringent control by prescribing time-limits at different stages and exercising sanctions -- positive and negative -- for strict adherence thereto. If the delays are caused by the existence of multifarious duties and the lack of adequate staff, the remedies lie in (i) O. & M. Studies, (ii) scientific work-allocation, time-scheduling and rationalisation of the process throughout, and (iii) strengthening of the establishment.

C: Market Committee

1. Constitution and composition

Concept development: The Berar Law, 1897, provided for the
governance of the affairs of a regulated market through either an individual appointed by the Resident or a Committee consisted of five members constituted by him.\textsuperscript{19} In the case of the latter form of organisation, two members were to be elected by the Municipal Committee at a special meeting every year and the remaining three were to be elected by ballot by the persons appearing on the list prepared by the Deputy Commissioner under the Rules.\textsuperscript{20} The Committee, thus, was composed of all elected members representing a local authority and cotton traders in the ratio of 2:3, giving an absolute majority to the listed trading class when actually their malpractices were sought to be regulated.

The Bombay Cotton Markets Act, 1927, drastically changed the structure. Under it, the Committee was to consist of not less than twelve and not more than sixteen members of which not less than half were to be elected by the cotton-growers of the prescribed area, one was to be nominated by the Local Government, one each was to be elected by the District Local Board and the Municipality of the area, and the remainder were to be elected by the cotton-growers holding licences.\textsuperscript{21} The Act, brought together five varied interests on the management board in place of only two in the past, gave a predominant weightage of at least 50% to the agriculturists-cotton growers and clipped the wings of the cotton-traders by reducing their representation to between 25% and 33% of the total

\textsuperscript{19} Sec.3(1) of the Berar Law, 1897, and Rule 6 of the Berar Rules, 1913: Vide: J-1: p. 236 and J-2: p. 240.
\textsuperscript{20} J-1: p. 236 and J-2: p. 240.
\textsuperscript{21} Sec. 5 of the Bombay Cotton Act, 1927: J-3: p. 56.
number.

The Royal Commission, while approving of the provision for the election of at least half the members of a Market Committee by the cotton-growers of the area served by it, observed that even that might not secure an entirely satisfactory representation of the growers' interests and recommended that, in the event of its failure to realise it, a government officer from the Department of Agriculture might well be nominated on such a Committee. It further recommended that (a) no licensed broker should be eligible for election to a Committee as a representative of the cultivators, (b) ordinarily, representation of co-operative societies in the area served by the market should be provided for on a Committee, and (c) the addition to the Committee of nominated members should not be allowed to reduce the proportion of the actual trade representatives below a certain limit. The aim seemed to be the protection of the interests of the agriculturist-sellers not in terms of relative numerical weightage but in terms of the quality of representatives to be elected from the constituency of the agriculturists. At the same time, it wanted to create an in-built safeguard against even a distant eventuality of the agriculturists' class vis-a-vis the trading class in the process of democratisation.

23. Ibid. p. 393.
Under the Baroda Act, 1934, a Committee was to consist of such number of members as might be determined by the 'Sar Suba' on the recommendations of the 'Suba' and the local authority concerned, of which half the members were to be elected by the agriculturists, one each was to be elected by the District Local Board, the Municipality or the Village Panchayat of the area and the Co-operative Societies—irrespective of whether they held licences or not—of the area served by the market, two were to be nominated by the 'Sar Suba' with the approval of Government, and the remainder were to be elected by the licence-holding traders from among themselves. The first Committee was to be nominated by the Government. The first Committee nominated by the Government for the Bodeli Market in 1938-39 consisted of 18 members—6 representing the agriculturists, 6 the traders, 3 the Government, 1 the co-operative societies, 1 the District Local Board, and 1 the Village Panchayat. It meant a departure from the patterns provided in the Bombay Cotton Markets Act, 1927, and in the recommendations of the Royal Commission on Agriculture in that the 'Sar Suba' was given a wide discretion in the determination of the strength of a Market Committee, and that the number of Government nominees

25. This was the only Market Committee constituted under the Baroda Act during the period of its operation.
kept large. However, representation was granted to the co-operative societies for the first time.

The comprehensive piece of legislation passed by the Government of Bombay in 1939, repealing the Bombay Cotton Act, 1927, had provided for the constitution of a Committee comprising 12-15 members, of which not less than \( \frac{1}{2} \) were to be elected by the specified organisations of agriculturists—or, in their absence, by agriculturists residing in the area, not less than \( \frac{1}{2} \) were to be elected by the traders holding licences, one was to be elected by the local authority concerned from among its members, and the remaining members were to be nominated by the Provincial Government.\(^{27}\) As per the last amendment made in it in 1954, a Committee established was to consist of a fixed number of 15 members, of which 7 were to be elected by the organisations of agriculturists—and, in their absence, by the agriculturists of the area, 4 were to be elected by the licensed traders from among themselves—including 1 from among the licence-holding co-operative societies, 1 or 2 were to be elected by local authorities concerned, and 3 or 2 — depending on the representation of the local authorities — were to be nominated by the State Government.\(^{28}\) The Act had introduced three new elements: (i) It encouraged unionised activity on the part of the

\(^{27}\) Sec. 6(1) of the Bombay Act, 1939: Vide: J-7: p. 2147.

\(^{28}\) Sec. 6(1) of the Bombay Act, 1939: Vide: J-9: p. 2148.
agriculturists. (ii) In the traders' constituency, one seat was reserved for the marketing co-operatives which were licence-holders. (iii) The strength of a Market Committee was pegged at 15.

The Saurashtra Act, 1955, was radically different in the constitution of a Committee. It had provided for a 12-15 member-Committee. Not less than \( \frac{1}{3} \) of the total number was to be elected by the traders holding licences. The remaining members were to be nominated by the Government, of whom not less than \( \frac{2}{3} \) were to be agriculturists. The provisions were retrograde in character: (i) The agriculturists were deprived of their right of electing their own representatives. (ii) The representation of agriculturists was reduced from 50% to 33%. (iii) The classes of agriculturists and traders were treated on par with each other in terms of their numerical strengths. Actually, the traders were qualitatively in a better position with elected representatives of their own as against the agriculturists who had to depend upon Government nomination. (iv) Government became an equal third partner. (v) No representation was granted to the local authority and the co-operative societies.

Before discussing the provisions of the Gujarat Act, 1963, a brief review of the background developments is necessary.

29. Sec. 6(1) of the Saurashtra Act, 1955: Vide: J-12: p.4.
The Expert Committee asserted that "the number of the members of the Market Committee which is the administrative body should not be unwieldy nor should it be low enough to deny reasonable representation to any sector participating in the market" and opined that "the strength of the market committee should be uniform at 15 throughout the State." It also recommended that, out of 15 members, (i) the agricultural interest should have at least 7 representatives, (ii) the members of the managing committees of the agricultural co-operative societies and the members of the village panchayat in the market area, and the members of the district local board residing within the market area -- other than those who held a licence from the Market Committee or had interest in any licensee -- should constitute the agriculturists' constituency which should be divided into single member constituencies with a view to ensuring representation for every sub-area in the market and the different sections of the agricultural population, (iii) the traders excluding the "D" class licence-holders -- who buy anywhere in the market area but sell only to consumers -- have 3 seats out of which 2 should be allotted to the constituency of traders holding 'A' and 'B' class licences and 1 to that of the 'C' class licence-holders, (iv) the co-operative marketing organisations in the market holding valid licences should have 1 seat.

31. Ibid. p. 88.
(v) the local authority in whose jurisdiction the principal market yard was situated should have the right to nominate 1 representative, (vi) no representation be given to any other local authority, and (vii) 3 seats should be filled in by Government nominations. 32

In view of the expanding co-operative sector, the Hyderabad and the Jaipur conferences wanted that at least 2 seats from the constituencies other than the producers' constituency should be reserved for the co-operatives, being 1 for the co-operative societies registered as licensees of the committees and 1 for a co-operative financing agency of the area. 33

The Seminar on Regulated Markets organised by the Central Ministry of Food and Agriculture in January, 1959, was of the view that (i) the strength of the Committee should be such as to accommodate various interests in proper proportions -- the Committee should neither be too small nor too unwieldy, (ii) the Committee should consist of between 12 and 18 members depending on the size of the market and other considerations, (iii) the interests of the growers should predominate with at least 50% seats going to them, (iv) the traders' representation should not exceed 25%, and (v) the co-operative marketing societies, the municipal or local body and the Government nominees should have the remaining seats, subject to the

32. G-12: pp. 88 to 93.
condition that wherever the State or the Central Warehousing Corporation established a warehouse in the market, one seat should go to it. As regards the election of growers' representatives, it favoured the adoption of the system of indirect elections through the grower - members of Panchayats and of other registered growers' associations including the Farmers' Forum and the agricultural co-operatives. 34

The State Conference of the Chairmen, Secretaries of Regulated Markets, etc. held in February, 1959, at Poona, recommended that a Committee should have 17 members — 7 to be elected by the organisations of agriculturists and, in their absence, by the agriculturists residing in the area who would form the Agriculturists' Constituency consisting of single-seat wards; 3 from the Traders' Constituency; 3 from the Co-operative Traders' Constituency and 1 from the Local authority; the remaining 3 were to be Government nominees. 35

On the top of these multiplicity of views already prevailing, the new Gujarat Government appointed the Jaswantlal Shah Committee in 1961 to make specific recommendations. The draft bill it submitted was given the final shape in terms of the Gujarat Agricultural Produce Markets Act, 1963, which was brought in force from 1-6-1964. (As, however, the Rules

34. I-6: p.2.
35. I-1: pp. 5-6.
thereunder were notified on 1-9-1965, the first elections under this Act were held in December, 1965, until which date the Market Committees as constituted under the Bombay Act and the Saurashtra Act had continued to function.)

Position under the Gujarat Act, 1963: Section 9 of the Act empowers the Director to establish (1) a Committee for every market area, and (ii) additional Market Committees as may be necessary for the efficient regulation of the purchase and sale of specified commodities in the same market area. 36 The establishment of such separate Committees for the trade in vegetables, fruits, tobacco, cattle, etc. provided for a co-existence of more than one Committees in the same area.

Every first Market Committee is to be nominated by the Director with the prior approval of the State Government. Its term is to be of two years from the date of the nomination of its members. The second and subsequent Committees are to be elected ones. The term of office of a Committee so constituted has been fixed at four years from the date of its first meeting and that of its members is co-extensive. It has also been provided that so long as the new Committee is not reconstituted and its first general meeting is not held, the terms of office of both the Market Committee and its members are deemed to extend to and expire with the day immediately before the first general meeting of the Committee so reconstituted. 37

The noteworthy features associated with the procedure for the election of a Committee are: (i) the entire responsibility of holding the elections and reconstituting the Market Committees has been shifted from the District Collectors to the Director, (ii) the election expenditure is to be borne by the Committee concerned, (iii) the system of indirect elections has been introduced, and (iv) the Director or the Government, as the case may be, has been made appellate authorities.

Every Market Committee consists of 15 to 17 members depending on the representation of the co-operative marketing societies situated in the market area and holding general licences. The distribution of the membership is as follows:

(i) 8 agriculturists are elected by members of the managing committees of co-operative societies — other than co-operative marketing societies — dispensing agricultural credit in the market area.

(ii) 4 members are elected from amongst themselves by the traders holding general licences.

(iii) 2 representatives of the co-operative marketing societies situated in the market area and holding general licences are elected from amongst its members other than the nominal, the associate or the

sympathiser members of such societies by the members of the managing committees of such societies. (However, only one such representative is elected where the number of such co-operatives does not exceed 2, and none, where none exists),

(iv) 1 member is nominated by the local authority -- within whose jurisdiction the principal yard is situated -- from amongst its councillors or members who do not hold any general licence.

(v) 2 members are nominated by the State Government.

Thus, the characteristic features of the structure of Market Committees are:

(i) The Committee is a multi-constituency organisation.

(ii) The agriculturists have roughly 50% weightage.

(iii) The marketing co-operative societies have a special constituency unlike in the past and wherever their number is more than two, they have the benefit of two seats.

39. A special meaning is attached to the term in Sec. 2(ii) of the Gujarat Act: An "agriculturist" means a person who ordinarily by himself or who by his tenants or hired labour or otherwise is engaged in the production or growth of agricultural produce, but does not include a trader or broker in agricultural produce although such a trader or broker may also be engaged in the production or growth of agricultural produce: Vide: J-14: p.1.
(iv) In both (ii) and (iii) above, the system of indirect election has been introduced. It is only the members of the managing committees of the specified agricultural co-operative societies which have the right to vote them to the Market Committee. This virtually means the grant of statutory monopoly to the co-operatives to establish control over the regulated markets. The incidence of co-operativisation is also seen in the relative numerical strength of members the co-operatives elect, viz., 9 to 10 as against a total of 16 to 17. And, if the number of sympathiser members, viz., Government-nominees, is added, the majority favouring the interests of the agriculturists comes to 2/3rds.

(v) Only the general licence-holders in the trading class have been given about 25% weightage. The constituency is a composite one with split reservations for the different classes of traders. Hence, the numerical majority of a particular class can exert its pool in an election against the interests of superior class licence-holders.

(vi) The member of a local authority is now nominated rather than elected as in the past. This amounts to putting the clock back in terms of democratic principles.

(vii) The key posts of chairman and vice-chairman can be
occupied only by the representatives of the parties, viz., the sellers and the buyers, which have a direct stake in the running of a regulated market. In the absence of an arrangement by mutual consent between the agriculturist and the trading interests, it will be the former who can capture both the posts.

The earlier description shows that different commissions, committees, other bodies and Government were all keen to see that the interests of agriculturists dominated in the management of a Market Committee and relative numerical weightages have accordingly been provided in the Act. If an absolute majority of a sectional/group interest (as in the political field) is the panacea for all ailments of the administration of a Market Committee, none should be found stagnant, inefficient, maladministered or administered against the avowed interests of the agriculturist-sellers. In actual practice, the numerical majority does not always prove to be effective. This is amply supported by the results of my full scale investigations in regard to the election of the chairmen -- the chief executives -- of the Market Committees.

Out of 96 Committees as on 31-8-64, 8 were stagnant and 1 was managed by an administrator. The constituencies to which the chairman belonged in the case of the remaining 87 committees were: 35 -- agriculturists; 15 -- marketing.

40. C-1 to C-89.
co-operatives'; 26 — traders'; 4 — local authorities';
8 — Government-nominees'. Thus, 29% of the Committees
were headed by the trading community; another 14% were govern­
ment or semi-government nominees who were not agriculturists.
Barely 57% chairmen came from the ranks of the agriculturists
and their organisations in the co-operative sector. Now, if
the chairman's position is -- as it should be -- considered
one that controls the policies and the working of a Committee,
an incidence of 43% elements other than the agriculturists
is suggestive of a dilution -- if not sabotage -- of the very
basic aims of regulation of agricultural marketing. It is also
a pointer to the fact that an absolute numerical majority
statutorily granted to a section of population whose interests
are to be served cannot be effective unless when the members
of that section are fully conscious of their rights and res­
ponsibilities and exert their pu4l individually and collect­
ively in the selection of men from within their own ranks on
key posts and take intelligent and active part in the manage­
ment of a Committee. In a democratic set-up, the masses have
to be seasoned. The levels of literacy and understanding,
maturity in thinking, group loyalties, initiative, willing­
ness and will to work in an unfettered manner in accord ance
with one's convictions, an objectivity in the consideration
of issues in their proper perspective are perhaps more important

41. The elections of the reconstituted Market Committees took
place, for the first time, under the Gujarat Act, 1963,
and the Gujarat Rules, 1965, made thereunder, in Decem­
ber, 1965.
than a mere numerical majority in a plural organisation. Again, the constituency of the agriculturists itself must be represented by genuine agriculturists in the field. Otherwise, those wearing their garb may be able to pursue soldiering tactics in the working of a Committee, nullifying the very goals sought to be achieved by legislative provision.

The position with regard to the other key post of vice-chairman in a Committee was no better if viewed in terms of the criterion stated above. Thus, out of 83 vice-chairmen in the case of the reporting Committees, only 44 and 4 came from the constituencies of the 'Agriculturists' and the 'Marketing Co-operatives' respectively. 29, 4 and 2 belonged to the constituencies of 'Individual Traders', 'Local Authority' and 'Government Nominees' respectively. The ratio of agriculturists and their organisations to these 'other-section' elements came to 58:42.

There are two factors conditioning the absolute influence of a chairman: (i) where the vice-chairman and/or one or more members in a Committee are enlightened and vocal, their wishes will dominate in the decision making process irrespective of the sectional interests of the constituency to which a chairman belongs. (ii) Where both the chairman and the vice-chairman belong to the same constituency, their impact on the management may be greater. (This point will be further analysed and substantiated in later discussion.)

---

42. C-1 to C-89 : Out of remaining 5 Committees, post of a vice-chairman was vacant in case of 4 and 1 was suspended.
There were possible six factors/forces that helped the acquisition of the key positions of the chairman and the vice-chairman by persons representing non-agriculturists.

(i) A random sample study of 22 Committees\(^{43}\) has shown that 41 members elected in the agriculturists were not pure agriculturists by profession. 15 were businessmen, 10 were social workers -cum- agriculturists, 7 were social workers, 4 were traders-cum-agriculturists, 2 were legal practitioners, 1 each was an industrialist and an employee in a private concern, and the remaining one had no specified vocation.

(ii) A study of the professions of all the members from the agricultural constituency in two typical large-size Market Committees\(^{44}\) — one situated in the Mehsana district and the other in the Panch Mahals district — in 1964-65 showed that, in the former, only 2 members, and, in the latter, only 1 out of 15 each were agriculturists. It was no wonder that the chairmen in both the cases hailed from the 'traders' constituency. Table IV.1 presents the profession-wise data in both the cases.

\(^{43}\) C-7, C-9, C-18, C-20, C-23, C-29, C-31, C-32, C-35, C-47, C-49, C-51, C-56, C-61, C-62, C-70 to C-72, C-74, C-77, C-83, and C-88.

\(^{44}\) C-23 and C-69.
### Table IV.1

#### Market Committee in Kahaana district

<table>
<thead>
<tr>
<th>Profession of members</th>
<th>Agriculture</th>
<th>Business</th>
<th>Service</th>
<th>Medical Practice</th>
<th>Legal Practice</th>
<th>Social Work</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constituency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculturists</td>
<td>2</td>
<td>5</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Traders' (Private)</td>
<td>-</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Traders' Marketing Co-operative</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Local Authority</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>Government Nominees</td>
<td>4</td>
<td>1</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>2</td>
<td>9</td>
<td>3</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>15</td>
</tr>
</tbody>
</table>

#### Market Committee in the Panch Mahals district

<table>
<thead>
<tr>
<th>Profession of members</th>
<th>Agriculture</th>
<th>Business</th>
<th>Service</th>
<th>Medical Practice</th>
<th>Legal Practice</th>
<th>Social Work</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Constituency</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Agriculturists</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>1</td>
<td>2</td>
<td>3</td>
<td>-</td>
<td>7</td>
</tr>
<tr>
<td>Traders</td>
<td>-</td>
<td>3</td>
<td>1</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>4</td>
</tr>
<tr>
<td>Local Authority</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Government Nominees</td>
<td>-</td>
<td>-</td>
<td>2</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>1</td>
<td>3</td>
<td>3</td>
<td>1</td>
<td>2</td>
<td>5</td>
<td>-</td>
<td>15</td>
</tr>
</tbody>
</table>

---

45. C 23 and C-69.
(iii) Our assumption that members representing the co-operative marketing societies are professionally agriculturists has in itself proved to be lenient as the data supplied by 51 Committees show: Out of 51 representatives of such co-operative societies, only 13 (or, 25%) were agriculturists, 23 (or, 45%) were businessmen, 3 were businessmen-cum-agriculturists, 4 were social workers, 3 were pleaders, 2 were doctors and 3 were employed in private units. The preponderance of the trading class is obvious.

(iv) The scatteredness of the members representing the agriculturists as against the residential concentration of traders in the same place where the market yards and/or Committees function impairs frequent organised action on the part of the former. In 82 reporting Committees, out of a total of 1189 members; only 93 agriculturist-members were local. It worked out to an average 7.90%.

(v) In some areas, even now, the trading community exerts its influence on the agriculturist-representatives on social, political, economic and religious grounds.

(vi) A profession-analysis of the Government-nominated non-official members numbering 40, in 35 Committees has

46. C-9, C-10, C-16, C-19 to C-21, C-26, C-27, C-29, C-31, C-34, C-36, to C-42, C-44, C-45, C-47 to C-56, C-58, C-59, C-61, C-62, C-64, C-67, C-69 to C-72, C-74 to C-79, C-81, C-84, C-85, C-87 and C-88.

47. C-1 to C-5, C-7 to C-56, and C-58 to C-89.

48. C-2 to C-4, C-9, C-10, C-12, C-16, C-18, C-20 to C-23, (continued on p. 162)
shown that 9 were agriculturists, 9 were businessmen, 7 were social workers, 6 had private jobs, 2 were doctors, 1 was a legal practitioner, 2 were agriculturists-cum-businessmen, 2 were agriculturists-cum-social workers, 1 was a building contractor and 1 was an industrial executive. This constituency, too, had a weightage of 75% in favour of the non-agriculturist-sectors.

The Bombay Act, 1939, the Saurashtra Act, 1955, and the Gujarat Act, 1963, prescribed a 2-year term for the first (nominated) Market Committee with a provision of automatic extension. (However, there were conflicting legal interpretations in this regard.) In actual practice, however, 

48. (continued from p. 161)  
C-26, C-28, C-32, C-34 to C-36, C-40, C-42, C-45, C-47, C-52, C-54, C-55, C-59, C-62, C-64, C-68, C-70, C-72, C-78, C-80, C-81, C-85, C-86 to C-88.

49. The duration of 2 years is, as per the Gujarat Act, from the date of nomination and as per the other two Acts, was from the date of the first general meeting.

50. The Judicial Magistrate, First Class, of Jagadia (Broach), in the criminal summary case No. 874 of 63, pronounced that "the Authorities cannot be allowed to continue the committee for an indefinite period when specific period is fixed in the Act" and held that "the existence of the Market Committee is illegal and it has no right to prosecute any member of the public." Vide: A-14: p. 3.

In an appeal against this decision, the Gujarat High Court had confirmed it and dismissed the appeal. Vide: A-15: pp. 2-3.

However, the Supreme Court in their judgement on Writ Petition No. 111 made by Jan Mohammad Noor Mohammed Bagban VS the State of Gujarat and others observed that sub- Sec. 3 A of Sec. 6 provided for the interregnum between (continued on p. 163)
many nominated first Committees went on functioning beyond this period of two years. My study shows that out of 96 Market Committees as on 31-8-64, 32 were the first nominated Committees which had outlived this 2-year period. Table IV.2 gives the frequency distribution regarding the over-due periods.

<table>
<thead>
<tr>
<th>Period overdue</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>2 to 3 years</td>
<td>11</td>
</tr>
<tr>
<td>3 to 4 years</td>
<td>5</td>
</tr>
<tr>
<td>4 to 5 years</td>
<td>3</td>
</tr>
<tr>
<td>5 to 6 years</td>
<td>7</td>
</tr>
<tr>
<td>6 to 7 years</td>
<td>1</td>
</tr>
<tr>
<td>7 to 8 years</td>
<td>4</td>
</tr>
<tr>
<td>8 to 9 years</td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>32</strong></td>
</tr>
</tbody>
</table>

The impact of the functioning of these committees in

50. (continued from p.162) the expiration of the period of office of the members and the constitution of a fresh committee after election and that the lawful authority of the members of the market committee was, notwithstanding the expiry of the period, extended by sub-sec. 3A till the date of the first general meeting of the market committee. Vide: A-16: pp. 20-21.

51. C-1, C-5, C-14, C-15, C-22, C-29, C-31, C-33, C-34, C-36, C-37, C-40, C-45, C-46, C-54, C-58, C-59, C-62 to C-66, C-68, C-78 to C-80, C-82, C-85, C-88, C-86 and C-89.

52. Ibid.
various districts is brought out by Table IV.3.

Table IV.3

<table>
<thead>
<tr>
<th>District</th>
<th>No. of nominated Committees</th>
<th>District</th>
<th>No. of nominated Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ahmedabad</td>
<td>1</td>
<td>Jamnagar</td>
<td>2</td>
</tr>
<tr>
<td>Amreli</td>
<td>2</td>
<td>Jambusar</td>
<td>2</td>
</tr>
<tr>
<td>Baroda</td>
<td>6</td>
<td>Kaira</td>
<td>2</td>
</tr>
<tr>
<td>Banaskantha</td>
<td>2</td>
<td>Mehsana</td>
<td>2</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>1</td>
<td>Panch Mahals</td>
<td>1</td>
</tr>
<tr>
<td>Broach</td>
<td>3</td>
<td>Sabarkantha</td>
<td>4</td>
</tr>
<tr>
<td>Bulsar</td>
<td>2</td>
<td>Surat</td>
<td>3</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Surendranagar</td>
<td>1</td>
</tr>
</tbody>
</table>

The elections of the next-to-the-first Market Committees were postponed (Vide: Ordinance 11 of 1962 issued by the Governor of Gujarat) in consequence of the Central Government's declaration of the state of emergency in the country following the Chinese aggression in September, 1962. While this may now serve as a pretext for the continuance of the nominated first-committees beyond their terms, the cases of 20 Committees which had already completed their terms prior to the date of the notification could not be governed by it retrospectively. This does lead one to believe that the Government was neither

53. C-1, C-5, C-14, C-15, C-22, C-29, C-31, C-33, C-34, C-35, C-37, C-40, C-45, C-46, C-54, C-58, C-59, C-62 to C-66, C-68, C-78 to C-82, C-83, C-85, C-86 and C-89.
keen nor vigilant for the reconstitution of the nominated Committees. While it was fortunate in not having had to face any more litigations than the Jaghadia suit, the Government machinery does need a gearing up for strict adherence to time scheduling in regard to the reconstitution of the first and subsequent Market Committees. (It needs to be noted that, the elections as per the Gujarat Rules, 1965, were, for the first time, held in the case of 90 Market Committees in December, 1965, throughout the State.) But, this is a continuous process and the recommendation remains valid even then.

2. Members

Disqualifications: The Gujarat Act and the Rules thereunder suffer from a serious omission of a specific description of disqualifications arising out of residence, minority, unsoundmind, insolvency, conviction, etc. which were enlisted in Rule 6 of the Bombay Cotton Markets Rules, 1927, in Rule 6 of the Bombay Agricultural Produce Markets Rules, 1941, and in Rule 4 of the Saurashtra Agricultural Produce Markets Rules, 1956.

In the absence of such precise disqualifications or restrictions, any person engaged in agriculture is qualified to be a candidate from the constituency of agriculturists, 54

54. Cf.: "It is desirable to have precise qualifications or disqualifications in respect of representatives from the different constituencies." Vide: G-12: p.94. In regard to the constituency of 'agriculturists' it recommended that "a person should be deemed to be an (continued on p.166)
any trader holding a general licence is qualified to be a traders' representative, and so on. In other words, the Gujarat Act has liberalised the membership of a Committee ignoring even the usual requirements of common law. It may be argued, for instance, that the enactments for Local Authorities, Cooperative Societies, etc, do contain such disqualifications, and govern their members; hence, there is no need for repeating them in the Gujarat Act. Apart from the fact that this is only an indirect legal provision, agriculturists not belonging to such institutional organisations still remain uncovered.

A study of the provisions of the Gujarat Act and the Rules shows that (i) a trader or a broker in agricultural produce, even though he is simultaneously engaged in the production of agricultural commodities, has been disqualified to be treated as an agriculturist, (ii) a person not holding a general licence cannot be a representative of the traders, (iii) no person who is not a member of a co-operative marketing society situated in the market area and holding a general licence from the Committee or who is a nominal, an associate or a sympathiser-member cannot be a representative of a co-operative marketing society, and (iv) in the case of a person

54. (continued from p. 165) agriculturist and qualified to stand as a candidate from the agriculturists' electoral only if his main source of income is agriculture." Vide: G-12; p. 4. In actual practice, however, the determination of the principal source of income of a person will be administrative headache.
to be nominated member of a local authority, he should be its councillor/member and should not be holding a general licence from the Committee.

Disabilities: As per Section 14 of the Gujarat Act, an elected or a nominated member ceases to continue as a member if he ceases to be a member of the electorate for which he was elected, or (ii) a representative of the agriculturists obtain a general licence, or (iii) a member nominated by a local authority ceases to be its councillor/member or he obtains a general licence from the Committee. 55

Resignation: A member including the Chairman or/and the vice-chairman intending to vacate his office may do so by tendering his resignation to the Committee through the Secretary, who forwards it to the Director for sanction. The resignation becomes effective from the date on which it is accepted by the Director or on the expiry of sixty days from the date of resignation, whichever is earlier. 56 Two observations need to be made here:

(i) It is not understandable as to why a member should be made to tender his resignation to the Committee through the secretary, when it has not to take any action and the secretary has simply to forward it to the Director. The purpose can equally be served

if the member tenders his resignation to the Director by endorsing a copy of it to the Committee for information. Such an arrangement will minimise delay.

(ii) For the first time in its history, the Act provides that the resignation automatically becomes effective on the expiry of sixty days. This time-limit may curb delays in the Director's action. But it also means that it becomes effective in all cases even if he does not want to accept it.

Removal: A provision for removal of a nominated or an elected member of a Committee has been specifically made in the Gujarat Act. The Director has been empowered to issue an order for the removal of a member (i) on the recommendation of the Committee, supported by at least two-thirds of the whole number of members, and (ii) on his being satisfied, after giving him reasonable opportunity of being heard and holding inquiry as may be necessary, that the member has been guilty of neglect, or of any disgraceful conduct, or has become incapable of performing his duties as a member. A member so affected has a right to appeal to the State Government against the order within a period of 50 days of the date

57. The Market Committee must specifically resolve by such a majority that the member (a) is guilty, neglect or there is misconduct in the discharge of his duties, (b) is guilty of any disgraceful conduct, (c) has become incapable of performing his duties, after giving a reasonable opportunity to him of showing cause as to why such a resolution should not be passed.
of its communication to him. Though the power has not so far been used, the provision is intended to maintain harmony, efficiency, etc. in the working of the Committees and to remove therefrom elements that prove disinterested and/or destructive.

Liability: Every member is liable to be held personally responsible for any misapplication of moneys of the Committees when he has been a party to it, when it occurred through or has been facilitated by his negligence. He can be sued in law court for recovery of such moneys as if they were Government property. 58

Casual vacancies: Various circumstances—both avoidable and beyond one's control—inflict disabilities on the members of Committees who, therefore, cannot enjoy their full terms. A member dies or resigns. He is removed from office. He ceases to be a member of the electorate from which one is elected. He becomes disqualified in other ways. 59 The occurrence of any of these events causes vacancies in a Committee. My field work has shown that 46 seats in 28 (out of 86) Committees were vacant on 31-8-64: 26 were on account of death, 15 were on account of resignation and 5 were on grounds of termination and bifurcation of Committees. The vacancies worked out to

60. C-2, C-5, C-7, C-9, C-10, C-18, C-28 to C-32, C-39, C-43 to C-46, C-49, C-51, C-55, C-58 to C-60, C-62, C-63, C-73, C-77, C-86 and C-87.
10.6% and 3.6% of the total membership of the 28 and the 86 Committees respectively. On one Committee (at Billimora), as many as four posts out of 15 were vacant. Some of these vacancies dated back to the year 1961-62. The Gujarat Act, in Section 15, provides for the filling up of such vacancies—by election or nomination—for the remaining period within 'prescribed time-limit'. No such time-limit has, however, been fixed in the Rules. Consequently, the administrative machinery moves in its own slow manner. The Rule 26 should be amended to remove the lacuna by fixing up the time-limit of three months for a bye-election and of one month for nomination of the substitute, from the occurrence of such a vacancy. In the case of a chairman/vice-chairman, the time-limit should not exceed one month.

**Sex-composition:** As against a total of about 1400 members functioning in all the 88 active Committees in the State, there were only 2 women -- one nominated on the APMC at Petlad (Kaira), and the other elected in the APMC at Surat -- who had such membership, as on 31-8-64.

**Educational levels:** Table IV.4 gives the relevant data for the four categories of members, as on 31-8-64, of 55 Committees

61. D-60: Title p.2.
63. C-1 to C-89.
64. C-54 and C-81.
which responded to my queries.

If viewed against the Indian rural landscape, the general level of education cannot be said to be unsatisfactory on the whole as also in regard to sectional interest. The Government nominees showed a high degree of higher education — with over 56% being University degree-holders — owing to the nomination mainly of officials. The vague criticism frequently heard from many quarters that agriculturists are illiterate and incapable of protecting their interest because of low educational qualifications does not get support from the figures in the Table. The percentage of the agriculturists-representing who were matriculates and above, viz. 18, compared very favourably with that -- 19 -- of the representatives of the trading class. It may be added that the incidence of lower educational levels was comparatively high in the non-Government members in the upper age-groups and that the coming up of the new educated generation is bound to improve the conditions progressively.

Age-composition: The data presented in Table IV.6 in regard to the age-brackets of the members representing different interests on 65 reporting (out of the 88 active) Committees as on 31-8-64 presents an instructive picture. (1) The maximum number of members (25.8% of the total) belonged to the age-group of 41-45 years. (ii) 77.7% of the members had ages ranging from 35+ to 54+. This was indicative of a general age maturity prevailing in the Committees. (iii) The inter-sectional relationship in the age-brackets over 50 years
Table IV.65

<table>
<thead>
<tr>
<th>Members representing the constituency of</th>
<th>Illiterate</th>
<th>Primary-educated</th>
<th>Secondary-educated</th>
<th>University-educated</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Upto Vernacular Std.IV</td>
<td>Upto Vernacular Std.VII</td>
<td>Upto Std. XI</td>
<td>Matric or S.S.C.</td>
<td>Graduation</td>
</tr>
<tr>
<td>Agriculture</td>
<td>7</td>
<td>90</td>
<td>155</td>
<td>58</td>
<td>46</td>
</tr>
<tr>
<td>Traders</td>
<td>-</td>
<td>30</td>
<td>75</td>
<td>69</td>
<td>32</td>
</tr>
<tr>
<td>Local Authority</td>
<td>1</td>
<td>9</td>
<td>22</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>Government</td>
<td>-</td>
<td>12</td>
<td>-</td>
<td>5</td>
<td>40</td>
</tr>
<tr>
<td>Total</td>
<td>8</td>
<td>141</td>
<td>252</td>
<td>148</td>
<td>129</td>
</tr>
</tbody>
</table>

65. C-2 to C-4, C-7, C-9, C-12, C-19, C-20, C-23, C-26, C-27, C-29, C-31, C-33, C-34 to C-37, C-40, C-42, C-44, C-45, C-47 to C-56, C-58 to C-62, C-67 to C-72, C-74 to C-76, C-79, C-81, C-83 to C-89.
<table>
<thead>
<tr>
<th>Members representing the constituency of</th>
<th>Age-groups</th>
<th>Total membership</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>21-25</td>
<td>26-30</td>
</tr>
<tr>
<td>Agriculturists</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Traders</td>
<td>-</td>
<td>3</td>
</tr>
<tr>
<td>Local Authority</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Government</td>
<td>-</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>7</td>
</tr>
</tbody>
</table>

66. C-1 to C-3, C-7, C-9, C-10, C-12, C-15, C-19 to C-21, C-23, C-26, C-27, C-29, C-31 to C-40, C-42, C-44, C-45, C-47 to C-56, C-58 to C-62, C-67 to C-72, C-74 to C-77, C-79, C-81, C-83 to C-89.
gave the following percentage ranking: traders — 35.8%; local authority — 29.9%; agriculturists — 29%; government nominees — 8.9%. (iv) Government nominees were relatively younger, with 39% in the 31-35 age-group and 50% in the two age-groups of from 31 to 40. Those above 55 years were non-officials.

3. Functions

These are listed fully in App. IV.3. The job of a Committee is to maintain and manage efficiently the regulated market in its charge according to the provisions of the Act, the Rules, the Bye-laws and the directions of the Director. When more than one Committees are simultaneously functioning in the same market area, their powers, duties and functions are regulated by the Director to avoid gaps, overlaps and friction and to secure co-ordination in their workings. Disposal of business: Except the matters for which specific powers have been conferred by the law upon the Chairman, the Vice-Chairman or the Secretary of the Committee, all of its business has to be disposed of in its meetings to be held as per the prescribed procedure. It has, however, been

67. The details as regards the types of meetings, the prescription of time-limit for issuing notices of meetings, the issuing of agenda, the presiding over of the meetings, the quorum at the meetings, the adjournment of meetings, the conduct of meetings, the manner of voting, the keeping of the minutes of the meetings, etc., have been specifically given in the Rules and the Bye-laws.
been found that, in practice, some of the Committees dispose of their business by circular resolutions without any physical meetings, though there is no such specific provision, making all such decisions and action thereon 'ultra vires'. Again, the technique of circular resolution has developed for facilitating urgent plural action when a meeting cannot be properly convened. Now, the provision enabling the calling of a special general meeting at a short notice of 3 days is sufficiently accommodative.\footnote{68} Thereafter, a circular resolution cannot be made a regular practice as it cuts at a very root of the committee form of organisation where group discussion is the essence of any group decision. It takes away the opportunities which are available to a member in a meeting to express his views fairly and squarely and convince others on an issue. Also, each member can only agree or disagree to the draft motion circulated and usually one is prone to avoid unpleasantness or further trouble and just signs the copy sent to him. Moreover, a circular resolution requires the consent of all members and the process of collecting their signatures—by post or through messangers— is time-consuming, particularly when many of them are outsiders. (\textit{Vide: Table IV.6} which shows that out of a total of 1189 members of the 88 active Committees 709 members— about 60%— resided outside the Committee-headquarters.)

### Table IV.669

<table>
<thead>
<tr>
<th>Constituency</th>
<th>No. of members</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Local</td>
<td>Outsider</td>
</tr>
<tr>
<td>Agriculturists</td>
<td>93</td>
<td>464</td>
</tr>
<tr>
<td>Traders including marketing co-operatives</td>
<td>207</td>
<td>113</td>
</tr>
<tr>
<td>Local authority</td>
<td>65</td>
<td>32</td>
</tr>
<tr>
<td>Government nominees</td>
<td>115</td>
<td>100</td>
</tr>
<tr>
<td>Total</td>
<td>480</td>
<td>709</td>
</tr>
</tbody>
</table>

And, in all cases, a subsequent meeting has to ratify a circular resolution.

### 4. Supersession

The powers to supersede a Committee, by a notification in the Official Gazette, in the event of its not being competent to perform or of persistently making default in performing the duties imposed on it by or under the Act or abusing its powers, have been vested in the State Government. It has, however, to give a reasonable opportunity to the Committee to defend itself, by issuing a show cause notice and considering its explanations and objections prior to the issue of the notification.70

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69. C-1 to C-89.
The publication of such a notification has the following immediate consequences:-

(i) All the members of the Committee are deemed to have vacated their respective offices forthwith and all assets and liabilities of the Market vest in the State Government.

(ii) The State Government has immediately to constitute a new Committee, appoint an administrator or make any other arrangements for the management of the Market. In the former two cases, the assets and liabilities revert to them. Otherwise, its surplus assets (assets remaining after meeting all liabilities) are transferred to the State Agricultural Produce Markets Fund,\(^{71}\) for use for the benefit of the agriculturists in that area.

Until 31-8-1964, only three Market Committees were superseded: The Agricultural Produce Market Committees at Chuda and Limdi (Surendranagar) and Rajula (Amreli) under the Saurashtra Act.\(^{72}\) Administrators were appointed for them. They could not infuse new life in the case of the first two which were later on denotified. The administrator at Rajula still carries out the functions of the Committee. The incidence of

\(^{71}\) All the previous legislations, viz., the Baroda Act, the Bombay Cotton Markets Act, the Bombay Act and the Saurashtra Act provided for the transfer of such surplus assets to the Local Authorities of the areas concerned.

\(^{72}\) C-11 and the Directorate of Agricultural Marketing, Ahmedabad.
3% only of supersession in a period of about 25 years' implementation of the marketing legislation in the area can certainly be considered as low, particularly, if it is recalled that these Committees were established in the Saurashtra area in the initial years of the Saurashtra Act.

5. Dissolution

A new provision has been made in Section 54 of the Gujarat Act to empower the Government to dissolve a Committee by following the set procedure. The dissolution as contemplated here is of a special type for effecting (i) alteration in the limits in its market area during its tenure or (ii) the division of its market area into two or more market areas to be entrusted to the care of other Market Committee/s, and not for termination owing to mismanagement or wilful neglect or persistent default, etc. in the performance of duties. This new provision has the potential of facilitating changes in the market areas expeditiously and smoothly according to the needs of intensive regulation of markets in different parts of the State.

D: Sub-committees

1. Constitution and composition

Concept development: "Committee is a group of persons to whom, as a group, some matter is committed." Its basic characteristic

is group action. Decisions have usually to be taken in its meetings. Now, a Market Committee ordinarily meets once or twice every month. It may find it difficult to attend to all the administrative problems in detail and expeditiously. Hence, it is empowered to appoint sub-committee/s of two or more of its members. A sub-committee is a small body constituted for the performance of specific work or for sharing the general duties of a Market Committee. It is the principles of division of work and departmentation within a committee that are followed. A discretionary provision for the constitution of sub-committee/s found a place in the marketing legislation in our country from the very beginning in 1897. The Bombay Cotton Act, 1927, went a step further when, under its Rule 21, it made it obligatory on a Market Committee to appoint a 'Disputes Sub-committee'.

Under the Bombay Act, 1939, the Bombay Rules, 1941, and the Bye-laws framed thereunder, a Committee had a discretion to appoint one or more sub-committees, determine the numbers of their members, their functions -- specific or general, delegated or advisory -- and tenures except in the case of a Disputes Sub-committee where its functions and strength -- 4 -- were fixed.

Position under the Gujarat Act, 1963: Section 25 grants a discretionary power to a Committee to appoint one or more sub-committees consisting of such numbers of members as it may determine for carrying out any work or report to it on any matter. The former 'Disputes Sub-committee' has been substituted by a 'Dispute Committee' under Rule 40 of the Gujarat Rules, 1965, which provides for a model for its constitution.

Analysis of data as on 31-8-1964: In order to ascertain the conditions prevailing in respect of the sub-committees as existing on 31-8-1964 -- their types, their numerical strengths, the functions and duties allotted to them and their practical utility in the organisational set-up -- an analytical study has been made.

Out of the 88 active Committees, 80 appointed sub-committees varying in number from 1 to 9. 5 was a modal number with 22 Committees having it. 9 Committees had 1 sub-committee each, 5 had 2 each, 9 had 3 each, 20 had 4 each, 8 had 6 each, 4 had 7 each and 2 had 8 each. The APMC at Thasra had the maximum number of 9 sub-committees. 49% Committees fell in sub-committees-range of 1-4, and 40.9% in that of 5-9. As it was not obligatory to appoint a sub-committee, 8(9.1%) of the Committees did not consider it necessary to appoint any--not even a 'Disputes Sub-committee'.

Table IV.7 gives particulars regarding the types of sub-committees appointed, the number of Committees having them and the maximum and minimum strengths of members of various sub-committees.

75. C-1 to C-89.
<table>
<thead>
<tr>
<th>Type of sub-committee</th>
<th>No. of Committee/s appointed it</th>
<th>No. of members in each S.C.*</th>
<th>Type of sub-committee</th>
<th>No. of Committee/s appointed it</th>
<th>No. of members in each S.C.*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disputes</td>
<td>67</td>
<td>7</td>
<td>3</td>
<td>Sanitary</td>
<td>3</td>
</tr>
<tr>
<td>Licence</td>
<td>46</td>
<td>7</td>
<td>3</td>
<td>Cattle Market</td>
<td>2</td>
</tr>
<tr>
<td>Staff</td>
<td>43</td>
<td>7</td>
<td>3</td>
<td>Management</td>
<td>2</td>
</tr>
<tr>
<td>Building</td>
<td>28</td>
<td>7</td>
<td>3</td>
<td>Propaganda</td>
<td>2</td>
</tr>
<tr>
<td>Yard</td>
<td>23</td>
<td>7</td>
<td>3</td>
<td>Accounts</td>
<td>1</td>
</tr>
<tr>
<td>Budget</td>
<td>21</td>
<td>7</td>
<td>3</td>
<td>Advisory</td>
<td>1</td>
</tr>
<tr>
<td>Legal</td>
<td>19</td>
<td>7</td>
<td>3</td>
<td>Executive</td>
<td>1</td>
</tr>
<tr>
<td>Staff Selection</td>
<td>10</td>
<td>5</td>
<td>3</td>
<td>Building Supervision</td>
<td>1</td>
</tr>
<tr>
<td>Audit</td>
<td>8</td>
<td>4</td>
<td>3</td>
<td>Charna</td>
<td>1</td>
</tr>
<tr>
<td>Building &amp; Yard</td>
<td>6</td>
<td>7</td>
<td>4</td>
<td>Sub-market Yard Advisory</td>
<td>1</td>
</tr>
<tr>
<td>License &amp; Legal</td>
<td>6</td>
<td>5</td>
<td>3</td>
<td>General Problems</td>
<td>1</td>
</tr>
<tr>
<td>Land</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>Market Charges Fixation</td>
<td>1</td>
</tr>
<tr>
<td>Sub-market Yard</td>
<td>5</td>
<td>5</td>
<td>3</td>
<td>Shop-cum-Godown</td>
<td>1</td>
</tr>
<tr>
<td>Market Yard Development</td>
<td>5</td>
<td>9</td>
<td>6</td>
<td>Grass &amp; Mongoose Policy</td>
<td>1</td>
</tr>
<tr>
<td>Canteen</td>
<td>4</td>
<td>6</td>
<td>3</td>
<td>Weights and Measures</td>
<td>1</td>
</tr>
<tr>
<td>Licence and Yard</td>
<td>3</td>
<td>6</td>
<td>3</td>
<td>Rent Control</td>
<td>1</td>
</tr>
<tr>
<td>Legal and Offence</td>
<td>3</td>
<td>7</td>
<td>3</td>
<td>Fencing</td>
<td>1</td>
</tr>
<tr>
<td>Legal and Yard</td>
<td>3</td>
<td>7</td>
<td>4</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

76. C-1 to C-89.
In brief, as many as 36 types of functional sub-committees were appointed by one or more Committees, the Disputes Sub-committee was constituted by 78% of the active Market Committees, probably because of its special mention in the Rules, and the Licence Sub-committee(52.3%), the Staff Sub-committee(48.9%), the Building Sub-committee(51.9%), the Yard Sub-committee(28%), and the Budgets Sub-committee(23.8%) were other important types much in vogue.

As regards the numerical strength: no sub-committee had less than 3 members; the maximum number was 9 in the case of two sub-committees; there were 15 sub-committees which had a fixed number of members -- 3, 4, 5, 6, or 7 -- each; the range of the number of members of the remaining types of sub-committees varied from 3 to 7. Now, in a Market Committee with 15 members, a sub-committee of 3-4 members can theoretically be considered to be a proper size if viewed against the criteria of specific work allocation, specialisation and efficiency of group decision and action, particularly, if the number of sub-committees exceeds 4 as, in such a case, the same member will have to work on more than one sub-committees. Of course, the 'personal ability' factor and degrees of interestedness and time allocations for the honorary work of market management are important variables which may enable individuals to make

77. Cf.: Sec. 30 of the Maharashtra Act, 1963, which provides that "A Market Committee may appoint one or more sub-committees of one or more of its members", (Vide: J-16: p. 7217.) Thus, it empowers a Market Committee to appoint a one member sub-committee also.
positive contributions to the working of more than one sub-committees. However, there will be exceptions rather than a rule. The efficiency of the decision making process may be adversely affected by larger numbers, as, for instance, the convening of a meeting on a date and time convenient to the large number itself may become a problem, apart from tardy discussions and disintegrating multi-directional pédals of divergent views. However, more than one sub-committees appointed by APMCs at Gondal, Botad, Ahmedabad, Sidhpur, Idar, Meghraj, Talod, Palanpur, Baroda, Padra, Naswadi, Jamnagar, Dohad, Rajpipla, Baroda District Tobacco did consist of 6 to 9 members. I think the variations in the compositions and the larger sizes of sub-committees were the result of the need to accommodate more members on different committees either to satisfy their vanity or to maintain a balance among different group-interests. The Disputes Sub-committees present a queer scene in that, even when the size was pegged by law to a fixed number of 4, those at Meghraj, Kadi, Harij, Damnagar, Bulsar, Jhalod, Padra and Dabhoi had more than 4 members each and those at Umareth, Baroda(Tobacco), Una, Wankaner, Amreli, Bavla, Dhandhuka, Mehsana and Khedbrahma has less than 4 members each. It is unintelligible as to why these sub-committees were allowed to function in contravention of the law despite departmental annual audit and inspection; for, while discretion was granted to a Market Committee for the appointment or otherwise of the sub-committee, no discretion, as
stated earlier, was granted in regard to its strength.

The representation to different group interests on the sub-committees, too, affect their efficacy as a management tool. On one hand, the multi-directional pedals may reduce the decisions to the lowest common denominator or, the will of an enlightened —or, otherwise— majority may inflict itself upon them with lava of antagonism boiling within the externally extinct volcano, so to speak. On the other, all groups may feel interested in the efficient management of the market for the benefit of all. Rule 37 of Bombay Markets Rules, 1941, read with the bye-laws framed thereunder, provided a definite prescription in regard to the composition of a 4-member Disputes Sub-committee wherein one of the nominated members (not being the Chairman of the Market Committee) of the Market Committee was to act as its chairman, and one member each was to represent the agriculturists, the traders and the local authorities (or, any other member if the last ones were not represented on the Market Committee.). The intentions were clear: equal representation to all interests, chairmanship to the Government nominee, and no subordination of his to that of the Market Committee.

A random sample study of 10 Disputes Sub-committees in 10 districts\textsuperscript{78} showed that (1) 2 had only 3 members each, with

\textsuperscript{78} (1) APMCs at Amreli(Amreli), (2) Dhandhuka(Ahmedabad), (3) Bulsar(Bulsar), (4) Kosamba(Surat), (5) Jambusar (Broach), (6) Nadiad(Kaira), (7) Jhalod(Panch Mahals), (8) Himatnagar(Sabarkantha), (9) Kadi(Mehsana), and (10) Baroda(Baroda).
no representation to the members of local authorities, (ii) 1 had 2 representatives from the traders' constituency with none from the local authorities, (iii) 1,5-member sub-committee had 2 representatives of agriculturists, (iv) 50% of the total of 6 members in 1 case and (v) one of the chairmen was not a member nominated by the Government. All these 'ultra vires' acts went on unnoticed or uncared for by the Government. Also, out of the 9 nominated members holding the positions of chairmen, 7 were non-officials and 2 were officials from the Revenue Department.

Insofar as the other sub-committees were concerned, their constitution and composition were left to the discretion of the Market Committee. My analyses of the information obtained from the 87 Market Committees brought to light the following facts:-

(i) The proportion of representation secured by different group-interests varied from market to market and sub-committee to sub-committee. While all important local groups did usually find a place on a sub-committee, the Government nominees or representatives of local authorities were, in a few cases, conspicuous by their omission.

(ii) The chairman of a Market Committee invariably became the chairman of all sub-committees and had its imprint on their workings in terms of the interests of the group to which he belonged.

79. C-1 to C-89.
2. Functions

A Market Committee enjoyed complete freedom in the field of the allotment of functions to the sub-committees constituted by it except the Disputes Sub-committee which was, by Statute, charged with the task of "the settlement of disputes between buyers and sellers and their agents, including disputes regarding the quality, weight of the article, the allowances for wrappings, containers, dirt or impurities or deductions from any cause."  

It has been found that the resolutions appointing sub-committee were general in character and did not specify the functions within their jurisdiction. It was only the nomenclatures that were suggestive of the areas of their operation. Consequently, the relationships of the sub-committees with their parent bodies were governed by ambiguities in the fields of functions and authorities. It is suggested that a resolution consisting any sub-committee must set its tasks clearly and in detail, describe the degree of authority delegation, and specify its tenure. If needs to be noted here that the decisions of sub-committees always required subsequent ratifications even when they had fully delegated authority.

3. Utility

An impression is created by the foregoing analyses that

81. There were a few exceptions of organisationally advanced Committees like APMC, Ahmedabad which have enlisted them.
that the sub-committees have great utility as a management tool in regulated marketing. However, an examination of the annual reports of the working of 46 Market Committees\footnote{82} having 207 sub-committees in 1963-64 showed that in all only 256 meetings were held, giving an average of 1.2 meetings per annum per sub-committee. Out of this total, 102 meetings were of Licence Sub-committees, 40 were of Buildings Sub-committees, 33 were of Staff Sub-committees, 27 were of Yard Development Sub-committees, 13 each were of Staff & Budget and Budget Sub-committees, 10 were of Licence & Yard Sub-committee and 15 were of the other types of Sub-committees. Again, 175 meetings (or, 68.3\%) related to sub-committees appointed by 11 Market Committees, meaning thereby that 37 sub-committees of 35 Market Committees had met only 81 times during the year. These are indicative of the degree of inactivity or ornamental existence of most of the sub-committees. My personal interviews with a number of secretaries have revealed that many

sub-committees are being appointed only as a routine matter and that frequently the functions falling within their scope are performed by the Market Committees. Redundancy and self-deception never make for administrative efficiency.

E. Chairman and Vice-Chairman

1. Eligibility

Prior to the enforcement of the Gujarat Act, any member of a Market Committee was qualified to be elected as a chairman or a vice-chairman. The Gujarat Act modified the provision by restricting the eligibility to the representatives of agriculturists, traders holding general licences and co-operative societies situated in the market area and holding general licences only, though the nominees of the local authority and the State Government continued to have the right to vote. By way of an illustration, in a Market Committee consisting of 17 members, 82.3% will be able to contest the elections to the two posts.

2. Analysis of data as on 31-8-1964

Constituencies: Table IV.8 presents the relative numerical strengths of chairmen and vice-chairmen representing various constituencies as on 31-8-64.
Table IV.8

<table>
<thead>
<tr>
<th>Constituency</th>
<th>Chairmen</th>
<th>Vice-chairmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculturists</td>
<td>35</td>
<td>44</td>
</tr>
<tr>
<td>Traders: Private</td>
<td>25</td>
<td>29</td>
</tr>
<tr>
<td>: Co-operative marketing societies</td>
<td>15</td>
<td>4</td>
</tr>
<tr>
<td>Local authorities</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Government nominees</td>
<td>8</td>
<td>2</td>
</tr>
<tr>
<td>Total</td>
<td>87</td>
<td>83</td>
</tr>
</tbody>
</table>

We have discussed at length the impact of the relative proportion earlier. It bears repetition, however, that despite the absolute majority of the agriculturists on the Committees, the pull of the trading community in particular was quite marked for both the posts. Viewed regionally, certain districts showed a greater tilting in favour of the non-agriculturist classes. Members belonging to the individual traders' constituency predominated in Sabarkantha, the Panch Mahals, Mehsana, Broach, Ahmedabad districts and those in Saurashtra. Table IV.9 gives a district- and constituency-wise break-up of the aggregate numbers of chairmen and vice-chairmen as on 31-8-64 in the 87 and 83 reporting Committees respectively.

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83. C-1 to C-10, C-12, C-13, C-15 to C-56 and C-58 to C-89.
Table IV. 9

<table>
<thead>
<tr>
<th>District</th>
<th>Agriculturists</th>
<th>Traders'</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Individuals</td>
<td>Co-operative marketing societies</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C.°</td>
<td>V.C.°</td>
<td>C.°</td>
</tr>
<tr>
<td>Rajkot</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Surendranagar</td>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>Junagadh</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Bhavnagar</td>
<td>3</td>
<td>2</td>
</tr>
<tr>
<td>Ahmedabad</td>
<td>5</td>
<td>6</td>
</tr>
<tr>
<td>Mahesana</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Sabarkantha</td>
<td>1</td>
<td>2</td>
</tr>
<tr>
<td>Banaskantha</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Kaira</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Baroda</td>
<td>3</td>
<td>6</td>
</tr>
<tr>
<td>Panch Mahālās</td>
<td>4</td>
<td>4</td>
</tr>
<tr>
<td>Broach</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Surat</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Palan</td>
<td>3</td>
<td>3</td>
</tr>
</tbody>
</table>

* Chairman, @ Vice-chairman

* C-1 to C-10, C-12, C-13, C-15, to C-56 and C-58 to C%89.
Multiple chairmanship: Except in two instances, the chairmen of different Committees were different individuals. In the case of the Baroda District Tobacco Market Committee and the APMC, Savli, the posts of the chairman was held by the same individual. So also was the case with the Kaira District Tobacco Market Committee and the APMC, Anand with the headquarters both at Anand.

Sex-composition: It must be noted here that not a single chairman or vice-chairman was a woman.

Educational attainments: The maturity of an executive head or his next-man has a great significance in the management of an organisation. In few cases, it is innate. In most of the cases, it comes from education, training, experience and age. Table IV.10 gives the information regarding the educational attainments of the chairmen and the vice-chairmen of the reporting Committees.

None was illiterate. 73% of the chairmen and 40% of the vice-chairmen had secured secondary schooling; 30% and 23% respectively were matriculates and above. That 6 and 2 double graduates occupied the positions of the chairman and the vice-chairman respectively is reflective of the metamorphosis that rural India is undergoing recently.

Vocational areas: There were 8 vocational areas from which these people came. Table IV.11 gives the relevant data which

85. C-51, C-58, C-64 and C-66.
<table>
<thead>
<tr>
<th>Designation</th>
<th>Primary Education</th>
<th>Secondary Education</th>
<th>University Education</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>15</td>
<td>22</td>
<td>7</td>
<td>38</td>
</tr>
<tr>
<td>Vice-Chairman</td>
<td>18</td>
<td>32</td>
<td>2</td>
<td>52</td>
</tr>
</tbody>
</table>

Table IV.10: Numbers completing Designation.
Age-composition: Practical wisdom usually come with age. Decisions to regulate marketing activities need an insight in the multiplicity of problems of trading, legal implications and handling of men of varying temperaments -- both within and outside the organisation. Table IV.12 furnishes in column form the age-brackets in which the chairmen and vice-chairmen holding office on 31-8-64.

All chairmen were above 30; only 6% were under 40 and 9.2% above 60; 48.2% fell in the age-groups of 41-50 years and the remaining 37.2% had ages between 51 and 60. It is interesting to note that the ages of 56 out of 87 chairmen formed the range of 46 to 55 years. Insofar as the age-composition of the 83 vice-chairmen was concerned, the younger generation seems to be slowly but surely penetrating the important position on the Market Committees; over 13% were under 40 and about 66% were under 50. Unlike in the case of the chairmen, there were only 2 vice-chairmen aged over 60 and their number was exactly equal in the 2 five year age-brackets over 50 years. Many a time experienced vice-chairmen get upgraded during the elections to the chairmen's posts and this may be one of the factors explaining an upward shift in the age-schedules.

Tenures and actual durations of office: An attempt was to analyse the actual durations of the terms of offices held by the same individuals who were chairmen or vice-chairmen on 31-8-64. Table IV.13 gives the frequency series in a triennial
<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>27</td>
<td>6</td>
<td>27</td>
<td>11</td>
<td>3</td>
<td>2</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Vice-chairman</td>
<td>43</td>
<td>2</td>
<td>31</td>
<td>4</td>
<td>1</td>
<td>-</td>
<td>2</td>
<td>-</td>
</tr>
</tbody>
</table>

87. C-1 to C-10, C-12, C-13, C-15 to C-56 and C-58 to C-89.

<table>
<thead>
<tr>
<th>Designation</th>
<th>26-30</th>
<th>31-35</th>
<th>36-40</th>
<th>41-45</th>
<th>46-50</th>
<th>51-55</th>
<th>56-60</th>
<th>Over 60</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chairman</td>
<td>0</td>
<td>1</td>
<td>4</td>
<td>12</td>
<td>30</td>
<td>26</td>
<td>6</td>
<td>8</td>
<td>87</td>
</tr>
<tr>
<td>Vice-chairman</td>
<td>1</td>
<td>4</td>
<td>6</td>
<td>16</td>
<td>28</td>
<td>13</td>
<td>13</td>
<td>2</td>
<td>83</td>
</tr>
</tbody>
</table>

88. C-1 to C-10, C-12, C-13, C-15 to C-56 and C-58 to C-89.
period except the first one. The figures in brackets indicate the numbers of the same persons continuing to hold the respective posts since the establishment of the Committee concerned.

Table IV.1389

<table>
<thead>
<tr>
<th>Period (years)</th>
<th>Chairmen</th>
<th>Vice-chairmen</th>
</tr>
</thead>
<tbody>
<tr>
<td>upto 2</td>
<td>22 (4)</td>
<td>23 (2)</td>
</tr>
<tr>
<td>3 - 5</td>
<td>43 (18)</td>
<td>40 (11)</td>
</tr>
<tr>
<td>6 - 8</td>
<td>15 (8)</td>
<td>17 (8)</td>
</tr>
<tr>
<td>9 - 11</td>
<td>1 (1)</td>
<td>2 (1)</td>
</tr>
<tr>
<td>12 - 14</td>
<td>3 (3)</td>
<td>1 -</td>
</tr>
<tr>
<td>15 - 17</td>
<td>2 (1)</td>
<td>- -</td>
</tr>
<tr>
<td>18 - 20</td>
<td>-</td>
<td>- -</td>
</tr>
<tr>
<td>21 - 23</td>
<td>-</td>
<td>- -</td>
</tr>
<tr>
<td>24 - 26</td>
<td>1 (1)</td>
<td>- -</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>87 (36)</strong></td>
<td><strong>83 (22)</strong></td>
</tr>
</tbody>
</table>

The percentages of chairmen and vice-chairmen outliving their first terms of office came to 76 and 72 respectively. 67% and 69% of all had enjoyed the positions for periods varying from 3 to 8 years. No vice-chairman occupied the post for more than 9 years.90 at a stretch. In the category of the chairman, 2 fell in the 15-17 year period and 1 had a longevity of 25 years. These lengths are gross figures allowing for intermit-tents in the occupation of positions by the same individuals.

89. C-1 to G-10, C-12, C-13, C-15 to C-56, & C-58 to C-89.
90. APWC at Bodeli(Baroda).
They do, however, prove that the benefit of most of the people's experience in the management of same markets was not wasted. Such elected chiefs (or vice-chiefs) -- executives do act as a binding force for their colleagues on the Committees and sub-committees and raise up the degrees of managerial efficiency. It is possible that in a few cases permanent vested interests might also crop up as an offshoot. But these may work on either side and are not too high a price to be paid for safeguarding the institution of democracy. It was no mean achievement on the part of 36 out of 87 chairmen and 22 out of 83 vice-chairmen that they continued on the respective posts for period varying from 2 to 25 years and 2 to 11 years respectively without any break since the establishment of their markets. In most of the cases, this has resulted in continuity of the same basic policies and effective supervision, co-ordination and control of the activities in the markets concerned. The constructive role played by them had a multiplier effect on the expansion of business as also their own personal prestige in the area. To cite only half a dozen instances, the APMCs at Bodeli, Umreth, Bavla, Surat, Deesa, 

91. e.g., the chairman of the Market Committee at Bodeli (the first-ever regulated market in Gujarat) who built it up from a scratch since its inception in 1939 was defeated after a stay in office for 26 years at a stretch in the last elections in December, 1965 -- only because of a political mishap. One if reminded of the fate of the late Sir Winston Churchill who had to lay down his Prime Ministership soon after the Second World War.
and Dabhoi had chairmen with 25, 16, 15, 14, 14 and 13 years' honorary service respectively to their credit and they had flourishing regulated markets.

3. Functions

Rule 32 of the Gujarat Rules, 1965, prescribes the following obligatory functions for the chairman of a Committee:-

(i) To control and supervise the work of the Committee subject to its directions, if any.

(ii) To preside over the meetings of the Committee for the conduct of business.

(iii) To watch over the financial and executive administration of the Committee.

(iv) To exercise supervision and general control over the acts and proceedings of the employees of the Committee in the matters pertaining to the executive administration, the accounts and the records of the Committee.

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92. Every contract entered into by a Market Committee has invariably to be signed by its chairman and two other members on behalf of the Committee. Vide: Sec. 19 of the Gujarat Act, 1963: J-14: p.9.

93. Cf.: According to Rule 29 of the Bombay Rules, 1941, the chairman was to conduct all correspondence, shoulder the responsibility for (a) keeping the accounts, (b) the punctual rendering of all reports and returns and (c) the custody of all amounts not deposited in the treasury or with a bank approved by the Director: Vide: J-12: pp.11 & 12.
(v) To direct, in cases of emergency, the execution or stoppage of any work or the doing of any act which otherwise requires the sanction of the Committee.

In addition, the Committee may delegate to him any of its powers and duties. As Chairman of different sub-committees, he has also to attend to their problems in detail.

The Gujarat Act confers upon him all powers necessary for the effective performance of these functions by him. 94

4. Remuneration

The posts of the chairman and the vice-chairman carry no remuneration, allowance or honorarium -- either annual or monthly. Both the dignitaries are entitled to receive only the travelling allowance and/or daily allowance -- like the other members of the Committee -- for attending its meetings or going out of headquarters on its business. 95 Only two exceptions were noticed in this investigation. The APMC, Broach provided a fixed office allowance of Rs. 25 per month to its

94. The special powers given to him are summarised below:--

He can enter and search at all reasonable times any place, premises or vehicle for carrying out any of the duties imposed on the Committee and seize any article in respect of which he has reason to believe that an offence under the Act has been or is being or is about to be committed and detain the same so long as necessary in connection with any proceedings under the Act or for a prosecution. He can summarily evict from the market any person found to be operating in the market area without holding a valid licence. He can, jointly with the secretary, pass plans and estimates for works costing less than Rs.2,000/- each. Vide: Sec. s 29 and 30 of the Gujarat Act, 1963 and Rule 44 of the Gujarat Rules, 1965; J-14: pp. 12 & 13 and J-15: p. 398.

95. C-1 to C-89.
chairman. The APMC, Ankleshwar (Broach) granted the travelling allowance/daily allowance as per its rules whenever he attended office work in the market.

Now, to expect the chief executives of such an institution, shouldering heavy responsibilities and attending to almost continuous flow of work, is not fair and equitous from at least four angles: (i) While the positions carry a dignity about them, the temptation to their occupants to seek indirect and concealed financial compensation governed by the 'opportunity cost' principle may crop in. (ii) Honorary executive-ship may impair management efficiency as either mediocre people only may take up the posts or insufficient attention be paid by the incumbents irrespective of their personal efficiency. (iii) Where chairman or vice-chairman resides out of Committee headquarters, the involvement in terms of time and expenses of frequent travel would be heavy. The significance of this factor became pronounced as out of 87 chairmen, 35 (i.e., 40.3%) did not stay in the headquarters. Similarly, 52 out of 83 vice-chairmen of the reporting Committees were non-local members. (iv) Handsome honoraria and allowances have been provided for the chairmen of many other public

96. C-75.
97. C-76.
98. C-1 to C-89.
institutions -- social and economic -- like the District Panchayat Mandals, the Taluka Panchayat Mandals, State Transport Corporation and other State Enterprises. Even the members of the State Legislative Assembly and the Parliament are being given remunerations. A provision of reasonable honoraria and compensatory allowances should go a long way in attracting efficient people to the executive positions, in impelling them to attend their duties regularly for a few hours at least every day/week and in supervising and controlling the functioning of the organisation. In the present circumstances, a chairman pays and occasional visits during the month, when they are in a hurry to rush through the accumulated business. The result is that theirs becomes mostly a routine administration and the secretaries managed the affairs virtually as the chief executives.

F. Secretary

1. Appointment

Every Market Committee has to have a secretary to be appointed by it with the approval of the Director, subject to the prescribed terms and conditions pertaining to qualifications, revisions in payscales, terms of service, removal from office, demotion, suspension, monetary punishment, etc..

2. Analysis of data as on 31-8-1964.

Out of the 86 secretaries, 43 were directly recruited, 17 were promoted internally, 1 had an honorary assignment and
15 were holding the charge of the post, pending regular appointments. 99

**Age-composition:** The age variation was from 21 to 54 years. Only 1 had an age beyond 55. 73% of the total were below 40. The 36-40 age-group was modal with 20 belonging to it. The other three 5-year age-groups beginning with 21 had 10, 16 and 17 falling in them. 100

**Educational qualifications:** Table IV.14 presents a break-up in regard to their educational qualifications.

Table IV.14 101

<table>
<thead>
<tr>
<th>No. of secretaries securing</th>
<th>University Education</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
</tr>
<tr>
<td>Upto Std. or X</td>
<td>Matric or S.S.C.</td>
</tr>
<tr>
<td>Non- matric</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

54.8% had a background of University education with over 47% having degrees as detailed out in Table IV.15.

The impact of matriculates was high as 15 posts were held temporarily as in-charges by clerks/inspectors employed

99. C-1 to C-89.
100. Ibid.
101. Ibid.
by the Committees.

**Table IV.15**

<table>
<thead>
<tr>
<th>Degree/Diploma</th>
<th>No. of secretaries</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.A.</td>
<td>15</td>
</tr>
<tr>
<td>B.A., L.S.G.D.</td>
<td>2</td>
</tr>
<tr>
<td>B.Com.</td>
<td>10</td>
</tr>
<tr>
<td>B.Sc.</td>
<td>4</td>
</tr>
<tr>
<td>LL.B.</td>
<td>1</td>
</tr>
<tr>
<td>B.A., LL.B.</td>
<td>3</td>
</tr>
<tr>
<td>B.Com., LL.B.</td>
<td>2</td>
</tr>
<tr>
<td>B.A., B.Com.</td>
<td>1</td>
</tr>
<tr>
<td>B.Com., B.A.</td>
<td>1</td>
</tr>
<tr>
<td>M.A.</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>41</strong></td>
</tr>
</tbody>
</table>

**Training:** Out of 86, only 41 had received departmental or specified post-recruitment training in marketing and 41 had previous experience of office work in the same and/or other Committees(25), in private business concerns(4), in Government Co-operative Department(4), in other Government Departments(4), in Local Authorities(3), and in a co-operative society(1). The inter-Committee movements arose out of the availability of higher jobs. Over 52% of the secretaries had no previous experience at all. \(^{103}\)

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102. C-1 to C-89.
103. Ibid.
Length of service: In any organisation the lengths of service of its employees, particularly, its office head, is reflective of the degrees of job satisfaction and/or the simultaneous growth of both. In Indian conditions, the lack of alternative better employment opportunities may also be a contributory factor. Table IV.16 presents the yearly frequency series.

Table IV.16

<table>
<thead>
<tr>
<th>No. of years</th>
<th>Secretaries</th>
<th>No. of years</th>
<th>Secretaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Regular</td>
<td>In-charge</td>
<td>Regular</td>
</tr>
<tr>
<td>Less than one year</td>
<td>6 4</td>
<td>11-12</td>
<td>1</td>
</tr>
<tr>
<td>1 - 2</td>
<td>7 3</td>
<td>12-15</td>
<td>3</td>
</tr>
<tr>
<td>2 - 3</td>
<td>7 3</td>
<td>13-14</td>
<td>1</td>
</tr>
<tr>
<td>3 - 4</td>
<td>7 2</td>
<td>14-15</td>
<td>5</td>
</tr>
<tr>
<td>4 - 5</td>
<td>8 1</td>
<td>15-16</td>
<td>3</td>
</tr>
<tr>
<td>5 - 6</td>
<td>2 -</td>
<td>16-17</td>
<td>3</td>
</tr>
<tr>
<td>6 - 7</td>
<td>5 1</td>
<td>17-18</td>
<td>-</td>
</tr>
<tr>
<td>7 - 8</td>
<td>3 -</td>
<td>18-19</td>
<td>1</td>
</tr>
<tr>
<td>8 - 9</td>
<td>2 1</td>
<td>19-20</td>
<td>-</td>
</tr>
<tr>
<td>9 - 10</td>
<td>1 -</td>
<td>20-21</td>
<td>1</td>
</tr>
<tr>
<td>10-11</td>
<td>3 -</td>
<td>21-22</td>
<td>1</td>
</tr>
<tr>
<td></td>
<td>Total ......</td>
<td>70</td>
<td>15</td>
</tr>
</tbody>
</table>

The main readings are: (1) About 50% of the regular secretaries has been in service on the same posts in the same Committees upto 5 years; about 19% each were in service for between 5 and 104. C-1 to C-89.
10 years and 10 and 15 years respectively, and about 13% (in 9 Committees) had to their credit a non-stop service of more than 15 years in the same Committees. Where the persons concerned were men with integrity and sincerity, the Committees did gain a lot from their insight and experience in the working of the respective regulated markets. By way of an illustration, out of 9 Committees as referred to above, the Committees at Bavla, Broach, Derol, Dohad, and Nadiad did owe their growth and efficient working, even if partially, to the long-timer secretaries. (ii) It is queer that the range of duration of service in the case of the in-charge secretaries if extended to over 8 years; for a fellow is not competent, he must be retrenched or reverted to his lower post, and if he is competent his appointment must be regularised, both within a reasonable period. The practice of prolonging in-charge appointment beyond one year generates dis-content and impairs the administrative efficiency of the Committee concerned. Much heart-burning has been noticed during the field-work for this study.

Confirmation: Confirmation acts as an incentive for service-people as it provides, in a way, a job security. Out of the 70 regular secretaries, 53 (i.e., 61.6%) were confirmed in service. A majority of them took from 1 to 3 years to get confirmed — 13, 1 to 2 years and 25, 2 to 3 years. 6 were confirmed from the dates of their appointments and 1 more within a year therefrom. The remaining 8 took longer periods, being
over 9 years for 1, over 8 years for 1, over 5 years for 2, over 4 years for 1 and over 3 years for 3.

3. Functions

The secretary is a full-time paid executive of a Committee. He exercises such powers and performs such duties as are entrusted to him by it from time to time. In fact, he is in complete charge of the day-to-day management of the market. He has to guide, supervise and control the office and the field staff under him. He is responsible for implementing all the decisions taken by the Committee. He is the on-the-spot officer who has to see that the market functions in compliance with the provisions of the Act, the Rules and the Bye-laws governing it. The degree of success of a market depends upon the ability and the fact of its secretary in harmonising the divergent external interests without being a party to any group-politics.

4. Position under the Gujarat Act, 1963 and the Rules, 1965:

The Gujarat Act and the Rules thereunder have introduced some basic elements relating the minimum qualifications for the recruitment of secretaries and their specific duties and,

105. C-2 to C-5, C-8, C-9, C-12, C-16 to C-19, C-21, C-23, C-24, C-27, C-29 to C-32, C-34, C-35, C-37 to C-39, C-41, C-42, C-44, C-47, C-48, C-50 to C-53, C-55, C-56, C-59 to C-62, C-64, C-67, C-69, C-70, C-72, C-74 to C-77, C-82, C-87 and C-88.
in certain cases, attempted to raise their status. A brief resume is given in the few paragraphs that follow to indicate the present position.

**Basic qualifications:** Rule 41 of the Gujarat Rules, 1966, specifically provided that only (i) a Commerce Graduate, or (ii) an Arts Graduate with economics or (iii) a Science Graduate with agriculture can be recruited as a secretary unless when such an appointment is (a) temporary, or (b) the annual income of the Committee falls below 15,000 rupees, or (c) such appointment is by promotion from amongst the existing officer/servants of the Committee, or (d) the conditions have been relaxed by the Director. It must be mentioned that the prescription of the minimum qualifications possesses mere ornamental value as most of the Committees do not come under its purview. For instance, out of 88 active Committees as on 31-8-64, 26 had income less than Rs. 15,000, 17 appointments were of in-charges and 17 were by internal promotions.

**Powers and duties:** In addition to those entrusted to him by the Committee, from time to time, specific work as detailed out in App. IV.4 has also been assigned to him by the Gujarat Rules, 1965. He is further empowered (i) at all reasonable times to enter and search any place, premises or vehicle, seize any article in respect of which he has reason to believe that an offence under the Act has been or is being or is about

to be committed and detain the same so long as necessary in connection with any proceeding under the Act or for a proceeding, and (ii) to evict summarily from the market any person found to be operating in the market area without holding a valid licence.

**Status elevation:** The new legislation has raised the status of the secretary in various ways. Some aspects of the authority granted to him statutorily raises issues of vital theoretical and practical significance. Take, for instance, the implications of Rule 40 which confers upon him the chairmanship of the Dispute Committee which includes two other members — one each from the constituencies of the agriculturists' and the traders' — of the Market Committee. Here, he has not only been treated on par with the two elected members but also been granted superior status. If this is compared with any similar organisational structures in the public, the private and the co-operative sectors, the abnormality becomes apparent. That a paid executive appointed by a Committee is to be treated as superior to a few members of the same committee working on its own sub-committee makes the approach to be novel, if not ridiculous, granting that the intension is to effect a balance between the two major interest-groups in the Market Committee. How would one feel if a civil service secretary to a ministry in a democratic

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government is to act as a permanent chairman of a committee of a few cabinet ministers appointed by the cabinet itself at its sweet-will, or if an employed manager of a public corporation or a joint stock company is to act as the chairman of the sub-committee of the Board of Management or the Board of Directors of the enterprise, deciding itself to form the sub-committee of its own members, or if a paid manager of a co-operative institution is to head a committee appointed by the Managing Committee from amongst its elected honorary members, or, again, the employee-Registrar of a Statutory University is made to act as a permanent chairman of a committee of some of the syndics constituted by the Syndicate itself. The position of a managing director or any functional or operational director -- even if remunerated -- is entirely different. On one hand, he is the chief executive as good as a paid general manager or a divisional/departmental chief; on the other, he is an equal to his compeers on the Board -- set aside his relative higher competence emanating from his close inside knowledge of the organisation. Statutorily, he has no inferior status vis-à-vis the other members on the Board of Directors; he is a director-cum-general manager. The status of the paid employee secretary of a Market Committee is certainly inferior to that of the members of the Committee, recruiting him. It amounts to flouting the essential principles of democratic management of public institutions. Again, the status-impact of the statutory step becomes more
pronounced if it is viewed in relation to (i) the low salary scales in which the secretaries are placed, and (ii) the social and/or financial status of the elected members on the 'Disputes Committee'. A secretary of a regulated market with an annual income not exceeding Rs. 10,000 is eligible for appointment in the grade of Rs. 125-5-145-8-185 EB 10-245\(^{109}\) and the secretary of a regulated market having the highest annual income in the State during 1965-64 was drawing only Rs. 540/- by way of his gross monthly salary in the grade of Rs. 220-15-400 EB 20-500-50-650\(^{110}\).

The secretary has been given a right to attend every meeting of the Committee and express his views or explain facts in regard to any subject under discussion.\(^{111}\) While he is not entitled to make a proposal or vote on any item, the right of participation in discussions works both ways. As long as he functions objectively, he helps the process of decision making factually. He can also, by shrewd manipulation of facts or their interpretation, channel the thought process of the voter-members and tug the decisions to his desired ends.

Every member -- including the chairman and the vice-chairman-- intending to vacate his office is required to tender

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\(^{110}\) C-58.

his resignation through the secretary only.\footnote{112} If the chairman--
and in his absence, the vice-chairman-- is the chief executive,
the procedure requiring him to resign through his sub-ordinate
employee is against the established canons of administration.

The secretary has been put on par with the chairman and
the vice-chairman in regard to important powers of inspection,
seizure, etc. of materials, weights and measures, account
books, inspection of premises, expulsion of people not holding
valid licences from the market yards, etc.\footnote{113} While these
are necessary for the efficient and lawful operations of the
regulated market in the physical absence of the chairman/vice-
chairman, consequent exercise thereof by more than one of the
authorities taking conflicting decisions may create a stale-
mate. In the ultimate analysis, a possibility of its being
turned a 'prestige' struggle between clashing personalities
at the cost of the market cannot be ruled out.

Unlike the Bombay Act which provided for the delegation
of the authority of the Committee only to one or more of its
members, the Gujarat Act provides for such authority-delega-
tion to the secretary also.\footnote{114} This explicit power was nece-
sary for an efficient day-to-day administration of a market.
However, it was/is also necessary to delimit its scope to
those areas which were not delegated to sub-committees; for,

\footnote{113} Sec.s 29 and 30 of the Gujarat Act, 1963; Vide: J-14:
otherwise an overlap with its natural consequences ensue.

Rule 41 of the Gujarat Rules, 1965, provides a distinctive job security to the secretary by laying down (i) that his removal from office, reduction in rank, or suspension shall be supported by the assent of at least two-thirds of the total number of the members of the Committee and the previous approval of it by the Director, (ii) that he shall not be punishable with fine and (iii) that no revision in his pay or his terms of service shall be made without the previous approval of the Director. These positive provisions are not unessential if the principle that paid executives must be enabled to run, efficiently and with a continuity, the organisations which they head, irrespective of the powers of the groups in power from time to time. But a counter protection against some intimidating secretaries is equally necessary. Of course, this is a problem in all administrative set-ups and does not lead to an easy solution.

\[ G. \text{ Size and Composition of Employment Units} \]

 Measure of size: The size of a Committee can be measured with reference to (i) the market arrivals of agricultural produce, (ii) the gross annual income, (iii) the total capital invested and (iv) the number of employees. (i), (ii) and (iii) will be discussed in the later relative chapters.
Employment situation on 31-8-64: Out of 88 reporting Committees, 42% had on their payrolls between 1 and 5 persons, 41% between 6 and 10 employees and little more than 11% between 11 and 15. 5 units employed 17, 17, 20, 21 and 54 persons respectively. Table IV.17 presents the frequency distribution of the Committees with personnel strengths from 1 to 15.

Table IV.17

<table>
<thead>
<tr>
<th>No. of employees</th>
<th>No. of Committees</th>
<th>No. of employees</th>
<th>No. of Committees</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2</td>
<td>9</td>
<td>9</td>
</tr>
<tr>
<td>2</td>
<td>7</td>
<td>10</td>
<td>4</td>
</tr>
<tr>
<td>3</td>
<td>9</td>
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<td>4</td>
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<tr>
<td>4</td>
<td>9</td>
<td>12</td>
<td>2</td>
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<tr>
<td>5</td>
<td>10</td>
<td>13</td>
<td>2</td>
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<tr>
<td>6</td>
<td>7</td>
<td>14</td>
<td>1</td>
</tr>
<tr>
<td>7</td>
<td>8</td>
<td>15</td>
<td>1</td>
</tr>
<tr>
<td>8</td>
<td>8</td>
<td>Total</td>
<td>83</td>
</tr>
</tbody>
</table>

Thus, a vast majority of the Committees were very small units.

The numerical strength of the staff employed by the Committee depended mainly upon the interplay of five factors:

(i) the size of its income, (ii) the varieties of commodities regulated, (iii) the actual quanta of produce handled in the market yards, (iv) the number of principal and sub-market yards,

115. C-1 to C-89. 116. Ibid.
and (iv) the number of traders and other functionaries holding the licences. The income-actual provides the upper limit of expenditure. The needs of physical presence in a single- or multi-yard market for office work and field supervision inside the market enclosure, market proper and market area for regulation of marketing activities as per law lay down the minimum man-power requirements.

Typical correlations: Four typical major relationships that have been revealed in the analyses of various organisations in action are worth presenting here:

(1) In the Kaira District Tobacco Market Committee, Anand (Kaira), with a district-wide market area for a single commodity, even when the income during 1963-64 amounted to Rs. 1,82,296 -- being the maximum earned by any Committee in the State -- and the number of licensee-traders touching a peak of 5236, the total strength of employees was 13, mainly because the market-yard arrivals were practically nil. 117

(ii) The APMC, Ahmedabad, had to keep on its rolls 34 employees -- being the highest number per Committee in the Whole State -- though its income in 1963-64 amounted to Rs. 1,02,538 as (a) 58 varieties of vegetables were traded in there, (b) as substantial portions of their marketable surpluses from within the market area and additional quantities from outside 118

117. C.58.
118. Different districts of the State and different States like
places far and near -- were physically handled in the only one yard provided in the most congested locality in the capital of Gujarat State, and as (c) 2715 market functionaries operated almost daily with transaction-velocities comparable to those in a stock exchange hall. 119

(iii) The APMC, Vijapur (Mehsana), provides an example of a market with one principal yard and 9 sub-yards located at different centres in the taluka-wide market area covering 109 villages. Its income during 1963-64 amounted to Rs. 40,095. It had issued trading licences to 447 market functionaries. It had 17 notified commodities for regulation. And, it had 9 employees. 120

(iv) The APMC, Unsa (Mehsana), probably ranks first in terms of the value of the actual commodity arrivals reaching the mark of Rs. 10.69 crores during 1963-64. It was a multi-commodity one-yard market with a market area covering a group of 31 villages in the Sirdpur taluka and having 382 licence-holders from the trading community. Its income during the year under reference was Rs. 83,912. Its staff as on


119. C-16 and D-13; pp. 3-17.

120. C-30.
These and other analyses show that formulization for establishing definite correlations between number of employees and the variables is not possible.

**Employee classification:** The employees of Committees are divided into two classes: (i) superior officers and servants and (ii) inferior servants. Persons holding the designations of secretary, assistant secretary, chief inspector, inspector, supervisor, surveyor, office superintendent, accountant, statistician, senior clerk, clerk and grader belong to the former class. The latter one covers persons including headpeon, driver, peon, watchman, warehouseman, waterman and sweeper.  

The appointment of necessary staff is made by the Committee concerned as per the 'Staff Schedules' previously approved by the Director, with the exception of the secretary whose appointment needs prior approval of the Director. However, Committees were empowered to make temporary appointments to cope with seasonal increased operations.

**Data analysis:** There were a total of 644 persons in appointment in 88 Committees functioning on 31-8-64, 409 being superior officers and servants and 235 being inferior servants. These gave averages of 7.6, 4.6 and 2.6 men per Committee in

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123. C-1 to C-89.
the respective categories. If these are viewed in relation to the figures in Table IV.17, one gets struck by the prevailing absurd/abnormal situations, so to speak. For, even if the minimum indivisible composite establishment-unit of six persons consisting of a secretary—performing the statutory and other functions delegated to him by the Committee, issuing licences, handling cash, maintaining the books of accounts and other records and carrying out the general correspondence, an office assistant — rendering clerical assistance of all varieties including typing and despatch, an inspector — for field-work and market yard supervision, a watchman — for a 24-hour watch-and-ward duty, a sweeper — for the market yard and office, and a peon — for menial assistance in the office, messenger-service, water-supply, etc., is prescribed for any market yard having only a single yard, 87 out of 88 Committees, having only 1 to 8 employees each, present a very unsatisfactory state of affairs in terms of operational efficiency. The management of 18 markets, having a total strength of the staff of only 1, 2 or 3 persons each did present a grade riddle to a Committee—and, particularly, its chairman. The seriousness of the problem is aggravated by two more considerations: (i) The overall superior-inferior staff ratio came to 64:36. Many Committees — particularly the smaller ones — suffered from a severe handicap regarding the menials — peons, sweepers, watchmen. (ii) Where the market had one or more sub-yards in addition to the principal yard, at least five persons per additional sub-yard were necessary — omitting the
secretary and presuming that the inspector will carry out the former's local functions. The stringency of staff was most felt there. It was a surprising pleasant irony that the markets did function, after all.124

II. Administrative Hierarchy and Work Allocation

As discussed earlier, a composite establishment unit of 6 employees will be the minimum if the functions to be performed in a regulated market even of a small size are to be distributed on the basis of a broad division of labour and combination of allied functions to justify the jobs and maximize work efficiency. In consequence, a typical elementary hierarchical structure will appear as sketched in Chart IV.1. In the case of 37 Committees, all the posts indicated in the Chart do not exist.125 As we moved backwards in the frequency series in Table IV.17, more and more work gets confined to a smaller number of employees, so much so that it was a 1-man show in two Committees and 2-men show in 7 Committees. Possibly the chairman, though an honorary worker, managed the show somehow. A progressively greater latitude was available to the Committee for allocation of tasks to different assistants as their number of employees went on increasing. Basic departmentation consisted of field-work and office-work. The inspectors or supervisors constituted the field-staff and the rest

125.C-1, C-2, C-4, C-6, C-10 to C-13, C-15, C-22, C-35, C-36 (continued on .218
of the employees were office-staff. At times, the secretaries, too, undertake field inspection. Charts numbers IV.2 and IV.3 are presented here as illustrations of the links forming the scalar chains and the patterns of work allocation in two typical regulated markets in which 17 and 34 employees were on the payroll. A conclusion which can reasonably be drawn is that horizontal expansion in terms of spans of control takes place at a faster rate than that of the extension of the vertical chain. Functional and territorial bases were used for distribution of work between the same type of employees whose more than one posts were sanctioned. There had to be enough of flexibility. It needs a special mention that sectionalisation was nowhere resorted to in terms of products though except 5 out of 88 were multi-product markets, nor did the categories of market functionaries serve as a basis thereof.

Now, organisation is concerned with the activity-authority structure of an enterprise. It is the grouping of activities necessary to attain enterprise objectives and the assignment of each grouping to an executive with authority necessary to manage these activities. Organisation, then, involves establishment of authority relationships with provision for co-ordination between them, both vertically and horizontally in the enterprise structure."

125. (continued from p. 217)
C-40, C-45, C-46, C-49, C-52, C-54, C-56, C-57, C-61,
C-62, C-64, C-65, C-68, C-70, C-71, C-78 to C-80, C-82
to C-85, and C-87 to C-89.

way, the administrative structures of most of the Committees were very primitive in character and hardly half a dozen Committees had employee-strengths wherein there was any scope for the establishment of definitive superior-subordinate relationships, avoidance of gaps and overlaps and the planting of guide-posts for co-ordination.

I. Internal Communication Procedure

There was really no decentralisation of authority as it was the Market Committee which functioned as the highest policy-making and executive body. The secretary aided by the other staff acted, in practice, to administer these decisions within the limits of the routine powers granted to the former. Communication procedure was mainly conventional. Most of it was oral -- whether upward, downward or sideward, for helping fresh, alternate, corrective or supplementary decision making, or for the implementation of decisions and reporting back. Group communications took place orally in meetings of the Market Committees, the sub-committees or in the special informal group meetings convened for discussing emergency situations. Written communications -- by hand delivery letters or by post, telegram and telephone were limited to inter-yard relations and communications with market functionaries, Government Departments and outside world. The degree of efficiency mostly depends upon quick and correct transmission of information, advices and instructions.