

close
1944

Sept 11-27-58, 004-4-11-46.

S & P. H- (1944) Department.

Mis R SERIES.

G.O. NO.	836-A. ~~836~~ Edu. ~~104~~
Dated	24-4-1947.

[Despatch Abstract.]

Subsidies - Local bodies - Education - Principles followed in making -
Notes Recorded.

Back Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

Further Papers.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

CM97

VERY SPECIAL. Copy of the Finance U.O.No. 70385 B.G.-1 dated 31-12-46.

Extract of Finance (B.G.) notes from the file relating to Budget 1947-8 - Part II Schemes - Grants to local bodies for various purposes.

In connection with certain ~~Part~~ Part II Schemes for 1947-8 H.M. (Revenue) who dealt with Part II Schemes for 1947-8 on behalf of H.P.M., raised the question whether the present principles governing grants to local bodies for various purposes should be continued unchanged or whether they should be modified in view of the considerable relief to local bodies under expenditure on road maintenance on account of a large number of roads having been taken over from them by the Government and the further relief that they will get as more medical institutions are provincialised and as compulsory elementary education is extended to new areas. H.M. (Revenue) also suggested that the above question might be considered by the Standing Finance Committee of the Cabinet when they consider the question of providing funds for Part II Schemes in B.E. 1947-8. A note on Part I Estimates (Revenue and Expenditure) for 1947-8 and on Part II Schemes, together with a list of the schemes, will be circulated by this department to the Members of the Finance Committee on 7-1-47, so as to enable them to make provisional selection of the schemes to be provided for in B.E. 1947-8. To enable the Finance Committee to consider also the question of continuance or modification of the existing principles for grants to local bodies for various purposes, it is desirable to furnish them with a general note on the subject. The E.&P.H. and L.A. departments may be requested to prepare and circulate to the Members of the Finance Committee and also the Hon'ble Ministers in charge of Education, Medical and Public Health and Local Administration by 7-1-47 a Note describing the principles now followed in making grants to local bodies for various purposes such as those relating to Education, Medical, Public Health (including water supply and drainage), Communications etc., and indicating the relief they will get on account of factors such as those mentioned at 'X' above. The draft note may be sent to Finance for perusal before issue.

(A copy of the above note will, after approval be sent simultaneously to the Education and Public Health and Local Administration departments.

(True copy)

B1
9 copies copy
have been sent to
the Hon'ble Secy.
of the Govt.
of Madras.
316
12-1-47



A note is submitted below for approval. May be sent to Finance before issue. Circulate.

Ex. P. H. & L. A.
97. B. G. - 1
6.1.47

(The first two have been delayed with Secy.)

6.1.47
4.1.47
316
7-1-47
C. No. 1328

3.1.47

As per 4/1/47

Secy 4/1/47

17th 6.1.47

As per 21/1/47

21/1/47

EPH

97-B
11/1/47

Baur

B7

Executive P. H. Dept.

Finance Dept. Secy has told me in person that
(one of the members of the C.C.)
H.M. (Mr.) desires to have copies of the note immediately.
The note may therefore issue. (Need not be circulated
to Mr. (S.O.) who is also a member)

hr 9.1.47
AS II 2/1/47
S M 7/1/47

~~ref. to page 2~~
~~circulated~~

Mr. E.
a copy will be sent

A copy each of the note has been circulated to all the members of the Finance Committee. 30748



The file may now be circulated to H.M. (Mr.)
for use at the time of the meeting.

HR 10.1.47
USK 10.1.47
S 11/1/47
M (C.C.)
May be returned to the office



Finance may be consulted as to whether the Standing Finance
Committee made any recommendations on the principles
set out in the note below

USK 12.4.47
hr 16.4.47

Ex P.H. Dept.
97.81/2
17.4.47



Fin Dept

At the instance of some of the members of the
Standing Finance Committee, a copy of the note below

23274

Setting out the principles followed in making grants
to local bodies for education was placed before
the Committee for information. The Committee did not
make any recommendations on this note at its first
meeting on 14.1.47.

verified from the
Proceedings
not put up

This may be returned to E.P.H. with
the above information. E.P.H. may be informed
that the Committee did not make any
specific recommendation with reference to
the note placed before it.

USK 21.4.47
hr 21/4/47

23274 Pub.
151 21/4/47
97.81

3

(3)

Similar

Please see the Fin Dept's note on page 2 ante.

The papers may now be
Order No. 836836-8. 24.4.47
R. 10/4/47

Recorded

USK 23/4/47

hr 23.4.47

Subsidies - Local bodies -
Education - Principles
followed in making
rates - Recorded.

Please take
40 copies of
the note
at once
won
7/1/46

Note for the Standing Finance Committee of the Cabinet
Subject: ~~Grant for education~~ Principles followed in making subsidies to
local bodies for education.
ELEMENTARY EDUCATION.

Elementary Education is provided mostly by local bodies and private agencies. ^{the} Government (Education Department) do not maintain any elementary schools in the plains. A few schools are maintained by them in the agencies. The subsidies paid from the provincial funds to local bodies for elementary education can be classified as follows:-

- (1) Contribution in respect of Education tax levied by local boards. ^{Indis}
- (2) Subsidies paid towards the opening of elementary schools, employment of additional teachers, etc, from time to time.
- (3) Subsidies for the introduction of pre-vocational training.
- (4) Subsidies for the expansion of elementary education.
- (5) Subsidies for the introduction of compulsory elementary education and the supply of midday meals.

(1) Above. contribution in respect of E. tax (Rs 25,00,000)

Under the ^{Madras} elementary Education Act, local boards ^{Indis} may levy an educational tax at a rate to be determined by the Government. Prior to 1941 the Government contributed a sum equal to the proceeds of education tax realised by local bodies. In that year the Act was amended, ^{limiting} limited the Government's liability to the amount which the local ^{Indis} boards would earn at the rate, in force prior to 1941. Thus the Government contracted themselves ~~from~~ ^{out of} the obligation to make contribution in respect of fresh taxation levied ^{in 1941} after 1941. From 1945-46 the contribution has been raised to an average rate worked-out from for the Presidency namely 3 3/4th pies in the rupee of land revenue ^{in rural areas} (or 1 1/3% property rentals. ^{in Municipal areas} Thus the Government

2
contribution in respect of Education tax is limited to the rate of tax in force prior to 1941 or to the average rates referred to above whichever is higher.

(2) ~~above~~ - General subsidies (0.53 lakhs)

These subsidies are calculated at fixed rates (Rupees 19 per teacher and Rupees 6 for rent ^{and electricity}) These subsidies have been consolidated into lump-sums ^{and} are not liable to variation. No subsidies are paid towards cost of schools opened after amendments ^{the amount have been} consolidated. ~~on previous mode~~

Subsidies are paid from provincial funds towards the construction of buildings for elementary schools. These subsidies are limited to one-half of the cost. The other half should be met by local bodies from their own funds. ^{the provision made for the purpose in the last few years is not}

(3) ~~above~~ above
Subsidies for pre-vocational training are fixed at the following rates:-

For an Instructor (full-time)

(Pay Rs 20--30)

Rs 120 per year

Part-time

Pay Rs 10 per mensem

Rs 50 per year

Equipment

Rs 100 per school

(One half of the cost)

The subsidies cover only a portion of the cost of introduction of pre-vocational training. Local bodies are requested to meet the ^{remaining} cost from the elementary educational fund.

(4) ~~above~~ above

These subsidies are ^{paid only to} intended for the seven District Boards -

(The four ceded districts, Chittoor, Salem, and the East Agency District Board.) The amount was fixed at Rs 3.50 lakhs in 1943 and ^{was} had been raised to 5.84 lakhs from 1945-46. ^{one} Subsidies should be utilized in opening new schools, employment of additional teachers ^{they should not be used} and not to relieve the District boards of their existing responsibilities. It has been recently noticed that the cost of

3
the scheme of expansion formulated by District Boards ^{the D.B. Boards} exceeded the Government subsidies. ^{The question has to} asked for addl. subsidies to cover the ^{how the cost should be brought down is under consideration} extra cost, but the Govt. refused to ^{separately} ~~separately~~ ^{embodied in} subsidies.

(5) ~~above~~ above

These subsidies are intended to cover the entire cost of compulsory elementary education and the supply of midday meals. The question of winding up the scheme of the supply of midday meals is to be considered separately.

The subsidies given from Provincial Funds in respect of the items (1), (2) and (3) above ^{are} intended to cover only a portion of the cost. The local Board meet the remaining cost from the ^{profits} of Education tax and the contribution from General Funds. ^{maximum}

^{number of roads for maintenance, as made in the past are} The relief referred to at the 'X' in the Finance Departments note will not benefit the Elementary Education Fund. ^{it appears that} In the circumstances the system of grant-in-aids to local body cannot be modified.

Item 4 & 14/2/46 a
Area - it was in the expenses of the area.

Item 5 is in pursuance of the policy to the liability is on the State to bring about free compulsory elementary education. The units to be justified in the State to bring about already accepts in that regard. We accelerate the tempo of development in the area where the compulsory system is introduced & we pay the extra cost. The system is looked on as a 'relief' to the local body in respect of its general elementary education. Any relief in this direction will make these funds more available for the education also along with the progress - but that will only mean that the local body will be able to carry on the work developed there without having to raise the Rs. 1000.

Secondary Education.

(1) Subsidy towards the maintenance of secondary schools. In 1930, the Government decided that fixed lump sum subsidies should be paid to local bodies towards the cost of maintenance of secondary schools and that the subsidies should not be liable to revision on account of new schools or courses opened thereafter. The amount of subsidy payable to each local body was accordingly fixed in 1931 and it was not modified subsequently. In 1945, with reference to the representations made by the Presidents of certain district boards the Government examined the question whether the amount of subsidy paid to each local body should be revised with reference to the present requirements and decided that no general revision was necessary and that it would be sufficient if certain poor district boards were given some additional help in view of the increased number of secondary schools maintained by them ~~since the subsidies were fixed~~ ^{since the subsidies were fixed} ~~in 1931~~. They accordingly sanctioned the payment of an additional subsidy of Rs.9,000/- per annum to each of the district boards of Anantapur, Bellary, Chittoor Cuddapah and Kurnool and of Rs.1,000/- to the District Board, the Nilgiris with effect from 1945-46. The total amount of subsidy that is being paid annually towards the maintenance of secondary schools opened by local bodies is ^{Rs.} 8.52 lakhs.

2. In addition to the fixed lump sum subsidies towards the maintenance of secondary schools, The Government are also paying subsidies towards the pay of the Hindustani teachers employed in secondary schools. The amount of subsidy is limited to Rs.15/- per mensem, for each teacher employed for giving instruction in Forms I to III and to one half of the pay of the teacher employed for giving instruction in Forms IV to VI. Recently

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12-6-30

(1) P2
60 2048
5-12-45

(V) 2

the Government decided that it would ^{be} sufficient if Hindustani is taught in Forms II to IV but provision ~~xxxxtaughtxxxx~~ should be made for the teaching of the language in all the schools in which it is not now taught. The Director of Public Instruction has ^{been} consulted whether the ~~subsidies~~ ^{subsidies} towards the pay of the Hindustani teachers employed for giving instruction in Forms V and VI may be discontinued. - Separate file in 4/1/41

2. Subsidy towards the cost of construction of buildings. ^{the}

Purchase of equipment.

In 1930 the Government decided that a subsidy equal to one half of the cost might be given for approved building schemes for the existing schools so far as funds permit irrespective of the financial position of the local body and that no such subsidy should be granted for new schools which might be opened thereafter. In 1941, with a view to conserve all available funds for elementary education, the Government ~~decided~~ decided that no building grant should be given thereafter to any secondary school for boys unless a special case is made out that a grant is essential to the institution, i.e., the local body is not in a position to finance the scheme entirely ~~from~~ from its funds even by raising a loan. This restriction does not apply to building schemes for secondary schools for girls or for the provision of playgrounds for all schools. Thus subsidies towards one half of the cost of construction of buildings for secondary schools opened prior to 1930 are granted subject to the restriction in the case of boys' schools ^{mentioned} referred to above.

In addition subsidies are also paid towards one-half of the equipment to be purchased for secondary schools on the recommendation of the Director of Public Instruction. In 1945, the Director of Public Instruction proposed that subsidies might be paid to local bodies in future towards one half of the cost of construction of buildings, purchase of equipment and provision of play grounds in respect of new schools or classes opened after 1930-31 but the Government

did not approve the proposal. vide para 7 of G.O. 2048 Education dated 5-12-1945.

3. Financial position of Local bodies.

The finances of local bodies are inelastic and many of them are not in a position even to meet the cost of maintenance of the existing secondary schools under their control. The cost of maintenance of secondary schools has increased considerably since the lump sum subsidies were fixed in 1931; the cost of maintenance of new schools opened after 1931 entirely at the cost of the local bodies has added to the financial strain. It is not therefore ~~for~~ possible to make any modification in the present system of aid.

4. Proposals under consideration

Several proposals are now under consideration which require the grant of liberal subsidies to Local Bodies. Unless such a course is adopted the Local Bodies will not be in a position to finance the schemes. The Director of Public Instruction has reiterated this position more than once. (1) It is proposed to change the present policy and grant liberal subsidies to local bodies towards the opening of new schools in taluks where there are at present no middle or high schools by allowing non-recurring subsidy towards the full cost of the initial equipment to be purchased and recurring subsidy towards the actual net cost of maintenance of the new middle or high school subject to a maximum calculated at two thirds of the ultimate net cost of maintenance for a period of five years and then convert it into fixed lump sum subsidy. (2) The Director of Public Instruction has been asked to examine the question of granting additional subsidies in respect of new courses or schools to be opened hereafter in connection with post-war development proposals and he has reported that subsidies will have to be paid in connection with the introduction

introduction of bifurcated courses in Secondary schools.

His detailed proposals are awaited. Financial implications

can be known only after the receipt of these proposals.

(3) There is also a proposal to revise the scales of pay

of the teaching staff in secondary schools under local

bodies and the additional cost on that account cannot entirely

be met by local bodies and Government will have to grant

subsidy towards the extra cost involved. The financial

assistance to be given on this account will be known when

the cabinet decision is announced.

Collegiate Education

5. Subsidies to local bodies for collegiate education.

The policy of Government is ~~not~~ to permit local bodies

to incur expenditure from their funds on the opening and

maintenance of Arts Colleges (i.e. Colleges which are not

professional or technical institutions) except in cases where

special circumstances like the interests of backward areas

or backward communities warrant the opening of such insti-

tutions. They will not therefore give any assistance by

way of subsidies in respect of institutions newly proposed

to be opened unless they come under the exceptions referred

to above. There are already three municipal Colleges two

for men (at Salem and Ellore) and one for women (at Guntur).

No recurring subsidy is paid towards the maintenance of any

of these colleges. Non-recurring subsidies have been paid

towards the purchase of equipment for the Colleges at Salem

and Guntur but in the case of the municipal College at Ellore,

the Government have decided to make any recurring or non-re-

curring subsidy so long as it is a municipal institution. No

subsidy towards the construction of buildings is admissible

to any of the existing municipal colleges for boys unless

a special case is made out that a grant is essential i.e. the

local body is not in a position to meet the entire cost even

by raising a loan. There is no such restriction in respect

of the College for women but it is not proposed to make any

subsidy towards the construction of buildings for that College

under local bodies. The D.P.J. is also of the opinion
G. Finance may see before issue

1082
31/1/47

That Collegiate education should not be a
normal function of local bodies. In the circumstances

the question of granting subsidies to local bodies for
collegiate education does not demand serious
consideration.

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NOTE FOR THE STANDING FINANCE COMMITTEE OF THE CABINET

Subject:-Principles followed in making subsidies to local bodies for education.

ELEMENTARY EDUCATION

Elementary education is provided mostly by local bodies and private agencies. The Government (in the Education Department) do not maintain any elementary schools in the plains. A few schools are maintained by them in the agencies. The subsidies paid from provincial funds to local bodies for elementary education can be classified as follows:-

- 1) Contribution in respect of Education tax levied by local bodies
- 2) Subsidies paid towards the opening of elementary schools, employment of additional teachers, etc., from time to time
- 3) Subsidies for the introduction of pre-vocational training
- 4) Subsidies for the expansion of elementary education
- 5) Subsidies for introduction of compulsory elementary education and supply of midday meals.

(1) above. Contribution in respect of education tax (Rs. 35,00,000)

Under the Madras Elementary Education Act local bodies may levy an education tax at a rate to be determined by the Government. Prior to 1941 the Government contributed a sum equal to the proceeds of education tax realised by local bodies. In that year the Act was amended, limiting the Government's liability to the amount which the local bodies would earn at the rates in force prior to 1941. Thus the Government contracted themselves out of the obligation to make contribution in respect of fresh taxation levied in or after 1941. From 1945-46 the contribution has been raised to an average rate worked-out for the Presidency namely $3\frac{3}{4}$ th pies in the rupee of land revenue in rural areas or $1\frac{1}{3}$ % property rentals in Municipal areas. Thus the Government contribution in respect of Education tax is limited to the rate of tax in force prior to 1941 or to the average rates referred to above whichever is higher.

2) above-Ordinary subsidies (Rs. 63 lakhs)

These subsidies are calculated at fixed rates (Rupees 19 per teacher and Rupees 6 for rent and contingencies per month). The subsidies have been consolidated into lump-sums and are not now liable to variation. No subsidies are paid towards the cost of schools opened after the amounts have been consolidated.

	Rs.	provincial funds towards the cost of construction of buildings for elementary schools, limited to one-half of the cost. The other half should be met by local bodies from their own funds. The provision made for the purpose in the last four years is noted in the margin*.
* 1943-44	4,000	
1944-45	3,000	
1945-46	12,000	
1946-47	22,000	

3) above

Subsidies for pre-vocational training are fixed at the following rates:-

	Subsidy
For an instructor (full time) (Pay Rs.20-30)	Rs.120/- per year
Part-time (Pay Rs.10 per mensem)	Rs.50/- per year
Equipment (One half of the cost).	Rs.100/- per school

The subsidies cover only a portion of the cost of introduction of pre-vocational training. Local bodies should meet the remaining cost from the elementary education fund.

4) above

These subsidies are paid only to seven District Boards- (i.e. the four ceded districts, Chittoor, Salem, and the East Agency District Board.) The amount was fixed at Rs. 3.50 lakhs in 1943 and was raised to Rs. 5.84 lakhs from 1945-46. The subsidies should be utilized on opening new schools, employment of additional teachers etc., They should not be used to relieve the District boards of their existing responsibilities. It has been recently noticed that the cost of the scheme of expansion formulated by District Boards exceeded the Government subsidies. The District Boards asked for additional subsidies to cover the extra cost, but the Government refused to enhance the subsidies.

5) above

These subsidies are intended to cover the entire cost of the schemes of compulsory elementary education and the supply of midday meals. The question of winding up the scheme of the supply of midday meals is to be considered separately.

The subsidies given from Provincial Funds in respect of the items (1), (2) and (3) above are intended to cover only a portion of the cost. The local bodies meet the remaining cost from the proceeds of Education tax and the contribution from general funds.

*Over a crore

The relief ~~referred to above~~ afforded to local bodies on account of Government taking over a large number of roads for maintenance, by provincialising ~~none~~ medical institutions, and by extending compulsory education will not benefit the ~~the~~ elementary education Fund.

Item 4 represents a special grant deliberately designed to help a backward area and it would not be expedient to alter it. Item 5 is in pursuance of the policy that the liability is on the State to bring about free and compulsory elementary education there would be no justification to alter the arrangements already accepted in that regard. We accelerate the tempo of development in the area where the compulsory scheme is introduced and we pay the extra cost; this cannot be looked on as 'relief' to the local body in respect of its general commitments elsewhere. Any relief in other directions will make general funds more and more available for elementary education also ~~above~~ with other purposes-but that will only mean that the local bodies will be ~~above~~ to carry on normal developments there without having to raise the Elementary Education cess.

Secondary Education

(1) Subsidy towards the maintenance of secondary schools

In 1930, the Government decided that fixed lump sum subsidies should be paid to local bodies towards the cost of maintenance of secondary schools and that the subsidies should not be liable to revision on account of new schools or courses opened thereafter. The amount of subsidy payable to each local body was accordingly fixed in 1931 and it was not modified subsequently. In 1945, with reference to the representations made by the Presidents of certain district boards the Government examined the question whether the amount of subsidy paid to each local body should be revised with reference to the present requirements and decided that no general revision was necessary and that it would be sufficient if certain poor district boards were given some additional help in view of the increased number of secondary schools maintained by them since the subsidies were fixed. They accordingly sanctioned the payment of an additional subsidy of Rs.9,000/- per annum to each of the district boards of Anantapur, Bellary, Chittoor, Cuddapah, and Kurnool and of Rs.1,000/- to the District Board, the Nilgiris with effect from 1945-46. The total amount of subsidy that is being paid annually towards the maintenance of secondary schools opened by local bodies is Rs.8.52 lakhs.

2. In addition to the fixed lump sum subsidies towards the maintenance of secondary schools, the Government are also paying subsidies towards the pay of the Hindustani teachers employed in secondary schools. The amount of subsidy is limited to Rs.15/- per mensem, for each teacher employed for giving instruction in Forms I to III and to one half of the pay of the teacher employed for giving instruction in Forms IV to VI. Recently the Government decided that it would be sufficient if Hindustani is taught in Forms II to IV but provision should be made for the teaching of the language in all the schools in which it is not now taught. The Director of Public Instruction has been consulted whether the subsidies towards the pay of the Hindustani teachers employed for giving instruction in Forms V and VI may be discontinued.

2. Subsidy towards the cost of construction of buildings and the purchase of equipment.

In 1930, the Government decided that a subsidy equal to one half of the cost might be given for approved building schemes for the existing schools so far as funds permit irrespective of the financial position of the local body and that no such subsidy should be granted for new schools which might be opened thereafter. In 1941, with a view to conserve all available funds for elementary education, the Government decided that no building grant should be given thereafter to any secondary school for boys unless a special case is made out that a grant is essential to the institution, i.e., the local body is not in a position to finance the scheme entirely from its funds even by raising a loan. This restriction does not apply to building schemes for secondary schools for girls or for the provision of playgrounds for all schools. Thus subsidies towards one half of the cost of construction of buildings for secondary schools opened prior to 1930 are granted subject to the restriction in the case of boys' schools mentioned above.

In addition subsidies are also paid towards one-half of the equipment to be purchased for ~~xxx~~ secondary schools on the recommendation of the Director of Public Instruction. In 1945, the Director of Public Instruction proposed that subsidies might be paid to local bodies in future towards one half of the cost of construction of buildings, purchase of equipment and provision of play grounds in respect of new schools or classes opened after 1930-31; but the Government did not approve the proposal. -vide para 7 of G.O. 2048 Education dated 5.12.1945.

3. Financial position of Local bodies

The finances of local bodies are inelastic and many of them are not in a position even to meet the cost of maintenance of the existing secondary schools under their control. The cost of maintenance of secondary schools has increased considerably since the lump sum subsidies were fixed in 1931; the cost of maintenance of new schools opened after 1931 entirely at the cost of the local bodies has added to the financial strain. It is not therefore possible to make any modification in the present system of aid particularly in view of para 4 below.

4. Proposals under consideration

Several proposals are now under consideration which require the grant of liberal subsidies to Local Bodies. Unless such a course is adopted the Local Bodies will not be in a position to finance the schemes. The Director of Public Instruction has reiterated this position more than once. (1) It is proposed to change the present policy and grant liberal subsidies to local bodies towards the opening of new schools in taluks where they are at present no middle or high schools by allowing non-recurring subsidy towards the full cost of the initial equipment to be purchased and recurring subsidy towards the actual net cost of maintenance of new middle or high school subject to a maximum calculated at two thirds of the ultimate net cost of maintenance for a period of five years and then convert it into fixed lump sum subsidy. (2) The Director of Public Instruction has been asked to examine the question of granting additional subsidies in respect of new courses or schools to be opened hereafter in connection with post-war development proposals and he has reported that subsidies will have to be paid in connection with the introduction of bifurcated courses in secondary schools. His detailed proposals are awaited. Financial implications can be known only after the receipt of these proposals. (3) There is also a proposal to revise the scales of pay of the teaching staff in secondary schools under local bodies and the additional cost on that account cannot entirely be met by local bodies and Government will have to grant subsidy towards the extra cost involved. The financial assistance to be given on this account will be known when the cabinet decision is announced. The general position therefore is that it is more ~~than~~ help that is required and any relief ~~to local bodies~~ ~~may be afforded~~ to local bodies on account of Government taking over a large number of roads for maintenance, by provincialising ~~more~~ medical institutions, and by extending compulsory education will merely help to that extent in reducing Government commitments: there is no case for modifying the existing arrangements for grant.

COLLEGIATE EDUCATION

5. SUBSIDIES TO LOCAL BODIES.

The policy of Government is not to permit local bodies to incur expenditure from their funds on the opening and maintenance of Arts Colleges (i.e. Colleges which are not professional or technical institutions) except in cases where special circumstances like the interest of backward areas or backward communities warrant the opening of such institutions. They will not therefore give any assistance by way of subsidies in respect of institutions newly proposed to be opened unless they come under the exceptions referred to above. There are already three municipal Colleges two for men (at Salem and Ellore) and one for Women (at Guntur). No recurring subsidy is paid towards the maintenance of any of these colleges. Non-recurring subsidies have been paid towards the purchase of equipment for the Colleges at Salem and Guntur but in the case of the municipal College at Ellore, the Government have decided to make any recurring or non-recurring subsidy so long as it is a municipal institution. No subsidy towards the construction of buildings is admissible to any of the existing municipal colleges for boys unless a special case is made out that a grant is essential i.e. the local body is not in a position to meet the entire cost even by raising a loan. There is no such restriction in respect of the College for Women; ~~x~~ there is however no proposal to ~~part~~ any subsidy towards the construction of buildings for such Colleges, under local bodies. The Director of Public Instruction is also of the opinion that collegiate education should not be normal function of Local bodies. In the circumstances the question of granting subsidies to local bodies for collegiate education does not demand serious consideration.

avr 7/1

M.Y. Subramanian,
4.1.1947
Secretary to Government.

