

E. & P. H.

(1948) Department.

Ms. SERIES.

G.O. NO. Ms.366 Education.

366

Dated the 25th February 1948.

1. order
pg 10

26

[Despatch Abstract.]

SCHOOLS - Elementary - District Board, Salem - Revised Scales of pay
for teachers - Enhancement of rate of education tax - Grant of advance -
Sanctioned.

Back Papers.

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

Further Papers.

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

E & P. H.

Memo. No. 90935 B²/47-1 dated 17.11.47.

Sub:- Proposals for meeting the additional cost on revision of salaries.

The attention of the Spl. officer, Dt. Bd., ^{Ramnad} Salem
Trichinopoly

is invited to para $\frac{b}{6}$ of f.o. no. $\frac{1494}{1661}$ Echn.
dated $\frac{10.7.47}{23.7.47}$ and he is requested to expedite
7.7.47.

his reply.

18/11/47

To
The Spl. officer of
Dt. Bd., ^{Ramnad} Salem,
Trichinopoly.

17.11.47. 17.11.47

2

Handwritten notes in Tamil script, including dates like 19.11.47 and 5.1.48, and various administrative markings.

E.P.H. Deptt.

Memo No. 90935 B2/47-2 dated 5.1.48

Sub:- Proposals for meeting the cost Additional cost on revision of salaries.

Ref:- Govt. memo. No. 90935 B2/47-1 dated 19.11.47

The attention of the Spl. Officer, Dt. Bd., Salem, is invited to the Govt. memo cited above and he is requested to expedite his reply.

Handwritten signature/initials.

3.1.48

To The Spl. officer, Dt. Bd., Salem.

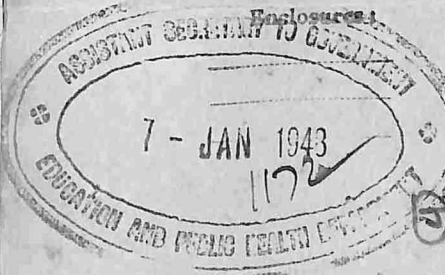
G.F. 32.

From (Name) Khan Sahib G. Abdul Sattar
Sahib Bahadur, B.A.,
Designation Special Officer,
District Board,
Station Salem.

Received _____ Registered _____

To
The Secretary to Government,
Education and Public Health
Department, Madras.
Through
The Director of Public Instruction,
MADRAS.

Roc. No. E9-18108/46 dated 5th January 1948.



Sir,

Budget Estimate-1947-48-Elementary Education Fund-
District Board, Salem-Orders passed-Particulars furnished.

Government Order No. Ms. 1661, Education, dated 23-7-47,
and Government Memorandum No. 90935-B2-47-1, Edn & P.H.,
dated 19-11-47.

The immediate extra cost involved in the revision of the
scales of pay of the teachers comes to Rs. 3,68,800/- in a full
year. The additional extra income derived from the enhancement
of the rate of education tax from 14 pies to 17 pies in the rupee
of the land cess is Rs. 54,000/- per annum. Additional expenditure
that will not be covered by the extra income from the enhancement
of the rate of Education cess is Rs. 3,14,800. As for the proposal
for meeting the net extra expenditure of Rs. 3,14,800, it is
requested that the Government may be pleased to grant an
additional subsidy to cover the extra cost, and also to revise
the subsidies that are paid to the District Board, on the basis
of the revised rates of pay.

Copy submitted direct to Government
to save further delay.
r/6-1. *[Signature]*

For Special Officer,
District Board, Salem.

✓ 2

G.F. 22.

From (Name) Khan Sahib G. Abdul Sattar
Designation Sahib Bahadur, B.A.,
Special Officer,
District Board, Salem.
Station
Department
Received
Registered
To
The Secretary to Government,
Education and Public Health
Department, Madras.
Through
The Director of Public Instruction,
MADRAS.
Enclosures: Roc. No. E9-18108/46 dated 5th January 1948.

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Budget Estimate-1947-48-Elementary Education Fund-
District Board, Salem-Orders passed-Particulars furnished.

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of the land cess is Rs. 54,000/- per annum. Additional expenditure
that will not be covered by the extra income from the enhancement
of the rate of Education cess is Rs. 3,14,800. As for the proposal
for meeting the net extra expenditure of Rs. 3,14,800, it is
requested that the Government may be pleased to grant an
additional subsidy to cover the extra cost, and also to revise
the subsidies that are paid to the District Board, on the basis
of the revised rates of pay.

For Special Officer,
District Board, Salem.

Copy submitted direct to Government
to save further delay.

r/6-1.9/1

OFFICE OF THE DIRECTOR OF PUBLIC INSTRUCTION, MADRAS.
R.O.P.No.21-B.3/46-47 dated 9-1-1948.

Submitted.

for Director of Public Instruction.

To The Secretary to Government,
Education and Public Health Department.

AVR 12/1/-

Edn. & P.H. Dept. (B2).

Order Ms. No. 366 Edn. dated 25-2-48.

Subj:- Schools - Elementary - Dt. Board, Salem - Revised
scales of pay for teachers - Enhancement of the rate of
Education tax - Grant of advance - Orders passed.

Read:- 1) Letter from the S.O., Salem Dt. Board, No.
E9-18108/46 dated 5th January '48.

2) Encl. of the D.P. No. 21-B3/46-47 dated 9.1.48.

In his letter cited the Special Officer Salem District
Board has applied for the disbursement of additional subsidy
from Provincial funds to meet the extra cost involved in the
revision of salaries and the grant of advance increments to
the elementary school teachers under the District Board.
His proposal is inadmissible and will not be approved
in view of the decision of the Govt. that the entire
expenditure on the revision of salaries and the grant
of advance increments should be met from the
E.E. fund of the District Board.

2. With a view to enable the District board to meet the
cost of revision of salaries, the Government consider that
the rate of Education tax should be raised from 17 pias to
37 pias. Under sub-section (2) of section 35 of the Madras
Ele. Edn. Act, 1920, the Government direct that the rate of
Edn. tax levied in the area of the Dt. Board, Salem, be raised
from 17 to 37 pias in the rupee of land revenue with effect
from fasli 1357. The Spl. Officer is requested to place the
matter before the Dt. Bd. and to forward to Govt. within
a month from the date of receipt of this order a copy of its
Resolution resolving to levy education tax at the enhanced
rate of 37 pias. Credit may provisionally be taken for the
addl. income of Rs. 3 lakhs which the Dt. Bd. may derive from
the enhancement of the tax for 9 months in 1947-48.

3. The addl. income from the enhancement of education tax
will not be sufficient to meet the entire expenditure on the
revision of salaries and the payment of advance increments in
1947-48. There may still be a gap of Rs. 1.60 lakhs. The
Govt. consider that the Board should take an advance for meeting

10
-2-
this deficit.

4. The Govt. sanction an advance of Rs. 1.60 lakhs to the Dt. Bd. towards the cost of the revision of salaries and payment of advance increments to teachers. The advance should be repaid in 6 annual instalments with interest at the rate of $3\frac{1}{2}\%$ per annum (provisional). Penal interest at $7\frac{1}{2}\%$ will be charged for belated payments.

5. The Acct.-Genl. is requested to place the following ~~amounts~~ at the disposal of the Dt. Board at an early date *the advance of*
(1) Rs. 1.60 lakhs. ~~Advance for meeting the cost of revision of salaries and advance increments.~~
~~(2) Rs. 1.60 lakhs.~~

The Spl. Officer Dt. Board, should present the necessary bill at the Treasury for obtaining payment of the amount or for getting it adjusted *without delay*.

Manager The expro. will be debited to the appropriate head in the ~~Annual Estimate of Expenditure~~
Budget Estimate for 1947-48 as indicated below:-

" Grants XLI - Loans and Advances bearing interest -
f. miscellaneous Loans and Advances - E. Advances to local bodies to cover deficits."

7. The D.P.I. is requested to take necessary steps for the provision of the additional funds required for the grant of the advance in the current year.

22 lakhs

22 lakhs

To *2 A or doing this*
The Spl. Officer,
Dt. Bd. Salem.
The D.P.I.
" A.G. (thro' Fin.)
" Exr. of L.F. Accts.
" L.A. Dept.
" Finance Dept.

C.F. 32 (a).

Local Administration

Department

Received

Registered

From (Name) Khan Sahib G. Abdul Sattar

Sahib Bahadur, B.A.,

Designation Special Officer,
District Board, Salem.

Station

To

25 MAR 1948

The Secretary to Government,
Education and Public Health Department,

Fort St. George, Madras.

Enclosures: Roc. E9- 7313-48
No. dated 24th March 1948.

Sir,

22547

Education-Elementary Schools-District Board, Salem-Revised scales of pay for teachers-Enhancement of rate of education tax-copy of resolution of the board-forwarded.

(S) G.O.No.Ms.366, Edn, dated 25-2-48.

I enclose a copy of this Board's resolution No.684, dated 23-3-48, agreeing to the levy of Education Tax at the enhanced rate of 37 pies in the rupee of land revenue with effect from fasli 1357.

2. I request that necessary orders may be issued to the Collector for the collection and payment of education cess at the enhanced rate.

(S) 3. The advance of Rs. ~~1.60~~ lakhs, sanctioned in the above G.O., has been got adjusted to the accounts of this board. The due date for the payment of the annual instalments and the head of account to which the amount should be credited may kindly be intimated.

Rk.24/3

For Special Officer,
District Board, Salem.

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Extract from the Proceedings of the Salem District Board (Special Officer) passed at its meeting held on 23-3-48.

684. Special Officer's note placing before the Board, G.O.Ms.No.366, Edn, dated 25-2-1948, raising the rate of Education tax levied in the area of the Salem District Board from 17 pies to 37 pies in the rupee of land revenue with effect from Fasli 1357, in order to meet the additional cost on account of the revision of salaries of elementary school teachers with effect from 1-1-47 to cover the deficit in the budget estimate for 1947-48 and also sanctioning a loan of Rs.1.60 lakhs repayable in six annual instalments and requesting the special officer to place the matter before the Board and to forward to Government a copy of its resolution to levy Education tax at the enhanced rate of 37 pies from Fasli 1357. In pursuance of G.O.No. Ms.1001, Edn, dated 23-7-47 the education cess was increased from 14 pies to 17 pies in D.B.R.No.29(357) dated 28-8-47. The additional income that would be derived by the enhancement of the rate to 37 pies would be Rs.4 lakhs nearly and the Government have now advised us to take credit of 3 lakhs for 1947-48, for 9 months.

D.B.R. The levy of education tax at 37 pies in the rupee from fasli 1357 is accented.

Sd. G.Abdul Sattar
Special Officer, Dt.Bd.Salem.

(True copy)

12

24.3

Memorandum No. 2254783/48-1 dated 12.4.48.

Subj: Tax District Board, Salem - Levy of Education tax at enhanced rate.

Refce:- From the Special Officer, District Board, Salem
Plc + Rec E9-1313-48 dated 24.3.48

A copy of para 2 of G.O. No. 366 Education, dated 25.2.48, and a copy of the resolution of the District Board, Salem, submitted with the letter of the Spl. Officer read above, are forwarded to the Collector of Salem and he is requested to arrange for the collection of education tax at the enhanced rate of 37 pies in the rupee of land revenue (1/2 of land cess) with effect from Fasli 1357 and for the adjustment of the additional income due for nine months in 47-48 to the credit of the District Board in the usual manner, before the close of the financial year.

- To
- The Collector of Salem (with enclosures).
 - The S.O., Dt. Board, Salem
 - " D.P.I.
 - " Exr. of L.F.Accts.

note:- After issue of the draft memo above the file may be sent to Finance for advice on the point at 'A' at page 19



E4P.H.V.. 2254783/48-2
27.4.48
22966 exp. 1/48
30.4.48

P.T.O.

14.

E4P.H. C32

The G.O. no. 366 Edn 25.2.48. has been put up in another file and submitted. This may be done till the return of the file.

R
7.4.

R
7.4.

Memorandum No. 22547 33/48 - 2 dated 7.5.48

Subj: - Levy of Education tax at enhanced rate.

Notice: - From the Special Officer, District Board, Salem

A copy of para 2 of G.O. No. 366 Education dated 22.2.48, and a copy of the resolution of the District Board, Salem, submitted with the letter of the Spl. Officer read above, are forwarded to the Collector of Salem and he is requested to arrange for the collection of education tax at the enhanced rate of 37 pias in the range of land revenue (or 37 pias) with effect from 1st 12.4.48 and for the adjustment of the additional income due for nine months in 1947-48 to the credit of the District Board in the usual manner.

The Collector of Salem (With enclosures).

The S.O., Dt. Board, Salem

" D.P.I.

" Expt. of L.L. Officer.



22547 33/48 - 2 dated 7.5.48

17
V

E 49.1.24/48

Memorandum No. 22547 33/48 - 2 dated 7.5.48

Subj: - Schools - Ele. - Dt. Bd, Salem - Revised scales of pay for teachers - Grant of advance - Repayment in annual instalments - Instructions issued.

Ref: - From the Spl. Officer, Dt. Bd, Salem
No. E 9-7313/48 dated 24.3.48

With ref. to para 5 of the letter cited the Spl. Officer, Dt. Bd, Salem is informed that the first instalment of advance sanctioned must be paid exactly one year after the date of drawing of the advance. The annual repayments should be credited as receipts under the same head to which the advance sanctioned was debited.
Specified in para 5 of G.O. No. 366 Edn dated 25.2.48.
6/5/48

To
The Spl. Officer
Dt. Bd,
Salem
in Ag.

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[illegible]

ASSISTANT SECRETARY TO GOVERNMENT
JULY 1943
32214
EDUCATION AND PUBLIC HEALTH DEPT.

19/02/11
 3
 Fin (Exp. A)
 With reference to para 3 a p. 1 of
 it is submitted that the first instalment
 must be paid by the local ^{exacting} body ~~one~~
 year after the ^{date of} ~~drawal~~ of the advance.
 The annual repayments should be
 credited ^{as receipts under the} ~~to the~~ same head to which
 the advance sanctioned ~~has been~~ was
 debited - cf. para. 5 in the fo. at (5).
 E.P.H.
 20.4.48
 E.P.H. (B2)
 A draft memo to the Special Officer, Dr. Bd,
 Salem on the lines of advice suggested by Finance
 is submitted for approval.
 20.4.48
 20.4.48

SECRETARIAT OF THE MADRAS LEGISLATURE.

ASSEMBLY SECTION.

3-6-1948.

RESOLUTION.

SRI M.G. NATESA CHETTIAR, M.L.A.

EDUCATION AND PUBLIC HEALTH DEPARTMENT.

R.NO.3.

"This Assembly recommends to the Government that the enhancement levy of the education Cess from 17 pies to 37 pies per rupee of land tax as per G.O. 366 Mln. dated 25-2-48 be deferred to be given effect to in fasli 1357".

" This Assembly recommends
SK/3-6. to the Government that the
enhancement of the rate of education
tax from 17 pies to 37 pies in the
Rupee of Land Revenue in the Salem
& District Board area as per G. O. No.
366 Education dated 25th February 1948
with effect from fasli 1357 be deferred and
be levied in more favourable conditions".

Salem District Agriculturists' Association,



K. A. NACHIAPPA GOUNDER, M. L. A.,
PRESIDENT.

Rao Bahadur

C. DURAIWAMI GOUNDER, B. A.,
SECRETARY.

(Regd. No. S. 22/46)

Salem Co-operative Central
Bank Building,

SALEM.

Dated 7th July, 1948.

Ref No. AC-2/48

To

The Hon'ble Minister for Education,
Fort Saint George, Madras.

Sir,

I am herewith enclosing a copy of the resolution passed at the annual Conference of our Assn. on 5-7-48, regarding the increase of education cess from 17 pies to 37 pies recently.

First of all there is no justification for collecting education cess from the ryots alone, and that too raise it arbitrarily from 17 pies to 37 pies even without any previous notice. We never expected such a thing to happen under the popular Government. You may be aware that nearly 99 % of the ryots are illiterate, and yet they are made to pay the tax evidently for the benefit of others. We, therefore request that the Govt. may be pleased to cancel the present order, and refund the tax already collected, ~~and make~~

We, therefore request that the Government may be pleased alter the present system of levying education-cess on land revenue, but distribute the same on all concerned who enjoy the benefits out of it.

In this connection, I also like to point out the remarks observations made by Sri. K.A.Nachiappa Gounder, M.L.A., Chairman of the Reception Committee in his address - para. 2 & 3 on page 11 of the book-let enclosed.

The action taken in this behalf may be communicated to me from time to time.

SECRETARY.

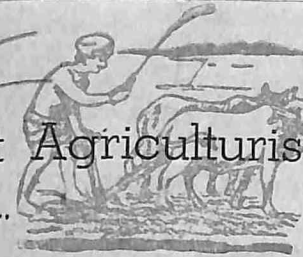
Copy to the Hon'ble The Premier of Madras for favour of information and necessary action

5

Salem District Agriculturists' Association,

K. A. NACHIAPPA GOUNDER, M. L. A.,
PRESIDENT.

Rao Bahadur
C. DURAI SWAMI GOUNDER, B. A.,
SECRETARY.



(Regd. No. S. 22/46)

Salem Co-operative Central
Bank Building,
SALEM.

Dated 14.7.1948.

Ref. No. Ac 11/48.

To
The Honourable Minister For Education,
Fort St. George, Madras.

Sir,

I herewith enclose a copy of the resolution passed at the first annual conference of our association held on 5-7-48 for favour of necessary action.

It is tragedy that though a separate tax (cess) for education is being collected from the poor agriculturists alone yet the benefit they get from this is little or nothing. More than 99 per cent of them are still illiterate and ignorant and become an easy prey to the exploitation of all sorts. The result that they are steeped in poverty and lead a semi barbarian life. Money spent on education will be well spent and will give princely return also to the nation. The efficiency will considerably increase in every walk of life. Self government will be a farce if the general mass are illiterate. The British government though they fully know the value of education yet ~~xxx~~ did practically nothing because it was not in their interest to educate the ryots. In our opinion the first and foremost duty of a popular government is to take immediate steps to remove illiteracy and introduce free and compulsory Primary education at once by establishing a school in almost all the villages.

P.T.O.

6

The present educational system should also be suitably modified so that the primary education should be such to impart such simple knowledge as will be of permanent value to the taught in their daily work. Action taken in the matter may kindly be intimated to me from time to time.

14.7.42
Secretary.

Copy to the Director Of Public Instruction.

சீர் 11

7
நம் நாட்டின் சூயசைடு கலாச்சாத்தியும் இனியதது
தமய இய்யவரை கிறம்புட ருபாதிபபகற்காக கட்டாய
கின்றி திட்ட தணை வகபடுத் தமம் கன்றிணைத்திட்டம்
பிற கெய் உரபு தகைக்குபயன் பருமபடியான இனிய
மேற்கி அமைக்கவேண்டுமெனவும் அரசாங்கத்தோடு
கேட்டுக் கொள்ள தீர்மானிக்கப்படுகிறது.

Sub:- Elementary schools - Dt. Board, Salem - Introduction of revised scales of pay for teacher.

Ref:- From the Spl. Officer, Dt. Bd. Salem, Rec.No.E9-18108/46 dated 5-1-48.

In passing orders on the Ele. Edn. Fund Budget of the Dt. Board, Salem, for 1947-48 the Govt. directed an increase in the rate of Education ~~tax~~ ^{to} provide funds for meeting a portion of the cost of revision of salaries. The Special Officer was also asked to submit:-

- (1) a copy of the resolution of the Dt. Board regarding the enhancement of the rate of education tax, and
- (2) proposals to meet the addl. expenditure on revision of salaries that will not be covered by the additional income from tax.

(1) above:- The Spl. Officer has forwarded the resolution. Instructions have been issued to the Collector for the collection of tax at the enhanced rate.

(2) above:- The Spl. Officer has furnished particulars of the additional cost of revision of salaries. It is seen that the extra cost is Rs. ~~5.75~~ ^{4.30 for 14 months} lakhs in 1947-48. This figure does not ^{apparently} take into account the expenditure on ~~account~~ ^{for} the grant of advance increments. The Govt. have issued instructions to certain local bodies in the matter of grant of advance increments. Dt. Board, Salem, is one of them. The Spl. Officer has not reported the expenditure on the grant of advance increments. From the particulars available in the budget the cost ^{in 1947-48 (for 14 months)} works out to Rs. 75,000. Thus the total cost of revision of salaries and grant of advance increments in 1947-48 will be Rs. 5.05 lakhs. The recurring cost in future years ~~will be~~ Rs. 4.30 lakhs.

2. The Spl. Officer has ^{for meeting} submitted proposals ~~through the D.P.I. to meet~~ the extra expenditure on revision of salaries. He ~~also~~ ^{the entire} asks for a grant from Provl. Funds towards ~~the cost of revision of salaries.~~ The request is not admissible as the Government have decided that the entire expenditure connected with the revision of salaries should be met from the E.E. Fund

Bnd II

of the Dt. Board.

3. It seems that the rate of education tax has to be raised to 37 pies to provide funds for revision of salaries as shown below:-

	In 1947-48.	In 1948-49 and future years.
	Rs.	Rs.
Expenditure on salaries and advance increments.	5.05	4.30
Additional income from tax already enhanced to 17 pies.	.45	.60
Additional income if the tax is raised to 37 pies.	3.00	4.00
Deficit/Surplus.	- 1.60	+ 30,000

Even if the tax is raised to 37 pies, there will be a deficit of Rs. 1.60 lakhs in the current year. An advance may be paid towards this deficit from Provl. funds. ^{can} The

annuity on the advance ^{can} be met from the surplus of Rs. 10,000 ^{above.} ^{For orders whether the rate of 37 pies is indicated above} 3. The Govt. sanctioned a subsidy (Rs.)

towards the grant of Dearness allowance in 1946-47 anticipating a nil balance at the end of the year. ~~XXXXXXXXXXXX~~ According to the orders of Govt. this should be refunded. The recovery of this amount may be ordered.

L.A. and Finance ^{may see for remarks.} L.A. may be requested to say whether any ^{contribution} ^{may} be made to the E.E. Fund from Provl. Funds. ^{The additional contribution will reduce the advance payable this year from Govt. funds}

14/1/48 S / d/H



L.R. DEPT (Bnd II)

E.P.H.U.O. 117232/46-1

15.1.48.

"B" above According to the R.E for 1947-48 as framed by the Dr. Bd the General Account - only for 1947-48 closes with a balance of Rs 2,40,715 after providing for a contribution of Rs 1,05,730 to the E.E. Edu. Acct.

distributed to all units in the district

to be kept in the district office

It appears that the Dr. Bd has made provision for revision of salaries to E.E. Staff in the current year 1948-49.

This balance is, however, converted into a deficit of Rs 61,775 at the end of 1948-49 (according to R.E for 1948-49).

It is thus seen that there is sufficient balance in the General Account in the current year and it would appear that the General Account can make an additional contribution (Rs 1.60 lakhs) to the E.E. Edu. Acct in the current year. Providing that the General Account for 1948-49 closes with a deficit, it is submitted for orders whether an additional contribution (Rs 1.60 lakhs) to the E.E. Account in the current year may be allowed.

27.1.48

Re R.E. for 1947-48 & the 27.1.48 R.E. for 1948-49 of the general

funds of the Dr. Bd. have not yet been scrutinized. According to the R.E., as passed by the Board, a closing balance of over Rs. 2 lakhs is expected at the end of this year. But according to the R.E., the whole of the above balance is expected to disappear & the account is expected to close with a deficit at the end of 1948-49. In the circumstances, it seems better to give an advance now, repayable in easy terms, rather than ask the Board to make an addl. contribution from its genl. funds.



27/1/48 L.A. 1760-(Bnd II)

27/1/48

27/1/48

27.1.48

Finance

Please see the notes from page 1 above.

In connection with the question of providing funds for the Salem Dt. Board to meet the additional cost on account of the introduction of the revised scale of pay for teachers,

E.P.H have proposed that the rate of education tax may be increased to 37 pies. Submitted that this department may agree to the proposal.

It is stated that even if the tax is raised to 37 pies, there will still be a deficit of Rs.1.60 lakhs in the current year. To meet the ~~deficit~~ anticipated deficit, L.A have suggested that it would be better to give an advance from the provincial funds to meet the anticipated deficit repayable in easy terms. Finance may agree with L.A. The advance may be repaid in six instalments as suggested by E.P.H. ^{in his note} at X on page 2 above. Steps will have to be taken in due course to provide ^{the} additional funds ^{required} to ~~grant~~ the advance in the current year.

29.1.48
mb
29.1.48

L. & P.H. (B2).

The Spl. Officer, Salem Dt. Board, in his letter on page 5 c.f. has applied for an additional grant from Provincial funds to meet the extra cost on the revision of salaries and on the grant of advanced increments to the elementary school teachers. In view of the decision of the Govt. that the entire expenditure connected with the revision of the salaries should be met from E.E. Fund, the request has been held as inadmissible and ^{in that connection} suggestions have been made that the rate of education tax may be increased from 17 pies to 37 pies and that an advance repayable in six instalments may be given from the Provincial funds to meet the anticipated deficit of Rs. 1.60 lakhs even after levy of education tax at the enhanced rate of 37 pies. L.A. and Finance have accepted these proposals. The case may be circulated to H.M. (Edn),

H.M. (L.A.) and H.M. (Fin.) for orders on the proposals.



A draft order is submitted for approval.

18.2.48

29.1.48

22/2/48 S W

109-10 [80 N. 366 Edn d. 252]

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31/1/48
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for advance to
be made to
be made to)

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7.10.5458 Exp A-1
31.1.48

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Correspondence of the Government of Madras

2
1948-49

Legis. Assembly No. 11-2,006-23-3-37.

SECRETARIAT OF THE MADRAS LEGISLATURE,

Fort St. George, Chempark, dated the 15th June 1948



44905

Resolutions on matters of General Public Interest.

RESOLUTION No. 3 ^{next} for the meeting of the Legislative Assembly
to be held on the 19th June 1948.

Two copies of this resolution are forwarded to the *Education and Public Health* Department.

The resolution has been admitted.

*File
15/6/48*

15/6/48

To

The *Education and Public Health* Department.

U.O. NO. 3572/48-2 M.L.
16.6.1948

E44.H. (52)

Edn. & P.H. Deptt.
B2.

G. No.

Page 2, 1948, 7 of 10

Please see the draft resolution to be moved in the ensuing meeting of the Legislative Assembly by Sri. M.C. Natesa Chettiar. Objection is taken to the enhancement of the rate of edn. tax ordered in the area of the Sal Dt. Bd. The increase of edn. tax was ordered to provide funds for the Dt. Bd. to grant revised scales of pay fixed for teachers by Govt.

2. Early

2. Early in 1947 the Govt. introduced the revised scales of pay ^{for} their employees. The question was raised whether a ^{similar} ~~suitable~~ revision need not be made in the case of teachers under local bodies. Orders were issued in June 1947 revising the scales of pay of teachers. // ^{3.} Before Govt. Issued final orders regarding the ~~regarding~~ revision of salaries of teachers the ^{fund} E.E. Education budget of the Dt. Bds. came up for examination. In that connection the question was raised whether the rate of education tax should not be ^{increased} ~~raised~~ to cover ^{or bear} a portion of the cost of revision of salaries. It was decided in circulation that the rate of education tax ^{might} ~~may~~ be raised tentatively in the ^{ratio} proportion which the additional expenditure on revision of salaries ^{will} ~~be~~ to the ^{on salaries of teachers.} expenditure already incurred. The need for the further enhancement of tax was left ^{over} ~~out~~ for consideration till exact figures of additional cost of revision of salaries which were called for from ~~all~~ local bodies became known.

4. In the case of the Dt. Bd. Salem when orders were passed on the E.E. ^{fund} Budget the rate of edn. tax was ~~be~~ raised from 14 to 17 pies to provide funds for meeting a portion of the cost of revision of salaries. According to the Budget for ¹⁹⁴⁷⁻⁴⁸ the receipts and charges of the E.E. account were as follows:--

Opening balance	Rs. nil
Brief including ^{one add. income from edn.}	Rs. 14.78 lacs
Tax ^{order} order for revision of salary	Rs. 16.53 "
Charge ^{order} order capital	1.48 "
Charge balance ^(deficit)	- 3.23 lacs

The deficit ^{was} ~~is~~ due to the fact that the Dt. Bd. was put to an expenditure ^{of 3.23 lacs} ~~(on dearness allowance upto a sum of Rs. 4.67 lacs)~~ to teachers. The L.A. Deptt. noted that the deficit in question could be wiped out by the adjustment of Arrear Toll Compensation grant. ^{or may be added to} (The Govt. have promised to sanction a subsidy towards the deficit in the E.E. account caused by the expenditure on ~~dearness~~ allowance. As, in the

present case, the entire expenditure ^{could} ~~can~~ be wiped out by the adjustment of a portion of Arrear Toll Compensation grant, the question of giving a subsidy to the Dt. Bd. not considered.

5. In January 1948 the Spl. Officer ^{reported} ~~represented~~ that additional cost of revision of salaries ^{of} ~~the~~ teachers was Rs. 3.69 lakhs. This did not include the additional expenditure on the grant of advance increments (Rs. 61000). Thus the total cost of revision of salaries was ^{estimated at} ~~Rs. 4.30~~ Rs. 4.30

lakhs. ^{Taking into account the add. income from} ~~increase in ed. tax already ordered the net extra cost will be Rs. 2.21~~

6. The decision of the Govt. was that the extra expenditure on revision of salaries should be met from the funds of the Dt. Bd. In the case of Salem there was no surplus in the E.E. Fund which could be utilised. It was decided in circulation that the rate of education tax ^{might be} ~~may be~~ raised to meet the cost of revision of salaries. One pie increase ^{in tax} ~~(in the Salem Dt. Bd. will fetch an income of~~ Rs. 20,000/- a year. It was therefore ordered that the tax ^{might} ~~may~~ be raised by 20 pies (from 17 to 37 pies).

7. The enhancement ^{low} ~~ordered~~ is not peculiar to the Salem Dt. Bd. but applies to other Dt. Bds. also. It is true that the rate of education tax is the highest in Salem but such enhancement cannot be helped having regard to the fact that the board has to provide funds for meeting the cost of revision of salaries (over Rs. 4 lakhs). The general fund of the Dt. Bd. cannot make any additional contribution to the E.E. Fund as according to the noting of L.A. ~~that~~ that fund is also working at a deficit. In the circumstances, it appears that the resolution should be opposed. For the present the result of the ballot may be awaited.

8. A statement containing particulars of the rate of Edn. tax in several districts is placed below.

30.1.48
30.6.48
31.7.48
31.12.48

15047 (C)

1947
a fund
decision which
we have been
applying in the
case of all
local bodies.

1947 (C)

1000 1800 1400
1000 1800 1400
232.47

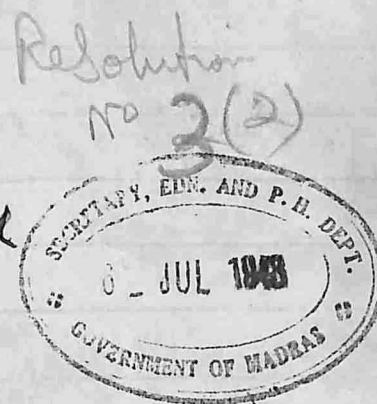
1334

4 - on
fund of A.
above the
particular conditions
indicated at
B above

020
577

This may be circulated to the Leader of the House and H.Pr. also.

TSA
5.7.48



The file may be circulated to H.R. (Mr.) and H.Pr.

6/7/48 S.H. 6/7/48 H. Pr. 6.P.R. 8/7
7.7

Not reached

TSA
6.7.48

The papers may now be lodged, and filed

with Govt 25.7.48

17/7/48

Not reached

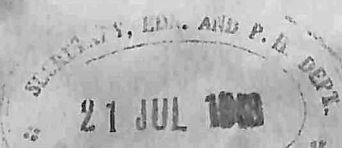
TSA
22.7.48

Salem District Board
Education Tax

Secretary, E. & P.H.

Please see herewith a representation from the Salem District Agriculturists Association. They feel that raising the education tax from 17 pies to 37 pies is very hard. They at least want that the tax collection should be postponed to next year since the collection of the main tax is already over and this has to be collected afresh. The matter may be examined and put up.

54184



TSA
21.7.48
H.M. Education.

Attention is solicited to the notes on the linked file dealing with a resolution intended to be moved by Sri M.G. Natesa Chettiar, M.L.A. The note explains the circumstances under which the rate of education tax was raised to 37 pies in the area of the Salem Dt. Board.

2. In the petition in the current file it is requested that the enhancement ordered should be cancelled. It may not be possible to cancel the orders increasing the rate of tax unless other means are devised to secure an income of Rs.4 lakhs to the E.E. fund. H.M. has raised the question whether the collection of tax may not be postponed to next year. If the levy of tax is postponed to fasli 1358, the Dt. Board will stand to lose an additional income of Rs.4 lakhs which it would have got had the tax been levied from fasli 1357. It will be difficult to compensate the loss to the Dt. Board. The kist month for Salem begins in February. Orders regarding the enhancement of tax were issued in February 1948. It may not be difficult for the Revenue dept. to collect the education tax at least along with the last instalment of land revenue. If even this is rendered difficult the tax would be collected as arrears in 1948-49 and adjusted to the Dt. Board. The ryots do not stand to gain whether the tax is collected in fasli 1357 itself or as arrears in fasli 1358.

3. It may be noted that the Govt. have been sanctioning arrear toll compensation grant to Dt. Boards during the last few years. The last instalment of grant has been sanctioned this year. From next year onwards, this grant will not

May 1948

become payable. The grant paid to the Salem Dt. every year was Rs. 3.04 lakhs. The entire or a ~~major~~ major portion of the grant has been made available to the Ele. Edn. fund during the last three years. The grant adjusted for 1947-48 was Rs. 3.23 lakhs. The grant ordered for adjustment this year is Rs. 1.53 lakhs. It has become possible to avoid a deficit in the E.E. Fund account only with the additional income from tax and the arrear toll compensation grant. When the arrear toll compensation grant is withdrawn from 1949-50, there will be a huge deficit in the E.E. Fund account.

4. It may also be pointed out that the Govt. have issued orders recently directing the local bodies to grant dearness allowance at Govt. rates to their employees. Additional funds should be provided for the payment of the enhanced D.A. The question of raising the edn. tax further for this purpose in each district is under consideration. The extra cost in the case of Salem ^{Dr. G.V.} has been estimated at Rs. 1.14 lakhs.

5. In the circumstances the question of cancelling the orders regarding enhancement of tax to 37 pies cannot ~~be~~ ~~appear~~ be considered. Cancelled.

6. L.A. and Finance may see for remarks before circulation.

3.8.48
4/8/48
L.A.
Fin.

E.P.H. 0.0. 541 84 82/48-1

L.A. Dept 4.8.48

The expense on Ely Edn is increasing and bound to grow, as expansion of Ely Edn is essential.

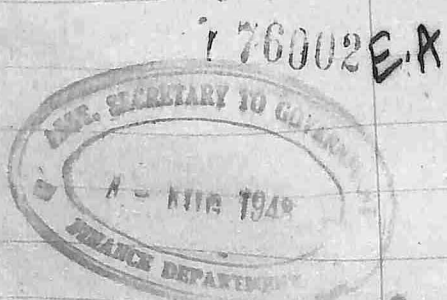


It is not desirable to go on increasing the rate of edn cess. In another case, this dept have recommended that the maximum rate of the Edn cess may be limited to two annas ~~as~~ from 1.7.49 and ^{that} the resulting deficit ^{may be} met by increasing the rate of the general sales tax. The only solution seems to be ~~to~~ to levy an education cess on the general sales tax, pool the proceeds and utilise it to wipe off the deficits in the Ely Edn funds of local bodies which have levied edn tax upto a reasonable level and have not a surplus even in their general funds.

In the present case, the ~~question~~ question of reduction of the rate may be considered in 1949.

Secy
4.8.48
Fin.

L.A. 31182/14
4-8-48
(with L.F. 44905)



Finance (Exp.-A) Deptt.

Please see the representation of the Salem Dt. Agriculturists' Association ^{in C.F.} the minute of H.M. (Edn) and the notes of E.P.H. and L.A. on pp. 1-3 above.

2. The rate of Education Cess in the Salem Dt. Board was raised in Feb. 48 from 7 pies to 37 pies per rupee of land revenue with a view to augmenting the revenues of the district board, so as to enable it to meet the extra cost on account of the revision of scales of pay of its servants. If this had not been done, the district board would not have been able to find money to the extent of Rs. 4 lakhs and odd required for the purpose. The general decision of the Government is that the additional cost of revision of salaries of teachers should be met entirely by the local bodies. If the levy of ^{the education} tax is cancelled or postponed, till next year, the Dt. Board will stand to lose an additional income of Rs. 4 lakhs for one year. As it will be difficult to compensate the loss to the district ^{Board} as additional funds to provide for payment of enhanced D.A. have also to be provided, E & P.H. consider that the orders regarding enhancement of tax to 37 pies cannot be cancelled. L.A. while ^{opening} that it is not desirable to go on increasing the education tax, have ^{stated} that the question of reducing the education cess to ^a maximum of 2 annas in the rupee, as suggested by them ^{in another file} may be considered in 1949. They have also suggested that an education cess may be levied on the general Sales Tax ^{and} the proceeds be pooled and utilised to wipe off the deficits in the Elementary Education Fund. This amounts to enhancing the ^{rate} ^{amount of sales} ^{tax} ^{education} tax. With regard to this question, the Rev. Deptt. have stated in another ^{file on the same subject} ^{connection} that it is premature to consider the question of ^{further} enhancement, as the rate of General Sales Tax has been enhanced only recently. In view of this, the suggestion to levy a education cess on the Sales Tax ^{does} not ^{seem} be feasible.

With reference to the remark of L.A. that they have recommended in another ^{file} ^{connection} that the rate of education tax should be limited to ^a maximum of 2 annas in the rupee, it is submitted that in that file this Deptt. have noted that it is not desirable to fix the maximum rate at 2 annas per rupee for levy of education cess and that the maximum rate of 33 1/3% of property tax as ordered by H.Pr. for both land cess and education cess in

(2 as in the
mupe of land
revenue amount)

5. 4. 48
2. 4. 48

7. 8. 48

76002/Estt/48-1
7. 8. 48

59182



municipalities may be adopted in the case of district boards, as otherwise Govt. will have to meet ^a large commitment by way of subsidies to local bodies. If the maximum rate is enhanced as suggested ^{2 5 as 4 to 48 rupees}, education cess alone can be levied in District Boards upto a limit of 40 pies per rupee. Based on the above suggestion, a further increase of 3 pies in the education tax will be feasible in respect of Salem Dt. Board. Even with this increase, a subsidy of Rs. 60,000 ^{pa} will be payable to the District Board from provincial funds. In the circumstances, this Deptt. may agree with E & P.H. that the orders ^{for the} ^{levying} education tax at 37 pies should ^{not} be cancelled. ~~or postponed till next year.~~

H.M.(Fin.) may see if it is proposed to order either the postponement of the ^{levy of} enhanced education tax, or ~~the~~ cancellation of the orders already issued ^{regarding} enhancement.

6. 8. 48
7. 8. 48

6. 8. 48
7. 8. 48
E & P.H.
B2

The Finance Deptt agree with this Deptt that the orders for the enhancement of the rate of educational tax for the St. Board, Salem, from 20 pies to 37 pies should not be cancelled. The Finance Deptt consider that the suggestion of L.A. to increase the sales tax to meet the expense of elementary education is not feasible. For orders as to cancellation of the orders for increase of sales tax, the Finance Deptt have been asked to consider.

It is improper to increase suddenly from 17 P to 37 P. The department should reduce the burden of the rate.

1. 8. 48
1. 8. 48
1. 8. 48

The bill may be re-circulated

to H.D. (Edn.), H.D. (L.A.) & H.D. (Fin.)

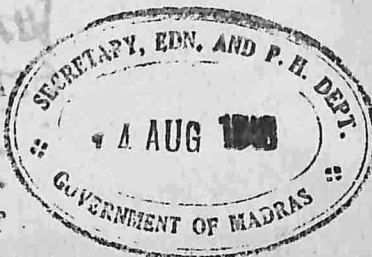
13/8/48 S

H. (Fin.) ✓
H. (L.A.) ✓
H. (Edn.) ✓

03/9/48

The request made by the Salem District Board is that this enhancement has been made in the middle of the year and that it may come into effect from the next year. The burden upon the Provincial revenues, if the collection is postponed to next year, will be about 4 lakhs. If it is the intention of H.Pr. that the collection may be postponed in view of his note above, we may have to pay this 4 lakhs. H.M. (Fin.) and H.Pr. may kindly decide the matter.

13A
14-8/48



I agree with H.Pr. that the sudden increase of the rate of education tax from 17 to 37 pies causes undue burden on the ryots. On the other hand unless this is done it is not possible for the District Board to find the money required for meeting the extra expenditure on account of the revision of scales of pay of its servants. If this additional cost is borne by the Government there is no objection to postpone the collection according to the increased rate to next year. The suggestion made by L.A. Department to levy an education cess on the general sales tax seems to be good and may be considered as an alternative. This has however been turned down by the Finance Deptt. as not feasible. Anyway, the whole matter may be decided by H.Pr. in consultation with H.M. (Finance) as suggested by H.M. (Education).



Pl see A above
The Govt. been 4 lakhs of rupees?
add expense 37 pies.

The file may be re-circulated to H.D. (Edn.), H.D. (L.A.) and H.D. (Fin.) with reference to the minute of H.D. (Fin.) on page 6 ante.

13/8/48 S

H. (Fin.) ✓
H. (L.A.) ✓
H. (Edn.) ✓

H. may see

Resolution 2(2)

13A
25-8/48

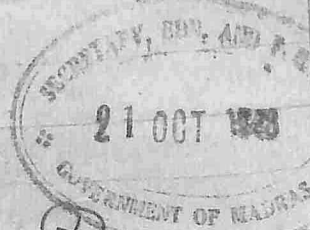
HPR may see
14/8/48

Call for that file in which the increase of Education cess as above the file in which it was ordered that Dt. Boards should pay the revised salary and dearness allowance.

G.P.R.
11/9

©
G.O. No. 366 Edn.
25-2-48

Ⓥ



Ⓡ
G.O. No. 1347 Edn.
8-7-48

H.Pr. presumably refers to the G.O. regarding the enhancement of edn. tax in the area of the Salem Dt. Bd. The G.O. is at (c) - Please see pp 1-4 N.F. of the G.O.

As regards the introduction of the revised scales of pay for teachers in schools under local bodies general order were issued in G.O. No. 975 Edn., dated 10-5-47 and No. 1154 Edn., dated 5-6-47.

General instructions ^{were} ~~have been~~ issued in the L.A. Dept. for the payment of dearness allowance to employees of local bodies including teachers. The instructions are revised as and when the rates of allowance are raised in the case of Govt. servants. The latest order is at (X)

The file may be circulated.

Include this for the informal meeting
G.P.R.
21/10
H.P.R.

13/8/48 S

03/9/48

55

the file may be recirculated

28/10/48

by

Mr. (Mr.)

27/10/48

27/10/48

28/10/48

27/10/48

27/10/48



P on 7/10/48

Mr. (Mr.)

another connection that the whole question of levy of

tax by Mr. Road at be discussed by the cabinet

A note on the subject has been prepared & will

be circulated to Ministers. It may be assumed that

the question of levy of tax by Salem Mr. B. will

also be discussed by the cabinet. In the

circumstances it is for orders whether this file

may remain linked with the file to be discussed

at the cabinet meeting.

Mr. (Mr.)
in P.S.
The Secretary
Vaid in the
note here.
It is been
by

28.10.48

28/10/48

P above

Submitted no.

The question of fixing a conventional
maximum for the levy of tax has been raised. It
may be assumed that it may be taken also

This is not
the case
in which
discuss
has passed
& minutes
to be
in the
to the
by
Mr.

29.10.48

29/10/48

The draft note for the cabinet has been
initially amended - p 2 of the draft note in file I

29/10/48

by

18/11/48

The file contains a representation from the
Salem Mr. Agriculturists' Association. Two
requests have been made in the petition.

- 1) Postponement of the collection order, based at the
enhanced rate of 3% per annum from 1357.
- 2) cancellation of the order enhancing the rate
of education tax.

1) above. Fash 1357 is already over and no request
No 1. cannot be complied with now.

2) above. From the notes on the preceding pages,
it will be seen that Govt do not intend to
modify the orders already passed.

The whole question of levy of education tax
by Mr. B. has already been discussed by the cabinet
and no final decision has yet been arrived at.
The matter is again going before the cabinet soon.
In the circumstances no further action seems
necessary on this file. The papers may be
lodged and filed with G.O. No 366 Edn L.25.244.

17.10.48

17.5.48

28/10/48

