

Edm (1948) Department.

No SERIES.

G.O. NO. 209

Dated 28-1-49

④

[Despatch Abstract.]

Local Bodies - Improvement of finances. Constitution of a committee.

Papers 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.

Secretary, E. & P.H.

There were two conferences held regionally, one for the South and the other for the North, of the representatives of Local Boards and Municipalities and Educational Officers to consider the matter of elementary and secondary education. Apart from the administrative matters discussed in the conference, the question of financing elementary and secondary education was also discussed.

During the discussions, it was observed by more than one person that the matter of Local Board ~~xxxxxx~~ finance may be thoroughly gone into. The allotment of revenues for the Local Boards was made somewhere in the year 1920. A long time has passed since then and the responsibilities of Local Bodies have increased in the meanwhile. The responsibility of Government also has increased. The reorganisation of financing of local bodies is essential and for that purpose, a Committee may be appointed to go through it and submit a report. I think that such a thing is necessary.

In some District Boards, the land cess is going on increasing because of the needs of elementary education and there is a feeling that the land cess is already heavy and should not be increased and methods for the raising of funds for the local boards must be examined. All this can be done only by the appointment of an Expert Committee which can be asked to go into this matter and report.

H.Ms., L.A., Finance and H.Pr. may see.

H.M. Education.

Edo. H. Dept.
B2

The file may be circulated to H.M. (Finance) and H.M. as ordered by H.M. (Education). Orders may be obtained in circulation.



44304



2/
tion as to the ^{personal} persons of the committee
to be appointed.
21/6. 21/6. 22.6.48 23/6/48 3

The terms of reference will have to be clarified.

The Finance Relations Committee set up in 1924 may be a guide. Put that up.

There were some discussions about this in the Indian Taxation ^{Enquiry} Committee that might also be a guide.

Verify and put up.

Some time ago in connection with a proposal of the Govt. of India ^{to} set up a Taxation Enquiry Committee we suggested, I think that one of their terms of reference should be ^{the} examination of the arrangements for financing local ^{boards} also. Please find out what the final decision was (probably file in Finance)

For the settlement of terms of reference I think the other departments ^{will have to see before} also see before circulation. Perhaps the Revenue ^{also} will have to see.

M.V.S.
23/6

one looks ref. to above one for up.
up, one more def. may be ^{for} requested to for the paper ref. to by Secretary or I above. [or > not possible to draw the paper informally]



ETPH NO NV.
44304/48-1 B2 EDN
3.7-48

Finance (A.A.) 44304/48-1 B2 EDN
P. above. There is no file pending on the subject referred to above in this Dept. relating to setting up a Taxation Enquiry Committee by the Govt. of India. ETPH may consult L.A. also.

It may, however, be mentioned that one of the subjects for discussion at the proposed Conference of Financial Ministers convened by the Finance Minister, Govt. of India relates to the appointment of a Taxation Enquiry Committee. The Govt. of India's Memorandum on the subject has not yet been received & no mention has yet been sent to this item in the Agenda.

Through Exp. A. 971/48
19.7.48 B. G. 1.5.48
22.7.48

File no 48613 AA(48)



AS/AS/AS/S
21.7.48 22.7.48 22.7.48
EPH

ETPH 4 Sept. B2.
Please see the notes of Fin. above. The file may be sent to L.A. with ref to A on page 2 of ante.
Mem 26.7.48 27.7.48
Sub. No. 44304/48-2 B2 EDN
ETPH NO NV.

44304/48-2 B2 EDN
27.7-47



L. A. Dept. A
A Committee to examine ^{the} financial and administrative relations subsisting between the Provincial Govt. & the local bodies was appointed in 1920. One such Committee may perhaps be appointed now & the terms of reference to the committee may be similar to those laid down in 1920. It is however, for consideration whether the question of appointing a Committee may not lie over till a decision is reached at the Conference of Financial Ministers on the question of appointment of a Taxation Enquiry Committee. With these remarks, the file may

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be returned to the E & P.H. dept. u.o.

S.K.
2.8.48.

The future of district boards has not been decided. The appointment of the proposed committee may perhaps be deferred till the future of district boards is decided and till the question of constitution of Taluk Education Boards to manage Board Elementary schools is settled.

L on p 1 above

The question of rate of Education Cess is under consideration in another file. In recent years, the following measures have been taken to improve the finances of local bodies:-

(1) The rates of entertainments tax have been increased and the proceeds (after deducting collection charges) have been assigned to local bodies. Local bodies get about Rs 90 lakhs a year from this source.

(2) Local bodies have been empowered to levy a duty on transfers of immovable property. This brings in a revenue of Rs 105 lakhs a year to local bodies (other than the Madras Corporation which gets Rs 11.5 lakhs per annum from this source).

(3) The rate of land cess has been increased from 1-7-1945 from As. 1½ in the Rupee to As. 2 in the rupee in all districts.

(4) The District Municipalities Act has been amended empowering Government to compulsorily increase the rate of property tax in municipalities. Government have also increased the rate in several municipalities.

(5) Government grants towards maintenance of secondary schools under local bodies have been increased to one half of the net cost of the schools.

The financial position of the Elementary Education Funds of most local bodies is not satisfactory. All that seems to be necessary at present is to find ways and means to finance the Elementary Education expenditure of local bodies E & P.H. may take up this question. There seems to be no

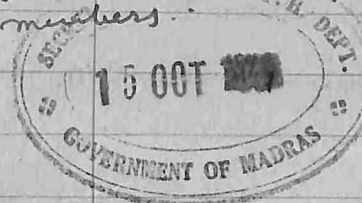
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solution of the problem except the levy of an Education Cess on the general sales tax.

CM 44304 B2/48 A
L. Allo 30096.48 A
4-8-48.



for order on with reference to the note of Lt. The Finance Dept. has noted in another connection that 6.8.48 'A' above is not feasible.

Yet then have a committee. T.S.P.
Please consult me O.P.R.
before nominating 14/10
members.



It is presumed that H.P.R.'s intention is that the Govt. should set up a committee. If so, L.A. has to take further action as the committee is to examine the finances of local bodies. The file may first be necessitated to H.P.R., S.M., L.A. & Fin.

The Committee may consist of the following members:-

1. Sri P.S. Kumaraswami Raja, M.L.A., Ex-President, Ramad.
2. Dr. P.S. Srinivasan, Chairman, Municipal Council, Conjeevaram.
3. Sri P.L.N. Raju, Vizagapatam.

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4. Sri V.K. Palaniswamy Gounder, Ex-President, Coimbatore.
5. Sri Chalapathi Rao, Chairman, Bezvada.

The Committee may consist of not more than 9 members.

I would like to have the suggestions of H.M.(L.A.) with regard to the rest of the personnel. After H.M.(L.A.'s suggestion, the matter may be put up to me before sending it on to H.Pr.

Sri Kumaraswami Raja may act as the Chairman of the Committee.

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3-11-48

I would suggest that the following may be appointed as Members of the Committee:

1. Sri P.S.Kumaraswami Raja, ex-President, Ramnad.
2. Br. P.S.Srinivasan, Chairman, Municipal Council, Conjeevaram.
3. Sri P.L.N.Raju, M.L.A., Vizagapatam.
4. Sri V.K.Palanisamy Gounder, Ex-President, Coimbatore.
5. Sri R.Achutharamasiah, Chairman, Municipal Council, Masulipatam.
6. Sri G.Venkata Reddi, M.L.C., Anantapur.
7. Sri N.Ranga Reddi, M.L.C., Cuddapah.
8. Sri P.Govinda Menon, M.L.A., Vakil, Optapalem P.O. S.Malabar.
9. Dr. U.P.Mallayya, M.L.A., S.Kanara.

Sri Kumaraswami Raja may be Chairman of the Committee.

10/12

EXP 11

before further circulation to H.Pr. & H.L.A.

H.Pr. may see

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14-12-48

10 DEC 1948

4 DEC 1948

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Both H.Pr. (7th) and H.Pr. may see.

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14-12-48 S.H.

I strongly advise against setting up a Committee just now. Even if a few of the recommendations are accepted, it will throw a burden on the Govt.

It will unnecessarily raise expectations which we can't fulfill just at present. Let it wait for some time.

OPR
2/1/49

24/12

The file may be re-circulated to H.Pr. (C.M.) and H.Pr. (L.A.).

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31/1/49 S.H.

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GOVERNMENT OF MADRAS

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Summary of Local bodies - Improvements of finances - Constitution of a committee - Paper recorded

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