

EDUCATION 1950 DEPARTMENT.

MS. SERIES.

Chm

G. O. No. MS. 2508 Edm.

DATED. 7. 9. 1950.

Sub.

14

Elementary Education - Fund District Board,
Chingleput - Levy of Increase of rate
orders ~~present~~ issued

③ 3

Extract from the proceedings of the Chingleput District Board passed at a meeting held on 30-3-50.

No: 62: Read G.O.Ms.No.503 Edn., dated 17-2-50 informing that the rate of Education Tax levied by the District Board should be raised from 27 pias to 36 pias in the rupee of land revenue from Fasli 1360 in order to provide funds for meeting a portion of the deficit in the Elementary Education Fund and requesting the President, District Board to place the matter before the District Board and to forward to Government before 1-4-50 a copy of the resolution of the District Board proposing an increase in the rate of levy of the Education Tax from 27 pias from Fasli 1360 i.e. 1st July, 1950.

Resolution

This Board seeing that the Education cess during the last 8 years has been increased from 4½ pias to 27 pias in the Rupee of land revenue, is strongly of opinion that any further increase in the cess which throws the burden only on the poor agriculturists who are already groaning under heavy taxation not to speak of the continuous failure of monsoon, would further seriously tell upon their economic condition.

This Board does not also see why a particular class alone should bear the burden of this taxation, while all other classes would derive the benefit of education.

This Board is also of opinion that the expenditure under Elementary Education having increased unduly by the revision of scales of pay to teachers and by the grant of dearness allowance to them at rates applicable to Government servants, as advised by the Government would be a legitimate charge under state funds, as the present conditions which have necessitated such payments are a direct result of the directions of the Government.

The Board therefore requests the Government to meet the whole deficit under Elementary Education Funds from State funds. The Board is not therefore in favour of increasing the rate of levy of the Education Tax from 27 pias to 36 pias in the Rupee of land revenue.

(True Extract).

V.K.Ramaswami Mudaliar,
President.

9/8/5

Memo. No. 5854 C/50-2, Edn. dated 6.5.50

(11) 5
Edn. Deptt (C)

Sub: Education tax - levy of increased rate in the area of the Dt. Bd., Chingleput - ordered.

pp 1-3 ub

Reb: From the P.D.B., Chingleput No. 22045 C/49, dated 31.3.50.

The Govt. decline to accept the Resolution of the Dt. Bd., Chingleput that the rate of Education tax should not be raised. Under section 34 + 35 of the Madras Ele. Edu. Act of 1920, the Govt. direct that the rate of Edu. tax levied in the area of the Dt. Bd., Chingleput, ~~shall~~ be raised from 27 pies to 36 pies in the rate of land revenue from Rs. 1360.

(P.T.O.:-

2/- The President is requested to place the matter before the St. Bd. & to forward a copy of the Resolution of the St. Bd. ~~agreeing to raise the matter of enhancement of the rate of Edu. tax from 27 pias to 36 pias in the notice of land revenue.~~ in the matter.

W2.
14.4.50
By 14.4.50.

16/4/50
17.5.50.

To Shree
10/5
The P.D.B., Chingleput
2/5.6

⑤ 1

Edu. Dept (C)

Memo No. 585A C/50-3, Edu. dated 9.6.50.

ag
a/b

ps ub

Sub: Education tax - levy of increased rate in the area of the St. Bd., Chingleput.

Ref: Govt. Memo 585A C/50-2, Edu. dated 6.5.50.

ps ub

To Shree
15/6.
The P.D.B.,
Chingleput.

The attention of the P.D.B., Chingleput is invited to the Govt. Memorandum cited & he is requested to expedite ^{the} ~~the~~ submission ~~of the copy of the~~ Resolution of the St. Bd. in regard to the increase of rate of Edu. tax from 27 pias to 36 pias in the notice of land revenue from Farli 1360 ³ called for in ~~the~~ the Memo.

Wb.
7.6.50

16/8/50
26.50

From

Sri V. K. RAMASWAMY MUDALIAR,
President, Chingleput District Board,
SAIDAPET, MADRAS 15.

To

The Secretary to Government,
Education Department,
Fort St. George,
Madras.

6 JUL 1950
No. 22045/49 dated 30-6-50.

Sir,

Sub:- Budget Estimate- 1950-51- Elementary Education Fund-
Chingleput District Board- Proposal to increase the
rate of levy of Education tax from 27 pies to 36 pies
in the Rupee of Land Revenues- Board's resolution
submitted.

Ref:- Government Memorandum No. 5854-C/50-2 Education dated
6-5-50 and 9-6-50.

With reference to para 2 of the above Memorandum, the proposal
to increase the rate of levy of the Education Tax in the District
Board area from 27 pies to 36 pies in the Rupee of Land Revenue, was
placed before the District Board at its Special Meeting held on the
26th instant. The Board after careful reconsideration was strongly
of opinion that it would be inopportune to raise the education cess
in view of the prevailing famine conditions in this District- vide
copy of Resolution No.1 (Special) dated 26-6-50 enclosed. So, I
request that the Government may be pleased to drop the proposal of
enhancing the rate of levy of Education Tax and sanction Special
subsidy to this District Board to meet the entire deficit under
Elementary Education Funds, in view of the prevailing famine conditions
in this District.

R.V. 4-7

PRESIDENT, DT. BOARD

No. XII of 19 50-19 51.
Special Meeting of the

Extract from the proceedings of the Chingleput District Board passed at a

meeting held on 26th June 1950.

No.1. Read the following:-

(i) G.O.Ms. No. 503 Education dated 17-2-1950 informing that the rate of Education Tax levied by the District Board should be raised from 27 pies to 36 pies in the rupee of land revenue from fasli 1360 in order to provide funds for meeting adportion of the deficit in the Elementary Education Fund and requesting the President, District Board, to place the matter before the District Board and to forward to Government before 1-4-50 a copy of the resolution of the District Board proposing an increase in the rate of levy of the Education Tax from 27 pies from Fasli 1360 i.e. 1st July 1950.

(ii) District Board Resolution No. 62 dated 30-3-1950 stating that the District Board is not in favour of increasing the rate of levy of the Education Tax from 27 pies to ~~36~~ 36 pies in the rupee of land revenue and requesting the Government to meet the whole deficit under Elementary Education Funds from state funds.

1504 (iii) Government Memorandum No. 5854-C-50/2 Education dated 6-5-1950 declining to accept the resolution of the District Board and directing that the rate of Education Tax levied in the area of the District Board, Chingleput be raised from 27 pies to 36 pies ~~in~~ in the rupee of land revenue from Fasli 1360 and requesting the President, District Board to place the matter before the Board and forward a copy of the resolution of the District Board in the matter.

...2

V. K. RAMASWAMY MUDALIAR,
PRESIDENT,
CHINGLEPUT DISTRICT BOARD

"PANAGAL BUILDINGS"
SAIDAPET, MADRAS 15

18-7-50.

Dear Mr. Madhava Menon,

Sub: Increase in the rate of education
cess from 27 pies to 36 pies in the
rupee - Board's persistence not to
increase the cess - Approval requested.
Ref: My letter Roc.No.22045/49-C.1 dated
30-6-50.

With reference to my personal interview with
you this noon and as per instructions, I am
writing this letter for your kind consideration
and favourable orders.

This Chingleput District Board was levying
education cess at 4½ pies rate only prior to 1941.
Gradually this rate of levy was increased to 27
pies and it is being levied from 1-7-1947 onwards.

This District is a famine stricken district.
Any further increase in the rate of education cess
would only throw further burden on the poor
agriculturists who are already groaning under
heavy taxation.

The Board gets an income of Rs. 322060 from
the proceeds of the education tax levied at 27
pies rate. Even if it were to be raised to 36
pies, the additional income will be Rs. 107350
annually. Even this additional income will not be
sufficient to meet the large deficit under
Elementary Education Funds of the Board.

The deficit under Elementary Education Funds
is largely due to the payment of dearness allowance
to teachers at rates applicable to Government
servants. A sum of Rs. 422470 has been provided
in the budget under the Head "Masters - Dearness

P.T.O

Resolution:- After reconsidering the Government's direction, this
Board is strongly of opinion that it will be inopportune to
raise the education cess in view of the prevailing famine
conditions in this District.

---:galwallat ent bood .i

V.K.Ramaswami Mudaliar. (i)

President.

(True Extract)

19921

Sub: Ele. Edu. Fund - Dt. Ed., Chingleput -
 Levy of increased rate of Edu.
 cess upto 36 pies in the Rupee
 of land Revenue - orders issued
 From the P.D.B., Chingleput No.
 22045 C1/A9, dated 31.3.50.

Pp 1-3 clb

Ref:

Pp 35-36 of

Bottom of page 2 of

50.10.10

On passing orders on the
 Budget Estimate for 1950-51 of the Ele. Edu.
 Fund under the control of the Dt. Ed.,
 Chingleput, a suggestion was made that
 the rate of Education tax might be raised
 from 27 pies to 36 pie in the rupee of
 land revenue to ^{cover} up the deficit in the
 E.E. Fund Account. The suggestion was in
 conformance with decision of Govt at the
 meeting of Cabinet held on 6th & 7th
 February 1950; that the Dt. Eds. should be
 asked to raise the rate of Edu. tax upto 36
 pies in the rupee of land revenue. Similar
 instructions have been issued in the case of
 other municipal councils also.

Pp 1-3 clb

It will be seen from the letter
 cited that the Dt. Ed., Chingleput is not
 willing to raise the rate of Edu. tax upto
 36 pies in the rupee of land revenue as
 proposed. At the same time President
 requested Govt. to sanction an additional
 subsidy to meet the deficit which would
 have been caused by the additional income
 from the tax. It may be stated that the
 E.E. Fund of the Dt. Ed. is working at a
 large deficit. ~~Some additional subsidy~~
 The maximum subsidy due to the Dt. Ed.
 towards the expenditure on dearness allowance
 has already been sanctioned to the Dt. Ed.,
 & the Dt. Ed. is not eligible for any more

Rs. 3142.10 paise

Subsidy. It was ordered in Memo. No. 3556C/50, Edn. dated 23.3.50 that the Bd. may take an advance from ^{State Funds} ~~provincial funds~~ re-payable with interest in a few instalments, if the deficit anticipated is of a temporary nature & if the deficit is of a recurring one the Bd. should effect economies in expenditure by closing down schools or by other means. To avoid the deficit it was suggested that the rate of Edn. tax shd. be raised upto 36 pies. If the tax is not raised as proposed the deficit cannot be avoided. As the deficit is of a recurring nature there is no alternative for the Bd. but to raise the tax. It appears that Govt. should direct the Bd. to enhance the rate upto 36 pies as the Bd. is not willing to raise the tax of its own accord. ~~to the enhancement.~~ A draft memo. is submitted for approval. L.A. & Finance may see before circulation.

WL
14.4.50
L.A. | Fin. Edu. W.O.
16/4/50 17.4.50
18.4.50

The note of Edn. above and the draft memo. below may be perused and the file passed on to Fin. Dept.



May be perused and returned to Education.

[Issued as Memo. No. 5854C/50, dated 6.5.50]
[From Mr. P.B.B., Chingleput No. 22045/4A, d. 30.6.50]

In accordance with the decision of Govt. to raise the rate of Edn. tax upto 36 pies in the case of Dt. Bds. which stand in need of addl. funds for meeting the deficit in the E.E. Fund, the Dt. Bd., Chingleput was asked to forward a copy of the Resolution of the Bd. proposing an enhancement of the rate of tax from 27 to 36 pies.

2. The Bd. was not willing to raise the tax and so it forwarded a resolution requesting the Govt. not to enhance the tax but to sanction a subsidy towards the deficit. As it would not be possible for the Bd. to wipe off the deficit without the enhancement and as in the case of Dt. Bds. which were financially worse than Chingleput the tax was raised to 36 pies (Anantapur & Chittoor), it was decided that the Bd. should be directed to enhance the tax to 36 pies. A direction was accordingly issued in memorandum No. 5854C/50-2, dated 6.5.50.

3. The Dt. Bd. has not yet forwarded a Resolution in the matter of enhancement of tax. Without a Resolution it will not be possible for the Collr. to collect the tax at the enhanced rate. In the Resolution now forwarded the Bd. requests that a subsidy should be paid to it and that no enhancement of tax should be ordered.

4. The Resolution of the Dt. Bd. is illegal and ~~seem to be~~ ^{seems to be} in excess of the powers conferred by the Ele. Edn. Act. It appears that the Resolution can be cancelled under Sec. 38 of the Local Bds. Act. For orders whether the Resolution may be cancelled.

5. In as much as the Dt. Bd. has failed to comply with the orders of Govt. passed under Sec. 35 of the E.E. Act, it ~~was~~ ^{has} made a default within the meaning of sec. 41 of the Local Bds. Act. The Govt. have power to fix a period for the performance of such duty (viz., the passing of a Resolution). The period may perhaps be a month commencing from the date of receipt of the orders of Govt. asking the Bd. to perform the duty.

6. If the Bd. fails to perform the duty within the period specified by Govt., the Govt. may ~~appt.~~ ^{appoint} some person to perform the duty. The Collr. may be appointed to pass a Resolution on behalf of the Dt. Bd. For orders whether action may be taken under sec. 41 of the Local Bds. Act as indicated above. L.A. and Legal may see prior to circulation.

If it is decided to drop the question of enhancement of the rate of Edn. tax, the only alternative available

is ~~that~~ to ask the Board to retrench expre., or Govt. to sanction a subsidy to cover the deficit about a lakh of rupees. It does not seem that it will be possible for the Board to effect retrenchment without impairing efficiency in elementary education. In this connection please see the D.O. letter from the President, Dt. Bd. on pages 13-14 c.f. and the minute of H.M.(Edn.) thereon. The file may be sent to L.A. and Finance for remarks before circulation.

1/8/50
18.7.50

L.A.
Rm

L.A.D.(C.

[previous notes of this Dept on h2 ante]

This Department may agree with the Education Dept. ~~in para. 5 & 6 on h3 above. The file may be passed on to Finance.~~

2. The financial position of the Board under its general account is also bad. According to B.E. for 1950-51 the general account is expected to close with a deficit of Rs 35,850 against the required minimum balance of Rs. 33,600. The ordinary receipts for 1950-51 also fall short of the ordinary expenditure by Rs 1,44,000.

The Legal Dept may advise on the legal consequences of

Edn. 18.7.50

5854/50-4
18.7.50



D.A.
20/7

B.E. put up below

Edn at h3 above

30.7.50
Secy

21.7.50

Fin./Legal.

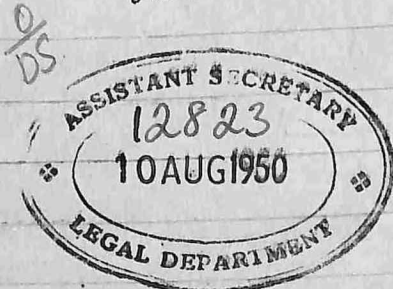
Dr 1/8

L.A. W.O.
29391/50-1C
1.8.50.



68806/50
Already sent are containing the District Board, subject to cover deficits, equal to Rs 44,000 in December 1950.

Dr up 68806/50-1
8.8.50



Legal. U.O. 12823/50
16.8.50.

Fin. (Expt)
Dnw. Fin note on p2 ante.

The further note of Education and L.A. Dept may be perused and the case passed on to Legal. As the financial state of affairs are also very unsatisfactory it would not be possible to make good the deficit referred to by Edn by a subsidy.

7.8.50
7.8.50

8850

Legal

LEGAL DEPARTMENT.

The resolution at pp11-12cf only states that the Board is strongly of opinion that it will be inopportune to raise the education cess in view of the prevailing famine conditions in the district. It is doubtful whether a resolution in such terms can be said to be illegal or in excess of the powers conferred by law on the District Board so as to attract the provision for cancellation contained in s38 of the M L B Act 1920. It is, however, unnecessary to cancel that resolution as it is open to the Govt. to take action under s41 of that Act for default by the District Board in performing a duty imposed by a direction under s35(2) of the Elementary Education Act. Action may, therefore, be taken as proposed by Education in parags. 5&6 of their note on p3 ante

16/8/50

Edu. (C) Deptt.

With a view to reduce the

deficit in the Elementary Education Fund Account of the Dt. Bd., Chingleput, the Govt. ordered the enhancement of ^{the rate of} Education tax from 27 pies to 36 pies in the rupee of land revenue.

p 5 cb.

The enhancement will fetch an additional income of Rs. 1.08 ⁽⁺⁾ lakhs every year. The

Dt. Bd. has resolved that the enhancement should not be ordered. If the request of the

Bd. is complied with, an additional subsidy

(equivalent to the ^{additional} income of Rs 1.08 lakhs from ^{which will not be realised} ~~the way of enhancement of tax~~ will have to be

paid to the Dt. Bd. every year. For orders

whether the enhancement in the rate of Education

tax upto 36 pies in the rupee of land

revenue should be ~~dropped~~ and the Bd. be

granted an additional subsidy. It is submitted

that this will be against the ~~practice followed~~ ^{policy of Govt.}

~~that~~ Dt. Bds. should levy tax at 36 pies in

the rupee of land revenue before the question

of the payment of Govt. subsidy towards the

expenditure on d.a. is taken up.

2/- If however, the enhancement of tax should be ordered the question arises as to how the orders of Govt. should be

implemented as the Dt. Bd. is not willing to

raise the rate of Edu. tax. The procedure to

be followed has already been indicated

in paras 5 & 6 of this department's note on

page 3 ante. The legal offr. also accept the

proposed procedure. Under this procedure, the

collector of Chingleput may be appointed to

perform the duty of passing a resolution on

behalf of the Dt. Bd. in the matter of enhancement

of tax. The Dt. Bd. will be given due

notice of the action proposed to be taken

in the matter.

3. The

P

usual ⁽⁺⁾ income 3.22

pb 9-12 cb. $\frac{3.22 \times 9}{273} = 1.08$

X on p 3 ante

Wl. at
13.8.50 - 18/8

As the deficit is of a recurring nature the only course is to levy the tax at the enhanced rate. A.A. may see again.

21/8/50

2/ Degree. The Bd. cannot expect Govt. to subsidize them further to the tune of 1.08 lakhs every year

22.8.50

Edm. W.O

585A C/50-5
22.8.50.



Letter No 34441/50-1c
24/8/50

This dept may agree with Edn. The ~~enhancement~~ at the enhanced rate will be collected only in 1951. It is hoped that before the commencement of 1951, there will be sufficient rainfall in the dt to enable the ryots to raise good crops in 1950-51.

Mr. F. Secy Edn.
23/8/50

LA

L.A.D

Edm (C) Deptt

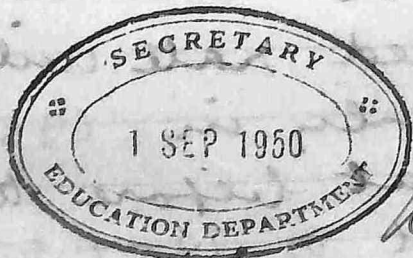
The points for orders are set out in para 3 of the notes on the previous page. The case may now be circulated to H.M. (E.&L.), H.M. (L.A.) & H.M. (Fin.) for orders.

W.L.
26.8.50
27/8/50

The case relates to the request from the Dt. Board, Chingleput, for an annual recurring subsidy of Rs 1.08 lakhs which represents the income forgone by the Dt. Board by not agreeing to the Government's order to enhance the Elementary Education Tax from 27 pies to 36 pies in the rupee. While refusing to enhance the tax, the Board has stated that in the present economic conditions it is undesirable to increase the burden of tax on the agriculturists. As pointed out by the L.A. Department, the enhanced rate of tax will only be payable in 1951 by which time it is hoped that seasonal conditions will be favourable and the agriculturists will be in a position to bear the enhanced tax. Further, it would be difficult for Government in the present financial stringency to incur a recurring liability of ^{0.7}1.08 lakhs by way of subsidy to the Board. In the circumstances, action may be taken as suggested at 'B' on page 6 ante to enforce the enhancement of tax.

p.7 ante.

XXXXXXXXXXXX



H.M. (E. & L.)

H.M. (L.A.)

H.M. (Fin.)

I don't think we need impose the tax. The Bd maybe told that Govt. cannot pay the subsidy asked for & that if they cannot raise the tax they will have to take such steps they think fit to balance the budget. km

C NO 585A/50

Please see the orders in circulation on the previous page. A draft order is submitted for approval.

W.L.
2.9.50
2/9

The O.D. may be asked to submit proposals for meeting the deficit. The last sentence in the draft may also serve as an incentive to the Bd. to effect economies in expenditure.

5/9/50 6.9.50

