CHAPTER - FIVE

FINANCIAL RESOURCES OF PUBLIC LIBRARIES WITH SPECIAL REFERENCE TO KARNATAKA

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INTRODUCTION

The Public library is committed to render free services to its community. From the economic point of view, it is a revenue spending organisation without any visible financial returns in the form of profit. Performance of the duties and functions of public libraries without any hindrance needs uninterrupted supply of finance. If this is maintained the authorities can build the best image of the library by adding materials of choice to the library to satisfy a large community of users.

Public library finance basically deals with the income and expenditure of the finances allocated for various purposes so that maximisation of the social utilisation of the graphic records is achieved. This will further facilitate the public to develop in all spheres of activity i.e., social, economic, political, cultural and educational and other fields.

Financial Resources

Organisation of public finance is yet to demonstrate feasible results in our country. With all the developed policies and principles, norms and standards, the reaching of optimum level is nowhere near the sight. Public libraries
generally provide an opportunity to improve formal education and promote self education. Information and guidance obtained whenever it is warranted contributes to enhance the quality of life. Public libraries are meant to serve the needs of the people from the "cradle to the grave". There is no restriction on caste, colour, sex, age etc. It is free for all. The only criteria is to have the desire, desire to learn, to explore, to dream, to create, to grow culturally and intellectually. Public libraries act as strong pillars to uphold the values of democracy. They supplement and complement the country's total educational system and keeps awareness of the public. In fact, such a valuable component of the society as well as the nation is to be nurtured well. It is with this notion in mind that the financial resources are studied.

Financial Resources of Public Libraries
Local Level Funding

In the western countries local bodies are managing the public libraries successfully. But in India the picture is totally different. During the middle of the 19th century, when the first Municipal Act was enacted in India provision of public library services was entrusted to local bodies. Unfortunately, for various reasons, the local bodies in India have remained as the weakest link in public administration. The financial resources were limited to their needs. Therefore, they failed to spend the necessary amount for the
establishment of public libraries. At the same time only a few local bodies cared to provide public library services. To cite a concrete case, the optional clause available in the Local Government Acts to give free book service was availed of very casually. In the case where it was availed, the money provided to the public libraries was very less. For example the corporation of Madras used to vote Rs.10,000 per year to the public library. But during the crisis period it was also subject to variations. Perhaps due to the limited resources available to Local Bodies and the passive role played by them in the development of libraries, many committees in our country have not assigned any positive role to Local Bodies. It was only the Ekbote Committee which has recommended that the "Local bodies should contribute an amount not less than 1.5 percent of their budget to the local library authority in whose district the local bodies function."(1)

In U.K., U.S.A. and other western countries, though local bodies were held responsible to provide free library service, they failed to do so because of lack of resources. At a later stage, they were compelled to levy library cess on property tax. One of the drawbacks of entrusting public libraries to the local bodies was, that small local bodies failed to provide minimum standard of service because they were inadequately funded. To solve this problem small units have been brought under central or large units. In U.K. the Robert Committee recommended that small local authorities
should be deprived of their right to maintain independent public libraries if they failed to provide certain minimum amount of money on a per capita basis. Since World War II, Federal and State funds have been provided at an increasing proportion to Smaller Local Authorities for co-ordinated development of public libraries. (2)

It was in 1930's for the first time that the city of Boston was authorised by the Government to levy a rate for public library service. The example set by allowing this authorisation to the city of Boston was later followed as a general pattern for financing public library services by local governments in U.S.A. out of a levy based on the property tax as in United Kingdom.

In U.K. the local governments form the first of a two-tier system of government. The local government provide and maintain public library services. More than 80% of the total income of the local governments are obtained mainly from two sources i.e. Government grants and local taxes. Local taxes are known as local rates, collected from occupiers of land and buildings as a contribution to the cost of local service. A library rate is levied to support public library services. The local rates and funds raised by local authorities are not enough to finance the local services fully. The Federal government granted its grants to local authorities. However, public libraries are not successful in increasing the percentage of the tax that is necessary for their support.
The UNESCO seminar suggests that States should enact legislation for the establishment of public libraries funded by taxation from local government, with States and the Federal government giving aid to public libraries. (3)

State Level Funding

The review of the local level funding clearly indicates that there is a need for mobilising the additional revenue from sources other than local tax or non-tax e.g., if the public libraries are to provide a broad range of services to meet the needs of their user community,... The immediate and obvious source of additional revenue is from the State government. Education and library services belong to the State. Local governments receive their legal authority to provide library services from State laws. Eight States have library laws which give the local public library autonomy and power to determine a tax rate within certain limits set by the law. Generally the statute will set a limit that can be modified by an amendment of the law by the legislators. The library may have an library advisory board which can recommend budgets to the governing authority which makes the financial determination.

In the initial years of library development in U.S.A. the States through legislation permitted the local government units to make use of the funds for the library. Later, the involvement of the States increased the setting up of agencies to deal with the financing of libraries. Though the awareness
for greater involvement of the public library development was realised in 1940's, yet the concept of public library system was enacted into law only in 1958. It provided a per capita, per-square-mile formula for State aid to libraries and establishing grants, subsidies for processing and provision for funding to increase the book stock of the central library in each library system. Later proposals enhanced the State revenues available to aid libraries. Another opportunity came for the State in 1956, when the Federal government made available by an Act, fund to be used for the development of libraries. The States created agencies which channelised the Federal government grants to the library units. Prior to the development of State-wide library system and State-wide plan for service, many States provided grants directly to individual public libraries, but grants were usually small and inadequate. The New York state enacted an important law, which provided funds to local libraries in communities which have increased their level of support, if a library had met basic service standards. This step was intended to boost the local governments to increase their level of support if a library met basic service standards.

State government grants vary from one State to another. The grants may provide equal funds based on local effort as is practiced in the State of Karnataka. The other type of grants may be in the form of staff supporting as it is practiced in Andhra Pradesh. In comparison the State level finding of
Karnataka is much higher (70%) than that of the western and other Indian States, but out of which 60% is in the form of consolidated fund (salary of staff) on the other hand grant for the library services is decreasing in Karnataka State.

Justification of State Level Funding

Blassingame offers some valid reasons for justifying State level funding for public libraries. According to him, among other reasons the aid is intended to:

1) relieve the local property taxes; and
2) the state has a general responsibility to provide information to all people. (4) Further justification is as stated by Laderson i.e., "education is the primary function of the state government and since public libraries are part of educational system, it follows that the state has direct responsibility for giving financial support to libraries." (5)

As said earlier, education is the primary concern of the State Government and Public libraries form a part of the education system. It is inevitable on the part of the State Government to provide sufficient funds for their growth and development.

Central Level Funding

Federal funds available to States under the Library Services and Construction Act (LSCA) were designed to
increase State support of public library services in the United States of America. States received funds on the basis of the ratio of State population to the population of the country. To receive its full share of funds, based on the ratio of the States per capita income to the national per capita income, rich States would pay more as matching funds than poor States. The purpose of matching provision was to increase States and local bodies support for public libraries. In most of the Western countries Federal governments provide supporting grants to State governments.

In India the situation is quite different. Central government is of the firm opinion that providing the library services is the concern of the State government. Hence the union Ministry of Human Resources and Development concentrates only on the development of the National Library of India. In order to facilitate Rural libraries in the country in 1972 Raja Ram Mohan Roy Foundation (RRRLF) was established. It is observed that the financial allocation through RRRLF by the Central Government is totally inadequate and insufficient. To cite the expenditure of RRRLF for the following four years:

(Rs. in lakhs)

<table>
<thead>
<tr>
<th>Year</th>
<th>Expenditure</th>
</tr>
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<tbody>
<tr>
<td>1986-87</td>
<td>Rs. 145.15</td>
</tr>
<tr>
<td>1988-89</td>
<td>Rs. 172.48</td>
</tr>
<tr>
<td>1989-90</td>
<td>Rs. 135.05</td>
</tr>
<tr>
<td>1990-91</td>
<td>Rs. 220.57</td>
</tr>
</tbody>
</table>

(Source: RRRLF Annual Reports for the year(s) 1987-91)
This amount was distributed among 25 States and 9 Union Territories. Assistance is rendered under certain schemes of matching and non-matching assistance. The extent and quantum of matching assistance vary from State to State from Rs. 50,000 to Rs. 5,00,000 depending upon the size, population, library infrastructure and on the basis of earlier utilisation of funds.

There are seven schemes under which financial assistance is rendered to libraries. They are in the form of assistance:

(1) Organisation of seminars, workshops, training courses, book exhibitions;
(2) Development of Rural Book Depository centres and mobile library services;
(3) Storage of books;
(4) Voluntary organisations providing public library services;
(5) Public libraries below district level for increasing accommodation;
(6) State central libraries and district central libraries to purchase TV-Cum VCR sets for Educational purposes; and
(7) Children's libraries and children's section of general public libraries.
All the seven schemes undertaken by RRRLF are very useful and effective for the development of libraries in the rural areas. But looking at the expenditure of RRRLF is as totally inadequate and insufficient to meet the varied purposes of the foundation.

If we analyse the history of public library services of any nation it is found that the Federal Government does not appear on the scene until recent years. In many countries it is still a non-starter. (7) The Federal funds should be an important part of library services development, and the State funds must inevitably play a more vital role in the development of public libraries. In addition, Federal funds should enable the States to strengthen local services, develop a satisfactory system, and participate effectively in the national development network. While all seem to agree that Federal Aid would be advantageous to libraries, there is no agreement on the purposes it should serve. (8)

The expenditure on libraries is ever-increasing. At no point this can be stopped. If Government grants are the only sources of finance, the healthy growth of public libraries cannot be taken for granted, because there is always a fluctuation in the flow of government grants, specifically during the time of crisis of a one or the other kind. Due to the variation in environmental factors, natural calamities, floods, wars and in some emergency period financial crunch is declared and there will be a financial crisis. This affects
education and library development considerably. Hence it is not advisable to depend wholly on the State or Central government grants. A public library is to be established and maintained out of public funds. The only way to solve this problem is to impose taxes on the principle of give and take according to the needs. Further no taxation can be levied without the passing of library legislation. So in order to collect library cess, legal provision in the form of a Public Library Act is to be enacted. In India out of 25 States and 9 union territories only 8 States have been successful in enacting a public library legislation. This reveals the lack of mobilization of financial resources for the purpose of public library development.

Fines, Contracts and Sales

A provision has been made in each and every State Library Legislation, and also it is common practice since the beginning, to collect fines from the users who fail to return the library reading materials within the due date. The rate of fine also varies from one library to another or from one state to another.

Some large scale libraries publish and sell certain catalogues, old books etc., but these also should not be considered as a source of income since the publications will be made available to the reading public on "no profit no loss," basis. If the libraries sell the same material to
business people, publishers, companies, Industrial people and so on, they can earn a little money out of it. But whereas in the case of U.S.A. the survey has clearly indicated that in the form of fines, contracts and sales 87.3% of the libraries reported that they are earning a little less than 5% of operating expenditure (9) due to non availability of data. In our country it is difficult for us to compare the income from this source to the situation in western countries. However, public libraries in Karnataka have made an attempt and earned Rs. 2,67,616 for the year 1990-91. This clearly indicates that, there is a possibility of earning a good amount of revenue, provided the concerned authority is prompt, dynamic and honest in approach. This will help a lot in the growth and development of public libraries in Karnataka.

Interest on Investments

Provisions have been made in the KPL Act, 1965 and the Accounts Rules of 1975, for the public libraries to deposit the amount collected in the form of caution money deposit, in the nationalised banks, and in turn the libraries will get a lump sum amount in the form of interest. The authorities can even deposit or invest in company shares and debentures the unspent money at the end of the financial year. Through this also the libraries will be in a position to get regular income. The public library system of Karnataka has collected Rs. 9,28,522 in the form of interest for the year 1990-91.
Endowments and Private Benefactions

One of the possible and popular sources which is very often tapped by the Americans is the acceptance of endowments and other private donations. The Andrew Carnegie Trust did the pioneering work in establishing various libraries and helped them to stand on their own feet by providing huge amounts for the purpose. To cite a similar example in our country since the beginning most of the kings and rulers have shown their magnanimity by way of donating munificent grants for the establishment of public libraries. It has been continued even in the modern period. Maharaja Sayaji Rao Gaikwad of Baroda invited a professional expert from USA and requested him to prepare a plan for the establishment of city and rural library services for the erstwhile State of Baroda. To extend library services to the people of rural areas he even introduced mobile libraries. To cite a few examples in the public library system of Karnataka, at least a few officials have made an attempt and successfully collected donations from the public for the construction of library buildings at Belgaum (CCL), Tumkur (DCL), and a branch library building at Saligram in the name of the popular writer Dr. K. Shivarama Karanth.

At present in USA it is found that there are numerous corporations like Carnegie Corporation, the Rockefeller Foundation, and Ford Foundation etc. By 1971, approximately 26,000 foundations were in existence and had a combined wealth
of $26 billion. (10) A majority of them came forward to donate a lot of money for the establishment and improvement of library services. Milton Friedman maintains that corporate money belongs to workers and stockholders but may be donated to local institutions if the donation provides a marginal return greater than the marginal cost of the donation. (11) He further states that if a $100,000 donation makes the city a more attractive place to live in and work and if the company will save at least $100,000 in recruitment and training expenses, the donation is justified, because the public libraries, through supplying the information, help the workers of the companies improve their skills and techniques. It will also help the companies to improve the quality of goods or their products. But it is surprising to note the statement of the executive of a company, that his company had never given a donation to a library because, to the best of his knowledge, it had never been asked by any librarian. (12) A similar problem is seen in our country. The authorities are not at all working for the improvement of the financial resources, though the resources are many. - the public, the companies, institutions, organisations, and individual donors with a charitable bent of mind eagerly waiting to donate and improve the public libraries network at the national, regional and local levels. If the professionals motivate themselves in this aspect definitely they can exploit the above mentioned sources and improve the services.
The librarians have to be very careful at the time of using the money from endowments, companies and corporations, which can never be expected regularly, and also is quite insufficient. The same amount may be used for meeting expenses like construction of buildings, repairs and for providing initial stock of books and furniture, fittings and other equipments. These may also be used as non-recurring grants to be used for special projects.

Provisions of Finance made in the respective Public Libraries Acts by the Indian States which have enacted them:

1. Madras Public Libraries Act, 1948

The Madras public libraries Act, 1948, the first of its kind in India and a brain child of Dr. S.R. Ranganathan, was brought into force from the year 1950.

Finance and Accounts

Section 12. Library Cess

1.(a) Every Local Library Authority shall levy in the area a library cess in the form of a surcharge on the property tax or house tax levied in such area under the Madras City Municipalities Act, 1919, the Madras District Municipalities Act, 1920 or the Madras Local Boards Act, 1920, as the case may be, at the rate of 6 paise for every
whole rupee in the property tax or house tax so levied.

(b) A Local Library Authority may with the previous sanction of the Government and shall if so directed by them increase the rate specified in clause (c).

(2) The cess levied under Sub-section (1) shall be collected.

(a) in the city of Madras, by the Corporation of Madras

(b) in an area within the jurisdiction of a municipal council by the Municipal council;

(c) in an area within the jurisdiction of a panchayat, by the Panchayat; and

(d) in an area in a district not included within the jurisdiction of a municipal council or a panchayat by the district boards, as if the case were a property tax or house tax payable under the Madras City Municipal Act, 1919 or the Madras District Municipalities Act 1920 or Madras Local Boards Act, 1920 as the case may be, and all the relevant provisions of the said Acts shall apply accordingly;

Provided that the Government by notification, direct that for the purposes
of the collection of the cess aforesaid, the provisions of the Madras City Municipal Act, 1919, or the Madras District Municipalities Act, 1920, or the Madras Local Board Act, 1920, as the case may be applied subject to such modifications as may be specified in the notification.

(3) The cess collected under sub-section (2) shall be paid to the local library authority concerned by the corporation of Madras, the Municipal council, the Panchayat or the district board as the case may be.

Section 13. Library Fund

(1) Every local library authority shall maintain a fund called the library fund from which all its expenses under this Act shall be met.

(2) There shall be credited to the library fund the following sums, viz:

(a) the cess collected under section 12 sub-section (2);

(b) contributions, gifts and income from endowments made for the benefit of public libraries;

(c) Special grant which the Government may make for any specific purpose connected with libraries;
(d) Fees, fines and other amounts collected by the local library authority under any rules or regulations made under this Act.

(3) The Government shall contribute to the library fund maintained by Every Local Library Authority, other than the Local Library Authority for the city of Madras, a sum not less than the cess collected under section 12 sub-section (2).

Section 14: Maintenance of Accounts

1. An Account shall be kept of the receipts and expenses of each local library authority.

2. The account shall be open to such inspection, shall be subject to such audit, disallowance and surcharge and shall be dealt with in all other respects in such manner, as may be prescribed. (13)

ANDHRA PRADESH


Finance and Accounts:

Section 20. Library Cess:

1.(a) Every Zilla Granthalaya Samstha shall levy in its area library cess in the form of a
surcharge on the property tax or house tax levied in such area under the relevant laws providing for the levy of such property tax or house tax, at the rate of four naya paise for every rupee in the property tax or house tax levied.

(b) A Zilla Granthalaya Samstha may, with the previous sanction of the Government and shall if so directed by them, increased the rate specified in clause (a) so as not to exceed eight naya paise for every rupee.

(2) The cess levied under sub-section (1) shall be collected:

(a) in the twin cities of Hyderabad and Secunderabad, by the Municipal Corporation of Hyderabad;

(b) in an area within the jurisdiction of Municipal Council, by such council;

(c) in an area within the jurisdiction of Grampanchayat; and

(d) in an area in a district not included within the jurisdiction of a Municipal Council or a Grampanchayat by the local body having jurisdiction in such area, as if the cess were a property tax or house tax payable
under the relevant laws for the time being in force in the area, and all the provisions of the said laws relating to collection of property tax or house tax shall apply, subject to such modification as may be specified by the Government in the notification issued in this behalf.

(3) The cess collected under sub-section (2) shall be prescribed to the Zilla Granthalaya Samstha concerned in such manner as may be prescribed.

Section 21:

(1) Every Zilla Granthalaya Samstha shall maintain a fund called the "Library Fund" from which all its payments under this Act shall be met.

(2) There shall be credited to the library fund the following sums, viz:

(a) the cess collected under sub-section (2) of section 20;

(b) contributions, gifts and income from endowments made to the Zilla Granthalaya Samstha for the benefit of public libraries;

(c) special grants which the Government may make for any specified purpose connected with libraries and social education;
(d) funds and other amounts collected by Zilla Granthalaya Samstha under any rules or bye-laws made under this Act;

(e) grants released by the Government from time to time.

Section 22. Maintenance of Accounts:
1. An account shall be kept of the receipts and expenses of each Zilla Granthalaya Samstha and the parishad.

2. The accounts shall be open to inspection, shall be subject to audit, disallowance and surcharge and shall be dealt with in all other respects in such manner, as may be prescribed. (14)

MAHARASHTRA

Maharashtra Public Libraries Act (1967)
(Came into force with effect from 1 May 1938)

Finance and Accounts:

8. Library Fund:
1. The State Government shall constitute a fund called the Library Fund.

2. The library fund shall consist of:

a) Contributions made by the State Government under section 20;
b) any special grants given by the State Government under Section 21;
c) any grants given by the Government of India to the State Government for development of Public libraries and
d) any contributions or gifts made by the public for development of public libraries.

9. Application of Library Fund:

1) The money in the library fund shall be utilised by the state government for carrying out the purposes of this Act.

2) Without prejudice to the generality of sub-section (1) the money in the library Fund may be utilised by the State Government to defray expenditure on the following:

a) establishment, maintenance and development of public libraries;
b) compensatory allowances payable to members of the council and of the committee;
c) grants-in-aid to public libraries and library associations recognised for the purpose by the Director of Libraries.

20. Contribution of State Government:

The State Government shall, after due appropriation made by law in this behalf,
contribute to the library fund every year, a sum not less than twenty five (25) lakhs of rupees.

21. Special Grants by State Government:
The State Government may make special grants to this library fund. (15)

WEST BENGAL
The West Bengal Public Library Act (1979)

Finance and Accounts
Library Fund:

17.
1) Every Local Library Authority shall maintain a library fund out of which payments under this Act shall be met.
2) There shall be credited to the library fund the following sums:-
(a) contributions, gifts, income from endowments made to the local library authority for the benefits of the public libraries.
(b) grants which the Government may make for the 
general maintenance or for any specific purpose 
connected with libraries of social education.
(c) Any amount collected by the local library 
authority under any rules or regulations, made 
under this Act.

Government Grant :

17 (A) The Government may time to time make such grant 
to local library authority or a library for 
management (including payment of salaries of 
employees) maintenance, improvement and 
development of library services or for any other 
purpose as it may think fit. Power to local 
library authority or library to incur expenditure.

17 (B) A Local Library Authority or library may 
incur expenditure out of the library fund for 
carrying out purpose of this Act.

Provided that no expenditure shall be incurred 
by a local library authority or a library without 
prior approval of the Government or any purpose 
other than the purpose which the grant has been 
made by the State Government under Section 17(A).

Account and Audit :

18. (1) An account of all assets and liabilities of 
such local library authority and of all 
contributions, gifts and income from endowments,
grants made by the Government, any amount collected by the local library authority under any rule(s) made under this Act shall be maintained in the prescribed manner.

The account shall be audited annually in such manner and by such officer or authorities as may be prescribed. A copy of the Audit Report shall be submitted to the Government in the prescribed manner. (11)

MANIPUR

The Manipur Public Libraries Bill, 1988

Finance and Accounts

21. Library Fund

(1) Every District Library Authority shall maintain a fund called the "Library Fund" from which all its payments under this Act shall be met.

(2) There shall be credited to the Library Fund the following sums viz.,:

a) Contributions, gifts, and income from endowments made to the District Library Authority for the benefit of Public Libraries;

b) Special grants which the State Government may make for any specified purpose connected with libraries and social education;

c) Fund and other amounts collected by the District Library Authority under any rules or bye-laws made under this act.
3. The State Government shall contribute annually to the library fund maintained by every District Library Authority.

22. Maintenance of Accounts:

1. An account shall be kept of the receipts and expenses of each District Library Authority.

2. The accounts shall be open to inspection, shall be subject to audit, and shall be dealt with in all other respects in such manner, as may be prescribed. (17)

KERALA

THE KERALA PUBLIC LIBRARIES ACT, 1989

Development Plan and Funds:

29. Library Development Plan - (1) subject to the provisions of this Act and the rules made thereunder and any general or special orders of the Government, if any, in this behalf a District Library Council may prepare a District Library Development Plan for establishing, coordinating and spreading library service within the entire district or part thereof, in such form and manner and containing such particulars as may be prescribed.
(2) The District Library Development Plan shall thereafter be forwarded to the president of the State Library Council who shall submit it to the Government with the views of the State Library Council.

(3) The Government may, if they deem fit, sanction the District Library Development Plan with or without alterations.

(4) The Government may, on application by the District Library Council, modify any District Library Development Plan sanctioned under sub-section 3.

(5) As soon as may be after the sanctioning of a District Library Development Plan, the president of the State Library Council shall, in conformity with the provision of the said plan, make an order called the District Library Development order, specifying the extend and nature of the Library service which shall be established and maintained by the District Library Council, the measures to be taken by the District Library Council for providing adequate library service to the people in the area and the stages in which such measures shall be taken.

(6) Every District Library Council shall give effect to the District Library Development Plan as sanctioned by the government under sub-section (3).
and the District Library Development order made under sub-section (5).

30. Government grant to the State Library Council:

(1) The Government may make every year a grant to the State Library Council of a sum which shall not be more than one per cent of the amount allotted for education in the state budget for the year, taking into account the programmes and projects of the State Library Council for that year.

(2) The amount of such grant shall be credited to the State Library Fund maintained under section 31 at such times and in such manner as may be prescribed.

31. State Library Fund:

(1) The State Library Council shall maintain a fund called the State Library Fund from which all the expenses of the state library councils and Taluk Library Unions shall be met.

(2) The following sums shall be credited to the State Library Fund:

(a) grants which the state government or central government may make to the state library council;

(b) contributions and gifts made to the state library council by any other person, body or authority;
(c) Provident fund, superannuation fund, welfare fund
and other funds of the Granthasala Sangham
transferred under sub-section (2) of section 38;
(d) Cess collected under Section 48.

32. The State library council shall distribute from
the state library fund such amounts as may be
required for each of the District Library Councils
and the Taluk library unions.

33. Accounts:

(1) The State Library Council and every District
Library Council and Taluk Library Union shall keep
complete accounts of their financial transactions
in such forms as may be prescribed.

(2) The accounts shall be open to inspection and shall
be subject to audit, disallowances and surcharge
and shall be dealt with in all other respects in
such manner as may be prescribed.

(3) The State Library Council shall, with the prior
concurrence of the Government, appoint an officer
not below the rank of a Deputy Secretary in the
Finance Department to be the Accounts Officer of
the state library council who shall exercise such
power and perform such functions relating to the
accounts of the state library council, District
Library Councils and Taluk Library Unions, as may
be prescribed.
4) The State Library Council shall appoint auditors to audit the accounts of the State Library Council, District Library Councils and Taluka Library Unions.

(5) The audited annual statement of accounts shall be forwarded to the Government.

(6) The Government shall on receipt of the audited annual accounts cause the same to be laid on the table of the State Legislative Assembly.

34. Inspection of Libraries:

(1) The president of the state library council may inspect any library under his jurisdiction for verifying whether the provisions of this Act and the rules and bye-laws made thereunder are duly observed by it.

Provided that the president of the state library council may delegate the power of inspection to any office bearer of the council.

(2) In all cases where such inspection shall furnish a detailed report of his inspection to the state library council and the concerned District Library Council.

(3) The concerned District Library Council may consider the report furnished under sub-section(2) and pass such resolution in regard there to as it
may deem fit and the library concerned shall be bound to comply with such resolution unless it is suspended or cancelled or modified by the Government.

(4) Where a resolution referred to in sub-section (3) is modified by the Government, the library shall be bound to comply with such resolution as modified by the Government.

(5) The state library council may, from time to time, direct the District Library Council to prepare a gradation list of affiliated libraries functioning in the District in conformity with the principles to be laid down by the state library council in that behalf from time to time and forward such lists to the state library council for approval.

35. Grants to affiliated libraries:

(1) Every affiliated library shall be entitled to receive grant from the Taluk Library Union based on the gradation list prepared under sub-section (5) of section 34 at such rates as may be prescribed.

(2) The State Library Council shall provide necessary funds to the Taluk Library Unions for the payment of the grant under sub-section (1).
The Haryana Public Libraries Act, 1989

Public Fund:

19.

(1) There shall be three types of library funds in the State:

(a) The State Library Fund

(b) The District Library Fund

(c) The City or Town or Block or Village Library Fund

(2) There shall be credited into the State Library Fund:

(a) The amount provided by the state government for development, improvement and maintenance of library service in the state;

(b) The contribution received from the central Govt.

(c) Any special grant that the central or a state government may make for any specific purposes;

(d) The amount received under the library rules of the State Central Library;

(e) Any amount received as gift, contribution or endowment for the development of public libraries in the state.

(3) There shall be credited into a District Library Fund:

(a) The amount transferred to it from the state library Fund, the state contribution to the District Library fund being in no case less than
the total amount of library cess collected in the district;
(b) any special grant that the authority may make to the District Library Committee for any specific purpose;
(c) the amount collected under the rules of the district library;
(d) any amount received as gift, contribution or endowment for the development of the libraries in the district;
(e) any loan that the District Library Committee may raise.

(4) There shall be credited into a city, Town, Block or village Library Fund:

(a) the amount raised as library cess within the limits of the City, Town, Block or Village;
(b) any special grant that the District Library Committee may make for any purpose.
(c) the amount collected under the Town Block Library rules;
(d) any amount received as gift, contribution or endowment for the development of libraries in the City, Town, Block or Village;
(e) any loan that city library committee may raise.
Library Cess:

20. Every local body in a district may levy in its area a library cess in the form of a surcharge on property at such rate as the government may decide from time to time.(19)

KARNATAKA

Provisions of Finance in KPL Act of 1965:

Chapter No.5 in KPL act of 1965 is devoted for Finance and Accounts of public libraries in Karnataka, Section 30 deals with library cess:

(1) With effect from the date of commencement of this Act,
(a) a library cess in the form of a surcharge on-
1) tax on lands and buildings;
11) tax on entry of goods into the local area for consumption, use or sale therein,
111) tax on vehicles;
1v) tax on professions, trades, callings and employments; shall be levied in the area within the jurisdiction of every city library authority under the relevant laws relating to local authorities providing for the levy of such taxes, at the rate of three paise for every rupee of the taxes so levied:
(b) A library cess in the form of a surcharge on tax on lands and buildings shall be levied in the area within the jurisdiction of every District Library Authority, under the relevant laws relating to local authorities providing for the levy of such tax at the rate of three paise for every rupee of the tax so levied.

(2) A City Library Authority or District Library Authority may, with the previous sanction of the state government, by notification increase the rate of library cess levied on any item of tax specified in clause (a) or (b) of sub-section (1) subject to the condition that the rate shall not exceed six paise for every rupee of the tax levied.

(3) The cess levied under clause (a) or clause (b) of sub-section (1) or increased under sub-section (2) shall be collected by the municipal corporation, municipal council or other municipal body, or the village panchayat or other local authority having jurisdiction over the area as if the cess were a tax referred to in the said clause payable under the relevant laws for the time being in force in the area, and all the provision of the said laws relating to the levy and collection of the said tax shall apply subject to such modifications as may be prescribed.
(4) The cess collected under sub-section (3) by every local authority shall be paid to the City Library Authority or the District Library Authority, as the case may be.

Section 31 Government Grant to District Library Authority of a portion of land revenue.

(1) The state Government shall make annually a grant to every District Library Authority of an amount equal to three percent of the land revenue collection of the district.

(2) The amount granted to a District Library Authority under sub-section (1) shall be credited to the District Library Fund at such times and in such manner as may be prescribed.

(3) Land Revenue collection of a district for the purposes of sub-section (1) shall mean --

(a) until the revision settlement of land revenue under Chapter X of the Mysore Land Revenue Act, 1964, the land revenue determined on the basis of the average land revenue collection of the district for a period of three years preceding the date of such determination;

(b) after the determination of land revenue on the basis of the aforesaid revision settlement, the land revenue collected during the year preceding the year for which the grant is made.

Section 32 deals with City and District Library Funds:
(1) Every City Library Authority and District Library Authority shall maintain a Fund called the City Library Fund and the District Library Fund, as the case may be, from which all its payments under this Act shall be met.

(2) There shall be credited to the City Library Fund, as the case may be the following sums, namely --

(a) the cess collected under sub-section(3), of section 30;

(b) the grant under section 31;

(c) contributions, gifts, and income from endowments, made to the Library Authority for the benefit of public libraries;

(d) grant which the Central Government or the State Government may make;

(e) funds and other amounts collected by the Local Library Authority under rules or bye-laws made under this Act.

Section 33 deals with the State Library Fund --

(1) The State Library Authority shall maintain a Fund called the State Library Fund from which all its payments under this Act shall be met.

(2) There shall be credited to the State Library Fund the following sums, namely :-
(a) the grants made by the State Government to the State Library Authority to perform the duties entrusted to it;
(b) grants which the Central Government may make;
(c) Contributions and gifts made to the State Library Authority;
(d) funds and other amounts collected by the State Library Authority under the rules or bye-laws made under this Act.

34. Accounts:

(1) An account shall be kept of the receipts and expenses of the State Library Authority and of each City Library Authority and District Library Authority.

(2) The Accounts shall be open to inspect and shall be subject to audit, disallowance and surcharge and shall be dealt within all other respects in such manner as may be prescribed. (20)

Provisions made in the Committees and Commission Reports
Library Finance and Administration Recommendations

423.

1. Government of India and State Governments should have a 25 year library plan for to raise the
library structure from its present embryonic dimensions a size which will do justice to the cultural and educational needs of the people.

2. Government should levy a cess of 6 naya paise in a rupee of property tax in all places, with permission for the local bodies to raise the cess.

3. Government of India should contribute to the library funds of a State an amount equal to the cess collected in the State.

4. To begin with, state Governments should give grants equal to the cess collected and gradually in the course of next 25 years, raise their contribution to three times the cess collected.

5. Suitable existing subscription libraries should continue to receive aid from state government subject inter alia to the condition that at least 25% of the membership of an aided library should be free and mainly meant for persons of low economic status. The existing subscription libraries should be encouraged to join the proposed free public library service in every state. Subscription libraries set up after the publication of this report should not be given grants in-aid.

There should be periodical review, after every five years, of the subscription libraries in receipt of Government aid. After every such review
the freeships of such libraries should be raised by at least 25%. Thus at the beginning of the sixth five year plan the entire public library system will have become free.

6. In each state, the library system should function as follows:

(a) The cess collected in an urban area by a municipality or a corporation will constitute the library fund of the municipality or corporation.

(b) The cess collected in the area within a block will constitute the Block Library Fund.

(c) To each Block or Municipal or Corporation Library Fund the State Government will add an amount equal to the cess collected either in cash or in the form of staff or both.

(d) The Central Library at District Head Quarters will serve as the Central Library for the entire district for purposes of supplementary the book stocks of Block and Municipal Libraries and for strengthening the administration to enable it to do so, the whole of the state Governments. Contribution to Municipal and Block Funds in the District will go into a District Library Fund. If it is necessary, the funds may be reinforced by a percentage of library funds of the blocks and the municipalities in the District.
7. State Governments should enact comprehensive State
(a) Free public library service with the following
objectives:
(i) To house materials giving reliable information and
whole-some recreation;
(ii)to organise them so as to promote their use;
(iii)to stimulate non-readers to be readers and
readers to be a purposive students.
(b) A library rate of 6 naya paise in a rupee of
property tax to be levied by local bodies and
panchayats.
(c) The state government will aid the local bodies by
a matching formula. The law may be brought into
operation gradually within a period of twenty
years.
(d) There will be block library funds and Municipal
Library Funds, but the district would be regarded
as a unit of library service.
(e) That various units of library service will have
their own library committees, was recommended
in this report.
(f) The State Governments will organise library
associations and provide for adequate assistance
to them.
(g) Books will form the bulk of library stocks, which
much also include newer media of mass
communication, like audio visual materials etc.
Similarly the Government of India should enact a library law incorporating:

(a) The right of every citizen to have free access to libraries as his fundamental right;

(b) Collating the various deposit sections under the copyright Act, the Delivery of Books Act and making them subserve the needs of a National Library Service; and

(c) Providing for financial assistance to State Governments as suggested in the chapter.


By N.C. Chakravarty

Provisions of public library services in the country should be considered in the context of the overall educational policy and programmes included in the five year plans. To consider it at this stage in isolation with a long term policy of socialisation of education will be an unrealistic step.

Again while organising public library services the needs of the following three categories of people should be particularly kept in view:

1. Children (especially those who leave school at any stage between standard I to VII);
2. The literate women folk.
3. The neoliterates.

Provision of library services for these three categories of people is an imperative need that must be met urgently if we want to consolidate and contain the benefits of free and compulsory education, the biggest sector of our educational programmes involving over 80% of the student population and 50% of the total expenditure on education year after year. As has been stated earlier, the value of this can be assessed only if we view it in the context of our programmes for social and economic progress and public co-operation, so vitally necessary for the success of any nation-wide programmes of far reaching consequences.

Financial Provisions in the Model Public Libraries Bill Section 21 Sub-section (1), (2) and (3) take account of the following sources for meeting the cost of service:

1. Grants out of Central Revenues.
2. Grants out of State Revenues.
3. Grants out of (Local Government, District/Town Block) Funds.
4. Loans, Gifts, Endowments etc.
5. Cess raised at district level (Division in Units of City/Town and Block). (22)

(Implementing Agencies and Financial support)

10.2 The Union Government and State Governments should establish separate divisions in the relevant Ministries and Departments for promoting the development of library and information systems in their respective areas. In the States such divisions may function as co-ordinating agencies for the improvement of the State libraries.

10.4 The coordinating, monitoring and developing of the Indian Library and Information System may be entrusted at the national level to agencies such as Raja Ram Mohan Roy Library Foundation for Public Libraries.

10.6 Adequate financial support for the development of libraries and information systems will be made available by the Government of India and the State Government. The National as well State Governments should provide for an expenditure of 6-10% of their education budgets for the libraries. Public libraries especially at the rural level, should draw resources from all official agencies working at the level (e.g. national adult education programme, agricultural extension programme etc.) including those concerned
with distance education. Industrial organisations should be obliged to provide finances for adequate library services to their own employees. Such organisations should also extend this service to the community concerned. Finance from private organisations and philanthropic concerns should be encouraged in the library field especially in developing libraries for the use of children, handicapped persons and backward communities.

In the States where the library legislation is in vogue, public libraries are financed from: (a) The State Government grants; (b) the library rates or cess; (c) from both the sources. It is observed from the financial provisions made in the Act enacted Eight States that, in the States of Tamil Nadu, Andhra Pradesh, Karnataka and Haryana cess is a major source of income. In Tamil Nadu, Andhra Pradesh and Haryana, library cess is levied only as surcharge on the property tax or house tax. This is a single base tax. Where as in the case of Karnataka, the library cess is levied in the form of surcharge, on the following:

(i) tax on lands and buildings;
(ii) tax on entry of goods into the local area for consumption, use or sale therein (Octroi);
(iii) tax on vehicles;
(iv) tax on professions, trades, callings and employments; shall be levied in the area within the jurisdiction of every city library authority under relevant laws relating to local authorities providing for the levy of such taxes, at the rate of three paise for every rupee of the taxes so levied. Karnataka is the only State which has a provision for multi-based tax system in the whole of India.

Kerala has a provision for both annual grants and the library cess. The annual grants are fixed at the rate of 1% of total educational budget. Whereas in the case of West Bengal, Maharashtra, Manipur, the finances are wholly provided from public revenues. But Maharashtra has a restriction i.e. the amount is stated not to be less than Rs. 25 lakhs annually, whereas in the case of West Bengal and Manipur the amount is not fixed. This clearly indicates that there are mainly three types of finances. They are:

(a) Single or multi-based library cess/tax;
(b) Annual grants from the public revenue either fixed amount or whole; and
(c) Combination of both the library cess and a partial percentage from the public revenue.

Among the States financing in the form of library cess, the rate of cess varies from State to State i.e. in Madras it
is 6 paise, Andhra Pradesh 4 to 8 paise and Karnataka 3 to 6 paise per rupee. Kerala has got the cess of 5 paise. Haryana State follows the practice of fixing the cess by the State government from time to time. On the other hand whether it is single based or multi-based it is found inelastic, because as per the norms, the library cess cannot be increased beyond the fixed rates. However, in the case of Andhra Pradesh the highest ceiling limit that is 8 paise for every rupee is fixed. Therefore the third mode of public library finance where combination of library cess and a percentage of State educational budget as existing in Kerala works out to be useful. In Kerala State also the library cess component is static, but the percentage of the annual educational budget is elastic. Hence this seems to be more feasible and other states should emulate this trend so as to have a stability in financial resources.

A development worth noting can be observed from the provisions of finances in the Act enacted States. In 1972, Tamil Nadu, inspite of resistance, made a bold attempt to revise the rate of library cess from 3 paise to 5 paise per rupee. The same boldness was captured by Andhra Pradesh with a library cess revision from 4 paise to 6 paise per rupee in 1975 and again in 1982 revision from 6 paise to 8 paise per rupee. This change is really an eye opener for all the States. It is pathetic to note that in Karnataka inspite of its healthy provisions and 25 years of progressive march of Public library development, the rate of cess is not revised.
Otherwise the situation would have been much more bright than what is found today. Further the failure of the Government to implement the provisions of section 30 (KPL Act of 1965) has resulted in the inadequacy of funds to the total system. It is hoped that the authorities will realise the essence of the library services and endeavour to implement the total provisions of the Act.

Conclusion

It is quite obvious from the above discussion that the resources of finance for the public libraries are inadequate. The crucial factor is to manage the available funds in an optimum level to reach at least the basic requirement as mentioned in the provision of public library services.

An overview of the financial provisions of the KPL Act of 1965 in the light of the provisions of Acts of the country, it is noted that Karnataka is one of the rich and resourceful States. Measured by any standard, no one can say there is inadequacy of financial resources. There are in fact plenty of resources like men, material and money, what is lacking is proper planning and organization. In the words of those who argue that the available fund for the public libraries are inadequate have to note that they can be managed if the proper planning is made in organising the financial allocation. Thus the argument that the library lacks funds is gracefully rejected.
REFERENCE


