

Government of Madras.

EDUCATIONAL DEPARTMENT.

Recd.

Regd.

} 1911.

Enclosures

Spare copies

G.O., No. 551, 8th August 1911.

Grant.

Recording papers relating to the question of payment of — in aid of endowments under article 61 of the Grant-in-Aid Code.

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GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—the following papers :—

I

Memorandum No. 205-2, Educational, dated 13th February 1911.

Article 61 of the Grant-in-Aid Code restricts the amount of grants towards endowments to half the amount given or devised. Thus the amount of grant depends solely on the support obtained for the school by private benevolence. The Government are informed that this restriction is confined to the Madras Presidency alone. The Director of Public Instruction is requested to report *at a very early date* what justification there is for such a restriction.

2. The Government understand that the Triplicane Girls' school and the Native College, Madura, have recently received capital sums amounting to Rs. 10,000 and Rs. 20,000 from Mr. Parthasarathi Aiyangar and the Nattukottai Chettis, respectively. The Director of Public Instruction is requested to report whether grant equal to half of these sums could be sanctioned under article 61 of the Grant-in-Aid Code and, if so, whether such a grant is desirable.

G. F. PADDISON,
Dy. Secretary

To the Director of Public Instruction.

II

Letter—from the Hon'ble Mr. J. H. STONE, M.A., F.R.H.S., Acting Director of Public Instruction, Madras.

To—the Secretary to Government, Educational Department.

Dated—the 1st April 1911.

No.—Ref. on C. 1012/11.

With reference to Memorandum No. 205-2, Educational, dated 13th February 1911, I have the honour to submit the following remarks :—

Article 61 has remained unchanged since it was first inserted in the Grant-in-Aid Code of 1885 and the reason for its insertion and for restricting aid to endowments for specific purposes such as lectureships and scholarships and for refusing aid to endowments of real property are explained in G.O., No. 395, Educational, dated 16th June 1885, page 12. I am unable to say why the grant was restricted to one-half the grant given or devised, except from the analogy of building grants which are stated in the Government Order in question to be of the nature of grants in aid of an endowment. These are limited to one-third of the total cost just as in the case of an endowment the sum provided by Government cannot exceed one-third of the whole. Any proportion between the original sum and the grant must be fixed arbitrarily—there can be no principle ruling such matters, and I should be personally inclined to support more liberal treatment of endowments of professorships, teacherships and lectureships but not of scholarships. I believe that as a matter of fact very few endowments have been aided under article 61. I have never heard of any except for scholarships or prizes.

I am not sure that I understand the bearing of the second sentence of the Memorandum but since it occurs almost *verbatim* in Mr. Orange's Quinquennial Review (page 90), in connection with the Madras system of assessing teaching grants, I shall not be wrong, perhaps, in taking it to have a similar bearing in the memorandum. In chapter IV of the Code, article 32, it is stated that the grant will be considered as supplementing the income guaranteed from endowments, subscriptions, donations and other private sources.

In practice, however, it is not usual in assessing the grant to enquire at all what will be the support actually obtained for the school by private benevolence. From the expenditure on the school recognized as necessary by the department is subtracted the sum which would have been realized if fees had been collected at the standard rates, and the remainder is called the net cost. This is halved and the result is the Code grant, *i.e.*, half the net cost, and it is assumed that the other half is supplied by the manager presumably from endowments and subscriptions and would include any income from endowments for teaching of the kind contemplated in article 61.

The underlying idea in this appears to be that if a grant-in-aid is to be given it must be given in aid of something. If the management pays nothing towards the upkeep of a school any aid given will be the difference between the cost of maintenance and the fee income and instead of giving it we might just as well maintain the school ourselves, paying the piper and calling the tune. It is of course urged against this that even if the managers provide no income they commonly provide a building and appliances for which Government has paid at most only in part, and that they also devote their time and energy to the school, so that there is in effect something to aid. It simply comes to this then that we insist on there being something to aid and at present we conceive the minimum something to be—a school building and appliances and an income amounting to half the net cost of the school.

It appears to me that this minimum is not too high having regard to the maintenance of a school *statu quo*. But it is a question whether the system sufficiently encourages the improvement of schools. Under the old Grant-in-Aid Code managers were allowed to keep a percentage of any profit they could make for expenditure on some specific improvement.

The idea that the Madras system is peculiar seems to come from Mr. Orange's Quinquennial Review, and I think the accounts given therein (pages 90, 91) of the system of aid in other provinces support it.

With reference to the gifts mentioned in paragraph 2 of the memorandum, I am unable without more detailed information to say whether a half grant in aid of them could be sanctioned under article 61 of the Grant-in-Aid Code. Unless they are devoted to some specific purpose of endowment a grant could not be sanctioned. I think article 61 requires amendment so as to allow of a grant being given in aid of any genuine school endowment.

Order—No. 551, Educational, dated 8th August 1911.

Recorded.

(True Extract.)

L. DAVIDSON,
Ag. Secretary to Government.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 551, EDUCATIONAL,
DATED 8TH AUGUST 1911.

[SUBJECT—Further action on the suggestions made at the Finance Committee.]

FINANCIAL DEPARTMENT.

Chief Secretary—

A copy of the proceedings of the letter and appendix may be circulated to all departments of the Secretariat to take action on the lines of last year as described in Chief Secretary's * note, dated 25th January 1910, on pages 1 and 2 of notes to G.O., No. 45, Financial, dated 2nd February 1910.

C. REILLY—26-1-11.

A. G. CARDEW—26-1-11.

Extract from the Chief Secretary's note, dated 25th January 1910.

2. Copy of the present proof and of the letter and appendix . . . should go at once to the departments of the Secretariat with reference to action on each point to which Government have promised consideration. It would be well, in this connection, to have the appendix to the letter containing these suggestions furnished with marginal references to the paragraphs of the Committee's proceedings where these suggestions would be found, and the same to be done in the copy sent to the members of the Committee. It was decided in Council to-day that the Government should be in a position to announce, if necessary at the Legislative Council meeting of the 12th March what they had decided to do on these various points so that the departments concerned must be asked to take immediate action.

Forwarded to the Educational Department.

EDUCATIONAL DEPARTMENT.

The following points were raised at the meeting of the Finance Committee:—

- (1) Why Mission colleges got more money from Government in the shape of grants-in-aid for higher education than non-Mission institutions (paragraph 20 of the Public Instruction Report for 1909-1910)?
- (2) Why under rule 61 of the Grant-in-Aid Code grants are made for the endowment of professorships, lecturerships, teacherships, etc., and not for other purposes?
- (3) The establishment of a training school for mistresses at Rajahmundry for the benefit of the northern districts.
- (4) Payment of increased travelling allowance to supervisors of Muhammadan schools.
- (5) Creation of a separate inspecting agency above the grade of sub assistants for Muhammadan schools.
- (6) Report of the Sub-Assistant Inspector of Sanskrit schools on the condition of Sanskrit education in Northern India.
- (7) Provision of funds for supplying elementary schools with tools for manual instruction.

(8) Panchama education.

(9) Provident fund for teachers.

(10) Whether under rule 61 of the Grant-in-Aid Code, Government would make a grant equal to half the funded capital of the Triplicane Girls' school and of the Native College, Madura.

2. As regards points (3), (4), (5), (6), (8) and (9) no further action is necessary as noted below :—

Point (3).—Establishment of a training school for mistresses at Rajahmundry.—A reference has already been made to the Director of Public Instruction on this subject in connection with a memorial received from the inhabitants of the Northern Circars. Please see endorsement, No. 186-1, dated 6th February 1911, and the notes therewith.

Point (4).—Travelling allowance to Muhammadan Supervisors.—A reference has, as the Honourable Member said at the meeting, been already made to the Government of India—*vide* G.O., Nos. 25-26, Educational, dated 16th January 1911.

Point (5).—Separate Muhammadan inspecting agency.—The Honourable Member observed at the meeting of the Finance Committee that a separate Muhammadan Assistant Inspector was undesirable; but it is observed that the Director of Public Instruction has already been requested to state whether it is desirable to create a post of Assistant Inspector for Muhammadan schools—*vide* Memorandum No. 67-2, dated 21st January 1911.

Point (6).—Report of the Sub-Assistant Inspector of Sanskrit schools.—Action has already been taken in regard to this.

Point (8).—Panchama education.—The Honourable Member said that he was not prepared to consider any of the suggestions made.

Point (9).—Provident fund for teachers.—The Honourable Member agreed to consider any practicable scheme that might be put forward.

3. Further action has now to be taken only in regard to points (1), (2), (7) and (10). The Hon'ble Sir Murray Hamrick promised that these would be referred to the Director of Public Instruction and considered.

4. Points (2) and (10) which relate to rule 61 of the Grant-in-Aid Code, and to the payment of grants to the general funds of the Triplicane Girls' school and the Native College, Madura, towards the funded capital of the institutions, may be dealt with together. Three draft references to the Director of Public Instruction are accordingly submitted for approval.

T.K.—11-2-11.

K. RANGASWAMI AIYANGAR—11-2-11.

Issue drafts as revised.

G. F. PADDISON—13-2-11.

The three memoranda to the Director of Public Instruction have issued. The file may now be forwarded to the Financial Department for perusal and return.

T.K.—15-2-11.

K. RANGASWAMI AIYANGAR—15-2-11.

Financial Department for perusal and return.

G. F. PADDISON—16-2-11

To the Financial Department.

FINANCIAL DEPARTMENT.

A summary of the further action taken by Educational on the suggestions at the Finance Committee meeting in regard to which consideration was promised has been prepared and is submitted for approval.

2. The file may, it is submitted, be returned to Educational.
A.S.—20-2-11.

C. REILLY—21-2-11.

To the Educational Department.

EDUCATIONAL DEPARTMENT.

Demi-official—from the Hon'ble Mr. T. V. SESHAGIRI AIYAR, Pammal House, Vepery, Madras.

To—the Hon'ble Sir MURRAY HAMMICK, Member of Council.

Dated—the 7th February 1911.

When the budget was being discussed in Committee, I suggested that grants should be given to the Triplicane Girls' school and to the Madura College. The Hon'ble Mr. Krishnaswami Aiyar drew my attention to the wording of rule 61 of the Grant-in-Aid Code and wished to know whether the endowments made to these schools complied with the requirements of the rule. On reading the rule again, it strikes me that the limitations as to purpose apply to the grant that the Government may give and not to the endowment already existing. The first portion of the rule simply requires that there must be in existence a grant "given or devised". In such a case, the Government may give a grant for the specified purposes. I request you to consider my suggestion to make a grant in this light and if you still think that the endowment "given or devised" should also be ear-marked for special purposes, I can easily prevail upon the donors to make the necessary alterations. In the case of the Triplicane Girls' school the endowment deed is fairly specific and I think the grant may be given to it at once. The school is working under difficulties. If my interpretation of the rule is not accepted, I shall have to apply to the donor to make the necessary alterations in the deed. I request you to give this subject your early consideration.

Please have this matter looked into and referred to the Director of Public Instruction, if necessary, and let me have a note on the subject.

M. H[AMMICK]—13-2-11.

A reference has already been made to the Director of Public Instruction on the subject. Please see Memorandum No. 205-2, dated 13th February 1911. The Director's reply may be awaited.

T.K.—22-2-11.

Remind him if no reply is received in a few days.

G. F. PADDISON—23-2-11.

From the Director of Public Instruction, R.O. No. 1012, dated 1st April 1911.

In Memorandum No. 205-2, dated 13th February 1911, it was pointed out that article 61 of the Grant-in-Aid Code restricted the amount of grants towards endowments to half the amount given or devised, thus making the amount of grant depend solely on the support obtained for the school from private benevolence and the Director of Public Instruction was requested to report whether there was any justification for such a restriction. He was also requested to report whether a grant equal to half of the capital funds of the Triplicane Girls' school and the Native College, Madura, could be sanctioned under the code and, if so, whether such a grant was desirable.

2. *Article 61 of the Grant-in-Aid Code.*—The Director of Public Instruction states that this article has remained unchanged since it was first inserted in the Grant-in-Aid Code in 1885 and invites reference to the report of the Committee which drew up the Code of 1885 wherein are given the reasons for inserting the article and for restricting aid to endowments for specific purposes. With regard to grants for endowments, the Committee reported as follows:—

“The object which it is proposed in this chapter to promote is new to the code, except in the form of building grants, which partake of the nature of endowments, but we understand that in the Bombay Presidency the endowment of institutions is liberally encouraged by Government, and that it should be so encouraged appears to be the especial desire of the Government of India. If education is ever to become really self-supporting, and if institutions are to become more and more identified with the life and obtain a hold on the affections of the people, we are persuaded that the potent means of endowment must not be neglected. Thus will the wealthier classes most safely and wisely provide aid for the development and permanence of general and scientific education in the country and for the education of the poor.

“In the draft provisions, we have as far as practicable, limited the claim to grants for special objects, believing that such restrictions will have a beneficial effect by encouraging donors to settle definitely the objects which they desire to promote. In case of endowments which simply merge in the general income of an institution, it is much more difficult to secure the due fulfilment of the donor's intentions. We have limited the grant to institutions, which the Government consider may rightly be so encouraged, and in doing this we simply apply the general principle on which all State aid is given. We have excluded donations of real property from the benefactions on account of which aid can be given, because among other reasons, it would be extremely difficult to ensure the due administration of such endowments. We have provided for three trustees, or for the utilization, of the head of the Educational Department as trustee, as is already done in the case of scholarship and some other endowments. We make no distinction between Government and non-Government institutions. We provide for the annual publication of the accounts of all such trusts by the Director of Public Instruction and also for the inclusion of the proceeds of all endowments in the financial accounts of an institution to be submitted annually to the Director. We provide for the trust deed being drawn in a form approved by Government and also for its containing exact stipulation for cases in which it may be necessary to withdraw or change the object of the endowment, and in the final rule we have provided, we trust, sufficiently against advantage being taken by societies, or board of trustees of the liberality of Government to increase their existing endowments, not by obtaining fresh donations, but by setting apart portion of their existing revenue so as to secure aid from the State. Such a procedure we regard as financially and otherwise objectionable.”

3. The Director of Public Instruction is unable to explain why the Government grant to endowments was limited to one half of the amount devised. He considers it probable that it was fixed on the analogy of building grants which are limited to one-third of the total cost of the building. He states that there can be no principle ruling such matters and that the proportion which the Government grant should bear to the amount devised must be fixed arbitrarily. Personally he is inclined to support more liberal treatment of endowments of professorships, teacherships and lectureships but not of scholarships.

4. According to the Grant-in-Aid Code the maximum building grant admissible in the case of aided schools is one-third of the total expenditure but grants for the purchase of furniture, apparatus, etc., ordinarily amount to one half of the cost. The amount of grant-in-aid of endowments payable under the Grant-in-Aid Code, which is fixed at “one half of the amount given or devised”, practically comes to one-third of the total cost, the same proportion as in the case of building grants. Perhaps the proportion of Government grant to be given in the case of endowments may be increased to one half of the total cost or in other words, to a sum equal to the amount given or devised.

5. *Endowment grants to the Triplicane Girls' school and the Native College, Madras.*—In regard to this question, the Director of Public Instruction states that he is unable without more detailed information to say whether a half grant in aid of the capital funds of these two institutions can be sanctioned under article 61 of the code and apprehends that unless the capital funds are devoted to some specific purpose, a grant could not be sanctioned. He thinks that article 61 requires amendment so as to allow of a grant being given in aid of any genuine school endowment.

6. The above enquiry was started with reference to a suggestion made by the Hon'ble Mr. T. V. Seshagiri Aiyar at the meeting of the Finance Committee that a moiety of the endowments of Rs. 10,000 and Rs. 20,000 given to the Triplicane Girls' school and the Native College, Madras, respectively, may be granted to these institutions under the Grant-in-aid Code. The Hon'ble the Legislative Council Member may, it is submitted, be informed that the Government will consider the question of making a grant to these institutions if they receive an application from the managers concerned.

7. In this connection it is observed that the Director has understood the second sentence in paragraph 1 of the memorandum, namely, “Thus the amount of grant ‘depends solely on the support obtained for the school by private benevolence’” as referring to the system of assessing teaching grants in this Presidency, and has submitted some comments on it. He states that although article 32 of the Grant-in-aid Code states that the grant will be considered as supplementing the income guaranteed from endowments, subscriptions, donations and other private sources, yet in practice it is not usual in assessing the grant to a school to enquire at all what will be the support actually obtained for the school by private benevolence. He states that from the expenditure on the school recognized as necessary by the department is subtracted the sum which would have been collected if fees had been levied at the standard rates and that the remainder is called the “net cost”. Half of this net cost is paid as Government grant and it is assumed that the other half is met by the manager from endowments and subscriptions. The Education Commission in 1883 recommended that State aid to an institution should not exceed one-half of the entire expenditure on the institution—*vide* paragraph 475 of the Commission report—pages 414 to 416.

8. The Director further points out that the underlying idea of a grant-in-aid is that it must be given in aid of something and that at present this something is taken to be a school building and appliances and an income amounting to half the net cost of the school. He does not consider that this minimum something is too high, having regard to the maintenance of a school in *statu quo*; but he states that it is a question whether the system sufficiently encourages the improvement of schools. The Director concludes this part of his letter by saying that the old Grant-in-aid Code permitted managers of schools (*vide* articles 32 and 56 of the Grant-in-aid Code for 1904-1905) to keep a percentage of any profit they could make for expenditure on some specific improvements, while the present code does not allow them to do so. No action seems to be necessary on this part of the Director of Public Instruction's letter.

T.K.—11-4-11.

K. RANGASWAMI AIYANGAR—11-4-11.

Honourable Member has told me the other day that the Grant-in-aid Code would not be revised till Dr. Bourne's return. No action is therefore, it is submitted, necessary for the present.

The wording of the memorandum was taken from the quinquennial report as rightly conjectured by the Director of Public Instruction. This was what Mr. Seshagiri Aiyar had in his mind when he said

Page 6 of the Finance Committee's report. “the system of giving grants-in-aid only to persons who were able to find funds was confined to Madras”. The Director of Public Instruction admits that as far as he can gather the Honourable Legislative Council Member is right. In this Presidency, but not in other Provinces, no aid can be given under the code to schools where nothing is contributed by the management.

It is submitted that the Honourable Legislative Council Member may be informed in a demi-official that the Government will postpone the consideration of the revision of the Grant-in-aid Code till the return of the permanent Director of Public Instruction: and that as regards the endowments referred to by the Honourable Legislative Council Member the management may apply for a grant to the Director of Public Instruction but that no grant can be given for the present unless the provisions of section 62 of the code are complied with.

As regards the question in the linked file* of the relatively large amounts granted G.O., No. 496, Educational, dated 21st July 1911. in aid of institutions under Mission management the Legislative Council Member may be informed that the reason

for this is that the Mission institutions have rendered themselves eligible for larger grants under the code in consequence of their better equipment, organization and efficiency and of their being able to find larger funds to be supplemented by the grant. The figures given by the Director of Public Instruction may be furnished to the Legislative Council Member.

G. F. PADDISON—12-4-11.

The following letter should go to the Hon'ble Mr. Seshagiri Aiyar.

Demi-official No. 771-1, dated 20th July 1911.

"In your letter, dated 7th February 1911, to Sir Murray Hammick you drew attention to the wording of article 61, Grant-in-aid Code. I am directed to apologise to you for the delay in replying to your letter. Sir Murray Hammick thinks he verbally suggested to you that the endowments proposed to be given to the two schools you mentioned, viz., 'The Triplicane Girls' school' and the 'Madura College' should be given in the manner mentioned in the article of the Code referred to so as to enable the half grant to be given under the code rule. The Director writing in April last said he could not say with the information he had then whether a half grant could be sanctioned. Probably the school managers have since explained the matter to him. If the provisions of the code are observed, probably the Director will recommend a grant and the Government would no doubt consider such a recommendation favourably.

"As to the provisions of articles 61 and 62 of the Grant-in-aid Code, I am directed to say that those articles were framed as long ago as 1885, by the Committee which then sat to draft a new code. The Committee considered the matter very carefully and I am to enclose a copy of the remarks they made on the chapter of the code dealing with 'endowments.' The Government approved at that time of the articles now numbered 61 and 62 and have never seen reason to alter them since. You will see that the Committee then specially limited the claim to grants for special objects, as they considered that in the case of endowments which simply merged in the general income of an institution it would be much more difficult to secure the due fulfilment of the donor's intentions. The opinion expressed by the Committee seems sound and the code appears to carry out their intentions. The Government do not at present intend to modify that article."

Please copy and send the Honourable Member, Legislative Council, the above letter and with it enclose a copy of the Committee's remarks on Chapter XII "Endowments" page 12, G.O., No. 395, dated 16th June 1885.

I don't think we need give any reply on the reason why Mission colleges and schools got such a much larger portion of the grants made by Government than non-Mission institutions. If asked for the reason next time, in the Finance Committee we can explain. But I don't think we need give Mr. Seshagiri Aiyar any special answer on the point.

M. H[AMMICK]—19-7-11.

After issue let Financial know the further action taken on points 1, 2, 7 and 10 at pages 1 and 2 *supra*.

L. DAVIDSON—20-7-11.

The demi-official has issued. The file may be sent u.o. to Financial for perusal and return.

K. RANGASWAMI AIYANGAR—21-7-11.

M. S. MASCARENHAS—21-7-11.

FINANCIAL DEPARTMENT.

*Item 1 on page 1 ante—(Grants to institutions under Mission management).—*A draft summary for incorporation in the pamphlet showing action taken on points raised by non-official members of the Finance Committee in regard to which consideration was promised by Government, is being separately submitted for approval.

*2. Item 7 on page 1 ante—(Provision of funds for supplying elementary schools with tools for manual instruction).—*A summary has been already prepared and approved by the Registrar.

*3. Items 2 and 10 on pages 1 and 2 ante—Article 61 of the Grant-in-aid Code and grants to the Triplicane Girls' school and the Native College, Madura.—*A draft summary is submitted for approval which may be substituted for paragraphs 2 and 4 of the existing note on the subject, dated 1st March 1911, on page 1 of the pamphlet.

4. The file may, it is submitted, be returned to Educational.

N. J.—3-8-11.

V. GOPALAKRISHNAN—4-8-11.

C. REILLY—4-8-11.

EDUCATIONAL DEPARTMENT.

The paper may now be formally recorded. The draft is for approval.

K. RANGASWAMI AIYANGAR—7-8-11.

M. S. MASCARENHAS—7-8-11.

[G.O., No. 551, Educational, dated 8th August 1911.]

From

THE HON'BLE SIR MURRAY HAMMICK, K.C.S.I., C.I.E., I.C.S.,
Chairman of the Finance Committee of the Legislative Council.

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS,
Financial Department.

Dated Madras, the January 1911.

SIR,

I have the honour to submit the Report of the Finance Committee appointed under Rules 2 and 3 of the Rules for the discussion of the annual Financial Statement on the Draft Financial Statement submitted to them under Rule 5.

2. The Committee, which was constituted as shown in the margin, sat on the 20th and 23rd

Official Members.

The Hon'ble Sir Murray Hammick, K.C.S.I. (*Chairman*).
The Hon'ble Mr. J. N. Atkinson, C.S.I.
The Hon'ble Mr. V. Krishnaswami Aiyar.
The Hon'ble Mr. A. G. Cardew, C.S.I.
The Hon'ble Mr. L. M. Wynch, C.I.E.
The Hon'ble Mr. C. A. Smith.

January 1911 for consideration of the Draft Financial Statement, which they went through in detail.

Non-official Members.

The Hon'ble Rao Bahadur P. Tyagaraya Chetti.
The Hon'ble Mr. T. V. Seshagiri Aiyar.
The Hon'ble Mr. E. W. Orr.
The Hon'ble Mr. P. Kesava Pillai.
The Hon'ble Mr. G. Raghava Rao Pantulu.
The Hon'ble Mr. Habibullah Sahib.

3. The Committee has no alterations to suggest in respect of the Service heads under Receipts and Expenditure shown in the Draft Financial

Statement. Some Members, however, made suggestions in regard to administrative matters falling under one or other of these heads and consideration by Government of these suggestions of which a list is appended was promised.

4. In regard to unallotted expenditure, the Committee accepts the provisional suggestions contained in the memorandum shown as Part III of the Draft Financial Statement and proposes that the items there given be now incorporated under the proper Service heads.

5. As regards the sum of 1-67 which was shown as Reserve in paragraph 230 of the Financial Statement, the Committee recommends its distribution in the following manner. The Committee was informed that further funds were likely to be required for University education and accordingly proposes to allot an additional sum of Rs. 25,000 under that head. The Committee further desires to provide a

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sum of Rs. 45,000 under 45. CIVIL WORKS for additions and improvements to the Municipal hospital at Vellore and a sum of Rs. 4,000 for improvements to the Municipal hospital at Cuddalore. These sums will take up Rs. 74,000, leaving a balance of Rs. 93,000. This balance may, the Committee proposes, be divided among local bodies, Rs. 50,000 being added to Contributions to local bodies for hospitals and dispensaries and Rs. 43,000 being added to Contributions for sanitary works.

I have the honour to be,
Sir,
Your most obedient servant,

M. HAMMICK,
Chairman.

ANNEXURE.

Statement of points raised by non-official members of the Finance Committee on administrative matters in regard to which consideration was promised by Government. Reference to paras. in the Committee's proceedings.

- (1) A suggestion by the Hon'ble Mr. Seshagiri Aiyar that the Director of Public Instruction be asked to report (i) why Missionary Colleges get more money in the shape of grants-in-aid for higher education from Government than other colleges and (ii) what justification there is for rule 61 of the Madras Grant-in-aid Code, under which ~~funded institutions only could receive grants and not other institutions.~~ *grants can be made only in aid of endowments and not in aid of other purposes.* 21
- (2) A suggestion by the Hon'ble Mr. Raghava Rao that a training school for mistresses should be established at Rajahmundry for the benefit of the Northern districts. 20
- (3) A suggestion by the Hon'ble Mr. Seshagiri Aiyar that Government should provide funds for supplying elementary schools with tools for manual instruction. 27
- (4) A suggestion by the Hon'ble Mr. Tyagaraya Chetti that the expenditure on tank restoration works should be increased to at least 10 lakhs a year so that the tank restoration scheme may be completed within 15 years. (The Chief Engineer to be asked to report why the full amount of 9 lakhs originally intended to be spent in a year was not spent in the past and to submit his recommendations as to what should be done to do so.) 31
- (5) A suggestion by the Hon'ble Mr. Seshagiri Aiyar that in lieu of the existing practice of creating temporary engineers on high pay, the permanent men in the lower grades should be promoted and the temporary appointments created in the lower grades. 37
- (6) A suggestion by the Hon'ble Mr. Seshagiri Aiyar that a moiety of the endowments of Rs. 10,000 and Rs. 20,000 given to the Triplicane Girls' school and the Native College, Madura, respectively, be granted to those institutions under the Grant-in-aid Code. (The Director of Public Instruction to be asked.) 38
- (7) Enquiries by the Hon'ble Mr. Tyagaraya Chetti: (1) whether Government ~~would~~ *will* open two more experimental farms during 1911-1912, (2) whether Government ~~proposed~~ *would* to continue the experiments on water-lifts and (3) whether Government ~~would~~ *will* consider the propriety of organizing during 1911-1912 an exhibition of machinery for the manufacture of sugar. 44

CONFIDENTIAL.

PROCEEDINGS OF THE MEETINGS OF THE FINANCE COMMITTEE
HELD ON THE 20th AND 23rd JANUARY 1911 AT THE COUNCIL
CHAMBER, FORT ST. GEORGE.

PRESENT:

The Hon'ble Sir MURRAY HAMMICK, K.C.S.I. (Chairman).
The Hon'ble Mr. J. N. ATKINSON, C.S.I.
The Hon'ble Mr. V. KRISHNASWAMI AIYAR.
The Hon'ble Mr. A. G. CARDEW, C.S.I.
The Hon'ble Mr. L. M. WYNCH, C.I.E.
The Hon'ble Mr. C. A. SMITH.
The Hon'ble Mr. HABIBULLAH SAHIB Bahadur.
The Hon'ble Mr. G. RAGHAYA RAO PANTULU.
The Hon'ble Rao Bahadur P. TYAGARAYA CHETTI GARU.
The Hon'ble Mr. E. W. ORR.
The Hon'ble Mr. T. V. SESHAGIRI AIYAR.
The Hon'ble Mr. P. KESAVA PILLAI.

The Chairman, in opening the proceedings, explained that it was proposed to adopt the same procedure as had been adopted in the previous year in considering the Financial Statement. The copies of the Draft Financial Statement were in the hands of the members of the Committee and they might briefly go through the different heads in Part II and as they went through them any member who wished to make any comment might do so. The members were aware that the important portion of the budget, so far as the Committee was concerned, was contained in Part III, from pages 55 onwards, namely, the unallotted budget. Part II contained the ordinary estimates of the year and he did not suppose that the Committee would make any violent alterations in them—in fact, under the rules it is impossible to do so, as the Government of India had adopted them and incorporated them in their own budget. Yet they might go through the various items, so that any alterations that might be suggested might be taken into consideration. The Chief Secretary had rearranged the Financial Statement and made it more convenient by giving the revenue and expenditure under each head, one after the other, instead of giving the revenue under all the heads first and then the expenditure.

The members of the Committee then discussed the Draft Financial Statement, taking the items under each head and the following is a summary of the points considered:—

I.—ESTIMATES UNDER SERVICE HEADS.

1. Mr. Seshagiri Aiyar enquired if it was open to the Committee to cut down any portion of the obligatory expenditure and increase the unallotted amount to a corresponding extent, so that there might be a larger sum under "unallotted" for disposal.

The Chairman replied that, under Rule 6, though it was open to them to reduce the obligatory expenditure, yet it was not open to them to add that amount to the "unallotted." The amount included under "unallotted" was fixed by the Government. The Committee could make recommendations for altering the ordinary expenditure especially under heads which were wholly Provincial but they could not add what was thus saved to the unallotted amount. In fact to do so would be without point, because all sums under unallotted have later to be distributed under service heads, and hence a transfer would practically be merely from one service head to another.

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Land Revenue.

2. Mr. Raghava Rao wished to know whether, in calculating the revenue receipts, increment remission in Ganjām had been taken into account. He understood that in resettlements only 25 per cent. of the increase should be collected in the first year, and he wished to know whether increment remission had been entered in the budget in regard to Ganjām division.

The Chairman said that the Revenue Secretary would be asked to enquire whether any provision had been made for increment remission being deducted as far as Ganjām was concerned.

3. Mr. Seshagiri Aiyar enquired whether, in view of the lump provision of -58 lakh made for the reorganisation of the Deputy Collector service, it was the intention of the Government to raise the pay of the lowest grade.

Mr. Atkinson replied in the negative and pointed out that it was proposed to increase the total number in the cadre of Deputy Collectors and the number in the highest grade and in other grades would be increased, but it was not proposed to increase the number of grades, an Rs. 800 grade having been lately created. The matter was under reference to the Government of India and it was different from Mr. Meyer's scheme.

4. Mr. Habibullah Sahib and Mr. Seshagiri Aiyar urged that the pay of the village munsif and the monigar, which in some cases was Rs. 2 or 3 *per mensem*, should be increased in view of the important powers entrusted to them and also the fact that the pay of the karnam had been raised.

The Chairman pointed out that the village officers did not depend for their living on the amount they received from Government, but had their own private property from which they derived income. If the service rendered by them was to be paid for according to its monetary value, the expenditure would run up to 30 or 40 lakhs a year. The question that was raised was one of policy which should be discussed by the Council and not decided by the Finance Committee, who were not in a position to alter the Budget in that matter. It was open to members to give notice of a resolution to increase the pay of the village establishment and then the whole thing could be argued out.

Excise.

5. Mr. Seshagiri Aiyar enquired whether the estimated increase in revenue under excise was due to increase in duty or increase in consumption.

Mr. Cardew replied that increases in duty were taken into account in fixing the budget estimate.

The Chairman observed that the increase was mainly due to proposed enhancements of duty and it was possible that the good seasons they had had during the current year might add to the consumption of liquor; but there was no intention to afford greater facilities for drinking than before.

Mr. Atkinson stated that in the Madras town and some of the villages in Saidapet taluk it was intended to enhance still-head duty from Rs. 6-14-0 to Rs. 7-8-0, while in other parts of Chingleput and other districts it was proposed to raise it from Rs. 5-10-0 to Rs. 6-4-0. That was the reason why they expected an increase in revenue.

6. Mr. Raghava Rao enquired whether it was not the policy of the Government not to extend the excise system to the Agency tracts and why the excise system had been extended to the Gunupur Agency from the 1st of April last.

The Chairman replied that the reason for extending the system in the Gunupur Agency was that it would enable the Government to control the shops. They had no intention of extending the system to the Agency tracts, unless they obtained thereby some control over the liquor shops in those tracts and elsewhere. Therefore, it was more a matter for congratulation than otherwise that they had been able to extend the system in the Gunupur Agency.

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7. Mr. Seshagiri Aiyar enquired whether the Government were going to reduce the number of liquor shops at fairs and festivals.

Mr. Atkinson replied that in the previous year orders had been issued that no occasional license was to be issued where a fair or a festival lasted for only two days and where the number of people attending the festival was less than 3,000. That restriction was intended to greatly reduce the facilities for drinking at fairs and festivals.

8. Mr. Habibullah Sahib asked whether the Committees which had been appointed in 1908 in order to fix the number and location of Abkari shops might meet oftener than once in three years—say annually.

The Chairman replied that the Revenue Secretary would be asked to enquire whether, as a matter of fact, notice of the sale of shops was sent to local bodies annually or only once in three years.

Forest.

9. Mr. Kesava Pillai enquired whether the Government would restrict the powers of District Forest Officers in regard to the amount of fees to be charged in compounding forest offences relating to headloads of grass and firewood. He was aware that in the case of trespass by cattle, sheep or goats, the Government had recently limited the powers of Forest Officers in the matter of composition to four times and ten times the seigniorage fees. A similar restriction might, he thought, be imposed in the case of offences committed by poor people removing headloads of grass or firewood.

Mr. Atkinson replied that the Government had made certain concessions last year and it was better to wait to see their effect.

10. Mr. Habibullah Sahib asked whether the Government would increase the number of depots for the sale of firewood. He knew that, in a few places where depots had been established, people had suffered because when the depot was not able to meet fully the wants of the people of the locality, owners of private depots raised the prices of firewood with the result that the public suffered.

Mr. Atkinson replied that the policy of the Government was not to compete with private enterprise in the sale of wood or fuel *outside* the forest, but to encourage private contractors to take delivery of fuel or timber *in* the forest or at the edge of the forest.

11. Mr. Kesava Pillai asked for the revival of the permit system to enable Lambadis and Korachis to live thereby, instead of resorting to stealing.

The Chairman replied that that was a matter for discussion in Council.

Registration.

12. Mr. Kesava Pillai wished to know whether the question of reduction in search fees which he had raised in the previous year had been disposed of.

The Chairman replied in the affirmative and promised to show the papers to the Honourable Member.

13. Mr. Kesava Pillai asked whether the Government would not raise the pay of clerks in the Registration Department.

Mr. Cardew replied that the Inspector-General of Registration had sent up a large scheme for raising the pay of clerks which had not yet been considered by Government.

The Chairman observed that the matter was one which would have to go before the Secretary of State. The Government of India always looked upon the Madras Registration Department with considerable jealousy, because the department was much better organized in Madras than anywhere else in India; and for that reason it was difficult to impress upon the Government of India the necessity for increasing the establishment. The Government of India perhaps had some difficulty in understanding the Madras system of separate offices and separate establishment for registration. Madras had gone ahead while the rest of India had not.

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General Administration.

14. Mr. Raghava Rao wished to know why the lump provision of Rs. 2-50 lakhs was entered.

The Chairman explained that it was to meet charges in connection with the Delhi Coronation Darbar. They had merely put down that figure as that was about the cost incurred on the last occasion. They had received no information from the Government of India who, however, had allowed the provision to stand.

Law and Justice—Courts of Law.

15. Mr. Seshagiri Aiyar urged that the pay of the lowest grade of District Munsif should be raised from Rs. 200 to Rs. 250 to put it on a par with that of Deputy Collectors and Inspectors of Salt Revenue. District Munsifs were most heavily worked officers and deserved the increase suggested. Notwithstanding the heavy work they did, there was a good deal of arrears.

The Chairman pointed out that the existence of arrears was a very good argument for increasing the number of Munsifs but was not a reason for increasing their pay. The Government had never refused any recommendation of the High Court to increase the number of Munsifs. In this country the life of a Munsif was generally found to be more congenial than that of a Tahsildar or Deputy Collector.

Mr. Krishnaswami Aiyar pointed out that the appointment of Munsifs was extremely attractive considering the number of applicants for it. When the thing was so attractive and when they were able to get very good men for the pay offered, the question was whether the pay offered was inadequate. The High Court had on its file 200 applications and out of those applicants the High Court could any day select 50 applicants whom it would be perfectly satisfied to appoint. But they did not get a chance of appointing 10.

Mr. Seshagiri Aiyar pointed out that there was one matter which ought to be taken note of—that the Munsifs were going down in their health and physique.

Mr. Krishnaswami Aiyar replied that was because they would sit in the Court till 7 o'clock in the night.

Mr. Seshagiri Aiyar urged that unless they did so they could not do their work. Mr. Cardew said that Rs. 200 seemed to be a sufficient price in view of the supply of candidates in the market.

Mr. Seshagiri Aiyar urged that the fact that there was a large supply of candidates was no reason why Munsifs should not be given more pay, considering that Deputy Collectors, Inspectors of Salt and Police started with a pay of Rs. 250.

The Chairman replied that, on account of the nature of the work to be done, it was not easy to get suitable people to become Inspectors of Salt.

16. Mr. Seshagiri Aiyar suggested that in view of the arrears of the High Court, an additional judge ought to be appointed in the High Court.

Mr. Krishnaswami Aiyar pointed out that the result of the appointment of an eighth judge had still to be ascertained and it was premature to consider the question of appointing a ninth judge at present.

17. Mr. Raghava Rao enquired whether it was not possible to increase the number of Stationary Sub-Magistrates. He thought that, if effect were given to that proposal, it would enable the scheme for the separation of judicial and executive functions to be brought into force as far as possible.

The Chairman replied that, if the number of Stationary Sub-Magistrates were increased, there might not be enough purely revenue work for the Deputy Tahsildars.

Mr. Atkinson pointed out that, in the current year, provision had been made for ten more Stationary Sub-Magistrates and the number would be increased as occasion arose.

Mr. Habibullah Sahib said that the increase in the number of Stationary Sub-Magistrates this year was due to the redistribution of districts.

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The Chairman remarked that the scheme brought in ten more new Stationary Sub-Magistrates, though there was no new area added to the presidency.

18. Mr. Habibullah Sahib enquired whether the Government had considered the question of granting travelling allowances to jurors and assessors.

The Chairman replied that a reference had been made to the High Court on the question of granting travelling allowance to persons summoned to serve as jurors or assessors in the Courts of this Presidency from a distance of more than 5 miles and the High Court had been asked to furnish an estimate of the number of sessions cases. The High Court's reply to that reference had not been received; they were probably consulting Sessions Judges and it was thought unnecessary to make any provision in the budget on this account as it was not known what the High Court's recommendation would be.

Law and Justice—Jails.

19. Mr. Kesava Pillai wished to draw the attention of Government once more to the question of rice diet in jails.

The Chairman replied that it was a matter for the Council to consider.

Police.

20. Mr. Raghava Rao represented that there was a feeling in the Presidency that there were not sufficient police to prevent thefts.

The Chairman replied that the expenditure on the Police Department had been steadily increasing and it stood now at 86 lakhs. In spite of the police being so unpopular, and being considered the greatest enemy of the people, whenever it was proposed to remove a police station, there was protest against it. There was nothing that the people hated so much as the removal of a police station. They were removing stations from villages as a result of the recommendations of the Police Commission and they had also increased the strength of the police. Besides abolishing police stations, the Government had also abolished the system of policemen visiting villages. Villages were no longer visited by policemen and that was probably the reason why it was imagined that the police strength had been reduced. As a matter of fact, the strength of the police had not been decreased, but increased. In doing away with the village beat, the Government had gone on the theory that the villagers should ordinarily be left to themselves and that the police should be required to intervene only when crime occurred and was reported. The villages must now report crime at police stations and it was no longer the duty of the police to seek out such occurrences.

21. Mr. Orr enquired whether the expenditure on the Harbour Police which amounted to Rs. 27 lakh was exclusive of the amount contributed by the Harbour Trust Board.

The Chairman replied that the contribution of Rs. 28 lakh by the Harbour Trust Board for the police was probably included in the figures given at the bottom of page 16 of the Civil Budget Estimate wherein there was a foot-note saying that the amount "includes recovery on account of the additional Harbour Police".

22. Mr. Seshagiri Aiyar enquired why no quarters were provided in the City of Madras for Indian Police Inspectors.

The Chairman replied that the difficulty in Madras was to find house-sites whereon quarters could be built for Inspectors. The rules of the Government of India on the subject were that the Inspectors of Police, whether European, Eurasian or Native, ought to be supplied with houses, and they would not give house-rent in exchange for it. Mr. Armitage, the Commissioner, had been to see him more than once on the subject, but no definite decision as to what could be done had yet been arrived at.

23. Mr. Seshagiri Aiyar enquired whether the Government would draw the attention of the Inspector-General of Police to the fact that there were no Hindus or Muhammadans among the Inspectors in the City Police.

The Chairman replied that the attention of the Inspector-General of Police had been drawn to the matter.

24. Mr. Habibullah Sahib enquired whether there would be any further recruitment of Sub-Inspectors to be trained at the Vellore School.

The Chairman replied that the Sub-Inspectors had been recruited up to the full number.

Education.

25. Mr. Kesava Pillai enquired why the receipts under fees from Government Colleges, which had been estimated in 1910-1911 at Rs. 84 lakh, were estimated in the year 1911-1912 at only Rs. 74 lakh.

The Chairman pointed out that the estimate for 1911-1912 was based upon the revised estimate for 1910-1911 which was only Rs. 73 lakh, the estimate of fees framed in the budget estimate for 1910-1911 not having been fully realized.

26. Mr. Seshagiri Aiyar drew the attention of Government to paragraph 20 of the latest report of the Director of Public Instruction on Education and pointed out that Missionary Colleges got more money in the shape of grants-in-aid for higher education from Government than other Colleges and he also drew the attention of Government to rule 61 of the Grant-in-Aid Code which made grants depend upon school authorities' finding funds, the grant not exceeding one-half of the amount found for library, apparatus, etc. That rule existed only in Madras and he wished to know why in Madras alone funded institutions only should receive grant and not other institutions.

Mr. Krishnaswami Aiyar pointed out that if Mission schools received a larger grant, it was probably because they were generally more efficiently managed. There was no use propping up inefficient institutions.

The Chairman, referring to the rule of the Grant-in-Aid Code quoted by Mr. Seshagiri Aiyar, said that the idea of the Code was that a man who helped himself deserved help.

Mr. Seshagiri Aiyar said that, if the Government would look into Mr. Orange's quinquennial report, they would find that the system of giving grants-in-aid only to persons who were able to find funds was peculiar to Madras and that such a system did not prevail elsewhere. He therefore urged that both the matters might be referred to the Director of Public Instruction.

The Chairman replied that the Director of Public Instruction would be asked to report on the matter, namely, the justification for rule 61 of the Grant-in-Aid Code, and the explanation of paragraph 20 of the report of the Director of Public Instruction.

27. Mr. Raghava Rao represented that a training school for mistresses should be established at Rajahmundry for the benefit of the Northern districts.

The Chairman replied that the matter would be considered.

28. Mr. Habibullah asked that travelling allowances might be given to Muhammadan supervisors.

The Chairman replied that the Government of Madras had gone up to the Government of India with the recommendation that supervisors should get the old allowance of Rs. 15.

29. Mr. Habibullah enquired whether a separate inspecting agency above the grade of sub-assistants might not be provided for Muhammadan schools.

The Chairman replied that, if a separate Muhammadan Assistant Inspector were appointed, it would deprive the Muhammadan schools of the advantage of inspection which they now received from the general staff of Inspectors and the special Muhammadan inspecting officer would have so large an area to cover that he would not be able to do his work efficiently.

30. Mr. Seshagiri Aiyar next enquired whether any report had been received from the Assistant Inspector of Sanskrit Schools who had gone to Northern India for the purpose of investigating the condition of Sanskrit education in other parts of the country. He wrote to the Director of Public Instruction on the matter and, as far as he knew, nothing was known about the Assistant Inspector's report.

The Chairman replied that the matter would be enquired into. He remembered Mr. Bourne talking to him about it.

31. Mr. Seshagiri Aiyar asked whether the Government who had erected a number of buildings for elementary schools would provide funds for supplying the schools with tools for manual instruction. He thought that the amount required would not exceed Rs. 15,000.

The Chairman replied that the matter would be noted and the Director of Public Instruction would be asked about it. They could easily make a grant to Local Boards for the purpose.

32. Mr. Raghava Rao enquired whether there was any provision made for granting scholarships to Panchama boys.

Mr. Seshagiri Aiyar enquired whether the Government would send out a circular to Local Boards desiring them to start more schools for the depressed classes.

The Chairman replied that it was not necessary for the Government to do more than they had done in the matter. They had specially provided for backward classes in the Grant-in-Aid Code; and they had a training school for Panchamas in Madras which would supply teachers for the mufassal. He learnt, however, from the Inspector of Schools in Madras and Chingleput that in those districts there was really no objection to Panchamas getting admission into any school.

Mr. Raghava Rao asked whether the Government would lay down that Panchamas should be admitted into all aided schools.

The Chairman replied that it would be better not to move too quickly in the matter. They must leave the Local Boards and aided schools to do as they pleased for the present.

Mr. Kesava Pillai remarked that Mr. Raghava Rao's observation referred to aided schools.

The Chairman asked whether it was the intention of the Honourable Member that the Government should refuse aid to any school unless it admitted Panchamas.

Mr. Kesava Pillai replied in the affirmative.

The Chairman said that the Government was not prepared to do that.

Mr. Raghava Rao enquired whether the Government would afford special facilities for the education of Panchamas in colleges by the grant of scholarships.

The Chairman replied that he was not prepared to earmark any special funds in order to provide scholarships for Panchamas in colleges. The funds set apart for scholarships in the budget were open to all classes and special rules existed in the Grant-in-Aid Code in regard to Panchamas.

Mr. Krishnaswami Aiyar pointed out that it was not shown that any Panchamas were actually qualified by the stage of education that they had already reached, to take advantage of scholarships for higher education, if such were specially provided.

The Chairman said that local bodies were given as much money as the provincial Government could spare and he was not prepared to earmark any portion of those funds specially for Panchama scholarships. Local Boards could do what they liked with the funds placed at their disposal.

33. Mr. Seshagiri Aiyar raised the question of establishing provident funds for teachers in private schools. He pointed out that, so far as that matter was concerned, he had Mr. Stone's support. Mr. Stone calculated that to start a provident fund for teachers would entail an expenditure of 1 to 1.50 lakhs of rupees per year and it was also pointed out by Mr. Stone that it would be beneficial to have a provident fund for teachers, as it would enhance their status and make them more contented. The ultimate order of the Government on the subject was that the scheme was not practicable. He could not quite understand what the Government meant by saying "not practicable."

The Chairman pointed out that if the Honourable Member would read the Government order fully, he would find that there were several objections to that scheme as formulated by Mr. Stone. The Government went through the scheme submitted by Mr. Stone, discussed it over and over again and came to the conclusion

that it was not a scheme which could be worked with success without working harm in other ways. If there was a more practicable scheme put forward, the Government would be prepared to consider it. The Government did not condemn altogether the idea of providing a Provident Fund for Teachers, but they were not prepared to accept the scheme put forward by Mr. Stone.

Mr. Seshagiri Aiyar said that the private employer ought to be compelled to contribute towards the Provident Fund.

The Chairman said that that would have to be effected by legislation. No doubt, the system existed in England, but there also, it was only within the past ten years that the thing had been thought of; and there the whole scheme of aided education was brought under Government supervision. His own idea was that 25 years hence they would be ready for a scheme of that sort, but at present they had heaps of other schemes to spend money upon. That was his own personal view. With the lax control which the Government had over aided education, with the lax control which Managers of schools had over teachers and with the lax way in which fees were paid, it would be exceedingly difficult, if not impossible, to carry out successfully any scheme of Provident Fund. They had a certain amount of money to spend, and they had other things to spend upon than the Provident Fund.

Mr. Seshagiri Aiyar inquired if the Government would be prepared to consider a more practicable scheme, if one were put forward.

The Chairman replied in the affirmative.

Mr. Krishnaswami Aiyar asked how many schools would be shut up, if the Government were to compel Managers to contribute towards the Provident Fund.

Mr. Seshagiri Aiyar replied that it was better that schools which could not contribute towards the Provident Fund should be shut up rather than that there should be no fund. He instanced in support of the Provident Fund scheme the case of the Mayavaram teacher who had been sent into the street.

The Chairman remarked that that instance was a very good argument for making the school a Government Model school, but that even if they had had a Provident Fund, the teacher referred to would not have been much better off except perhaps that he might have received a small amount from the Provident Fund.

Scientific, etc., Departments.

34. Mr. Orr enquired what the policy of the Government was in putting up Cinchona plantations, seeing that they lost about one lakh of rupees a year.

Mr. Cardew pointed out that the figures given in the budget did not include the value of stock in hand—the stock of quinine and cinchona bark. The Government were buying 2 lakhs of rupees worth of bark during the year, a great deal of which would be put into reserve and would not be issued during the year. If the Honourable Member would look into the Administration Report, he would find the real position, from the amount of stock which was maintained as a reserve against a sudden rise in prices. The Budget Estimate was not a balance sheet or a profit and loss account, because it took no account of stocks.

Mr. Orr pointed out that during the past year there was one lakh less in revenue than in expenditure and it was anticipated that during the current year there would be another lakh less. If those two lakhs were represented by stock in hand it was all right; otherwise it was a losing concern.

35. Mr. Raghava Rao enquired whether there was any provision made for establishing Weaving schools.

The Chairman replied that the whole thing had been upset by the Secretary of State's orders and nothing could be decided until the return from Allahabad of Mr. Chatterton who had gone to northern India to see the Weaving Schools at Serampore and elsewhere; and when he came back he would let the Government know what his ideas were and when they got a scheme from him, they would go into it. When Mr. Chatterton returned, he would lay before them a scheme with the experience he gained and then the Government might be able to do something in the matter. The present idea of the Government was to open a weaving school in Madura; but in what form and how they would do it had yet to be decided.

Mr. Orr enquired if any weaving schools would be established in Ganjám or Vizagapatam.

The Chairman replied that Mr. Chatterton had no such idea, and was in favour of starting a school in Madura, which was the home of weaving. The whole thing would be considered when Mr. Chatterton returned from Northern India.

36. Mr. Raghava Rao asked whether the Government would make any provision for opening mechanics' institutes—one for the Northern districts and the other for the Southern districts, where people might be trained as mechanics to manage oil-engines, etc.

The Chairman replied that the Government had already taken over the Madura school from the Madura District Board and also the Tinnevely school from the Tinnevely District Board. Mr. Chatterton's idea was that they should close the Tinnevely school and maintain the Madura school for the southern districts. In connection with that matter he (the Chairman) had suggested that they should establish a school at Rajahmundry.

Mr. Raghava Rao suggested that they should open the school near the Dowlaish-weram Workshop.

The Chairman replied that the workshop people would probably object to it. Mr. Chatterton would probably recommend the opening of a school for the North either in Rajahmundry or Vizagapatam.

Minor Works and Navigation.

37. Mr. Tyagaraya Chetti enquired whether the expenditure on tank restoration and minor works could be increased to at least 10 lakhs a year. He pointed out that the amount provided in the budget for tank restoration works was 5.62 lakhs, to which an addition of 46 lakh was made last year, which brought the total to 6 lakhs. From the triennial report of the Public Works Department up to 1907-1908, it would be found that the scheme drawn up was to spend about 9 lakhs every year and to complete the whole restoration scheme in 15 years. According to that scheme, the Presidency was divided into six circles, and the estimates were prepared up to 1907-1908. There was no apparent reason why they could not spend 10 lakhs a year upon the tank restoration scheme and complete it within 15 years.

Mr. Smith replied that, while it was easy enough to get earthwork done, it was difficult to find contractors to carry out the masonry part of the work and that was the reason why the department had not been able to spend more than the amount provided.

The Chairman said that he would ask the Chief Engineer to report why the full amount of 9 lakhs originally intended to be spent in a year on minor works in charge of Public Works was not spent, and why he could not increase the amount that was now spent every year on the restoration of minor works, namely, 5.62 lakhs, and he would ask the Chief Engineer for his recommendation as to what should be done to do so.

Civil Works.

38. Mr. Seshagiri Aiyar wished to know why instead of employing highly paid temporary engineering establishment, it was not possible to fill the higher appointments in the Public Works Department from the lower grades by a system of allowances and to get temporary men in to fill lower appointments. He pointed out that there were at present 22 Temporary Engineers, some of whom were put over the heads of permanent men, some of these temporary men drawing a salary of Rs. 850, 800, 750 and 700. Many of those men were not given special work but were given district charges and they were not in the regular establishment; and the result was that the men already doing work in the department were not given district charges, whereas temporary men were given district charges. If temporary men were put into higher grades, men in the lower grades had no chance of promotion, and it entailed a great deal of expense on the Government, besides exercising a demoralizing effect on the permanent staff. Of the 22 men temporarily employed, six were specialists about whom he had nothing to say. As to the rest there was no

reason why they should have been put at the top over the heads of the existing men. If the Government wanted a temporary man in the higher grades it was better to promote the man already in the service and give him a higher pay and bring the temporary men in in the lower grades.

Mr. Smith said that the answer to the argument advanced was that the Government could not get suitable temporary men on less pay than that now given.

The Chairman remarked that he had not studied the question, but what struck him was that, although they might replace a man who was in executive charge drawing a salary of Rs. 600 by a man on Rs. 300 in permanent service, by giving him allowance, yet he was not quite sure whether the man on Rs. 300 could be replaced by a qualified man temporarily. It would not be easy to get qualified men to take up appointments in the lower grades, considering that the number of qualified Engineers was small. He would, however, have the matter enquired into and investigated by the Chief Engineer.

Minor Works and Navigation.

39. Mr. Tyagaraya Chetti referring to the estimated receipts from the Buckingham Canal which showed an increase enquired whether any portion of the increased revenue was to be devoted to keep the bar at Ennoor and the bar at the mouth of the Cooum open.

Mr. Smith, replying in the affirmative, pointed out that the charges incurred on keeping the bar open would be covered out of the amount set apart for the maintenance of the canal.

Mr. Tyagaraya Chetti remarked that the state of the canal was very bad during the past year.

The Chairman corroborated Mr. Tyagaraya Chetti and pointed out that he found the state of the canal to be very bad during the past year when he tried to go to Sadras. The question was whether the Chief Engineer intended to make it better.

Mr. Smith replied that a larger amount had been provided this year with that very object.

Scientific, etc., Departments.

40. With regard to the question raised by Mr. Orr as to the amount spent on cinchona and the income derived therefrom, Mr. Cardew pointed out that the required information was to be found in the administration report which had been laid on the Editors' table. From that report it would be seen that the stock of cinchona in frubridge and bark at the beginning of 1909-1910 was of the value of Rs. 4.63 lakhs and at the end of the year Rs. 9.59 lakhs—an increase in the year of a little less than a lakh of rupees. That increase represented an increase in stock mainly in bark and partly in quinine. The profit and loss account also showed—taking charges, salaries and outstanding stock—a balance of profit to the extent of Rs. 17,000.

At this stage the Committee adjourned for the luncheon interval and re-assembled at 2-50 p.m.

41. Mr. Seshagiri Aiyar represented that the Draft Financial Statement had been supplied to the members only a day or two ago with the result that they had only a very little time to go through it.

Mr. Cardew said that the difficulty in the matter was that the budget went on the 2nd January to the Government of India and they could not do anything till it was accepted by the Government of India. This year the Government of India's reply was received on the 16th January and they had made some changes in the revised estimate. Even if they acted on the Government of India's telegram which was due on the 10th instant, giving a rough outline of what the Government of India were going to do, it was not possible to get the Financial Statement ready before the 18th or 14th at the earliest.

Mr. Seshagiri Aiyar said that, if the Financial Statement was supplied to them about the 14th and the meeting of the Committee was held on the 22nd, it would be all right.

Mr. Cardew said that the meeting might be held on the 20th and adjourned to the 22nd.

Mr. Seshagiri Aiyar said if the Statement was given to them on the 17th or 18th as was the case in the present year, it was impossible to do anything with it.

Mr. Habibullah Sahib said that the Finance Committee was not expected to conclude its deliberations till the 27th and if the meeting had been called for some day next week, it would have been more convenient.

Mr. Cardew pointed out that under the rules the Committee must commence its deliberations not later than the 20th January.

The Chairman pointed out that the Committee had to make its report to Government on the 27th and the Government had then to communicate the results to the Accountant-General, who had in turn to complete and print the second edition of the Budget by the 1st February.

At this stage, at the suggestion of Mr. P. Kesava Pillai and other Members, the meeting was adjourned to Monday the 23rd instant at 12 noon.

Education.

42. Mr. Seshagiri Aiyar said that he wished to go back to the budget for education, to draw the attention of the Committee to paragraph 133, sub-paragraph (iii) on page 32 of the Draft Financial Statement, where it would be found that Rs. 1.20 lakhs was entered "for the establishment of Government model high schools—a scheme estimated to involve an extra recurring cost of 4.43 per annum." He wished to know why the items mentioned therein showed an increase as compared with the figures given to him at one of the Council meetings. He understood that only 90 lakhs was originally intended to be provided for model high schools, and that the scheme was to cost about 3 lakhs. He wished to know why instead of those two figures, 1.20 and 4.43 were now entered in the budget.

The Chairman said the explanation of the increased cost was that the Government of India, in dealing with the proposals of this Government, desired that the salaries of certain masters should be raised, as they did not think that salaries originally proposed were sufficient.

II.—THE UNALLOTTED BUDGET.

The Committee next proceeded to consider the suggestions made by the Government for the distribution of the amount available under "UNALLOTTED."

43. Mr. Seshagiri Aiyar moved the following resolution:—

"That this Committee is of opinion that the contribution made to the Harbour Trust Board should be met from Imperial revenues and should under no circumstances be met with from the unallotted Local Revenue which ought to be utilized for the more pressing needs of the Presidency."

He urged that the amount which had been unallotted and was still available for appropriation was only 25 lakhs, of which 6 lakhs was proposed by the Government to be given as contribution to the Harbour Trust Board, though in the previous year they had given the Harbour Trust Board 5 lakhs. The improvement of the Harbour, he thought, was a matter in which the Local Government and the Imperial Government were equally interested and it was a matter in which the Imperial Government ought to come to the aid of the Local Government by making a large contribution. He also wished to know the total receipts of the Harbour Trust Board and their expenditure, and also how much capital expenditure had been incurred on the Harbour and how much of it was contributed by the Imperial Government and how much by the Provincial Government.

Mr. Kesava Pillai seconded the proposition.

Mr. Cardew stated that in 1909-1910 the total receipts of the Harbour Trust Board amounted to 10.50 lakhs and their expenditure amounted to 8 lakhs, of which 2.77 lakhs represented interest paid to Government on Government loans. The Government of India had already given 20 lakhs from Imperial funds and could not be expected to give more.

Mr. Seshagiri Aiyar desired to know what grants the Madras Government had made to the Harbour up to date.

The Chairman replied that they had not given anything till last year, when they made a contribution of 5 lakhs. The Government considered that the greater the facilities that were afforded for the import of goods into the harbour and the export of goods from Madras, the greater would be the wealth not only of the town of Madras but of the whole Presidency. Mr. Spring was perfectly right when he described the port as an entrance to the whole Madras Presidency, and unless it was properly equipped and furnished, it was bad business for the rest of the Presidency.

The Chairman also read a note by Mr. Spring showing the schemes proposed to be carried out with the grant now suggested.

After further discussion, Mr. Seshagiri Aiyar did not press his proposition and the details mentioned on pages 61 to 65 of the Draft Financial Statement regarding the allocation of "Unallotted expenditure" were approved.

44. Mr. Seshagiri Aiyar enquired whether, under rule 61 of the Grant-in-Aid Code, the Government would make a grant equal to half the funded capital to the girls' school in Triplicane and to the Native College in Madura. He mentioned that Mr. Parthasarathi Aiyangar had given to the girls' school a capital sum of Rs. 10,000, while Nattukottai Chetties had given the Madura College about Rs. 20,000. He wished to know whether the Government would give half of those items, namely Rs. 5,000 to the girls' school and Rs. 10,000 to the Madura College as special grants.

Mr. Krishnaswami Aiyar pointed out that the grants contemplated by rules 61 and 62 of the Grant-in-Aid Code were not intended to be made for general funds of the schools, but for special purposes, such as teacherships, etc.

Mr. Seshagiri Aiyar said that he could easily get Mr. Parthasarathi Aiyangar to earmark his Rs. 10,000 for teacherships.

The Chairman said that he would ask the Director of Public Instruction to look into the matter and see whether a moiety of the endowments in question could be granted under the Grant-in-Aid Code.

45. Mr. Seshagiri Aiyar drew the attention of Government to the need of an additional ward in the hospital at Kodaikānal and asked that a sum of Rs. 10,000 might be provided in the budget for this purpose.

The Chairman thought that the amount, if provided in the budget, could not be spent this year and the proposition fell through for want of a seconder.

46. Mr. Seshagiri Aiyar then suggested that a special grant might be made to the Trichinopoly District Board for certain sanitary works. He pointed out that he himself had made a contribution for these works, but the Taluk Board pleaded want of funds and did not carry out the project.

The Chairman replied that it was already proposed to give the Trichinopoly District Board Rs. 12,000 for sanitary works and that the Government could not go into the division of this sum between the District Board and the Taluk Boards.

47. Mr. Seshagiri Aiyar further asked that the Government would make a contribution towards the amount spent on maintaining the Transvaal deportees. He thought that, in view of the fact that the Imperial Government were willing to help and the Native States were willing to contribute, the Madras Government might reconsider the Government Order recently passed by them.

The Chairman pointed out that the Finance Committee was hardly the right body to discuss this matter. If the Honourable Member wished the Government to reconsider their previous decision, he should make a representation to Government giving his arguments. All he could say was that the Government would consider any representation that he might make on the subject.

48. Mr. Raghava Rao requested that provision might be made for the carrying out of the Mollada Tampara project, which would irrigate 5,000 acres in the taluk of Ganjam both ryotwari and zamindari. The project had not been taken up because the estimated return was too low, but he thought that, in calculating the return, account had not been taken of water-rates to be derived from zamindari lands benefited by the project. He suggested that a portion of the unallotted amount might be set apart to carry out that project.

The Chairman replied that it was no use to put an allotment in the budget until the scheme was sanctioned, but the point whether the income derivable from zamindari lands had been taken into account or not would be looked into.

49. Mr. Habibullah Sahib moved that Rs. 45,000 be provided for additions and improvements to the Municipal hospital at Vellore. The hospital building at Vellore had been condemned by every Surgeon-General who had visited it.

Mr. Kesava Pillai seconded the proposition.

The Chairman said that there was no objection to the sum being provided, but he doubted whether the Public Works Department would be able to spend it.

Mr. Habibullah Sahib said that the Municipality would undertake to spend the amount, seeing that they had an Upper Subordinate to look after the Municipal buildings who might be depended upon to spend the amount.

The proposal was accepted, and it was resolved to enter a sum of Rs. 45,000 in the budget for the purpose above named.

50. It was also agreed that a sum of Rs. 4,000 should be inserted for improvements to the Cuddalore hospital.

51. Mr. Tyagaraya Chetti enquired (1) whether the Government would open two more experimental farms during the coming year, (2) whether the Government proposed to continue the experiments in water-lifts, and (3) whether the Government would consider the propriety of organising in the coming year an exhibition of machinery for the manufacture of sugar.

The Chairman replied that the Government would consider the points brought to notice, but it was unnecessary to allot any amount in the budget for the purposes mentioned.

52. Mr. Cardew said that there was yet 1.18 lakhs under "Unallotted" to be distributed and proposed that it should be added to the sums to be divided among local bodies.

The Chairman stated that he had heard from Mr. Krishnaswami Aiyar that the University would shortly be requiring a grant, and he would therefore propose that Rs. 25,000 be allotted for University education. He also proposed that the rest of the amount be divided between the items (e) and (f) under head "45. CIVIL WORKS" on page 56, 50 being added to (e) "Contribution to Local Bodies for Hospitals and Dispensaries" and 43 lakh to (f) "Sanitary Works."

53. Mr. Habibullah Sahib thanked the Chairman for the courtesy shown to Honourable Members and the Finance Committee then dispersed.

2,000-15-3-0

DEPARTMENT.

READ AGAIN G.O., No. _____, dated _____, 19____

” ” ” ” ” 19

READ ALSO :—

C. No. 771, From the D. S. - J., No. 102, dated 1. 4. 1917.

" "? " ", " ".....?" " "....." 19

ORDER.

No. 537, dated 8. 8. 1911.

28

Recorded.

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2824

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ORDINARY.

PREFERENCE.

URGENT (a).

LEGISLATIVE DEPARTMENT.

Current No., dated 19
G.O., No. 551, dated 8-8-19 11.Number of MS. pages sent { Correspondence including order or orders
(b)
Notes.....Docket: Grant Release papers
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article of 61 of the Government
Code(c) Number of copies required when struck off (not including
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and orders. Notes

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