

Government of Madras.

EDUCATIONAL DEPARTMENT.

Recd.

Regd.

} 1912.

Enclosures

Spare copies

G.O. No. 433, 21st May 1912.

DESPATCHED

Legislative Council resolution.

Recording notes connected with the resolution moved by the Hon'ble Mr. Seshagiri Aiyar at the meeting of the Legislative Council held on the 15th February 1912 recommending modification of rules as to grants-in-aid to secondary schools.

Government of Madras.

EDUCATIONAL DEPARTMENT.

GOVERNMENT OF MADRAS
EDUCATIONAL DEPARTMENT

Read—the following—
Notes connected with the resolution moved by the Hon'ble Mr. Seshagiri Aiyar at the meeting of the Legislative Council held on the 15th February 1912 recommending modification of rules as to grants-in-aid to secondary schools.

Recd.

Regd.

Enclosures
1912.
Spare copies
(True Extract)
Order—No. 433, Educational, dated 21st May 1912.

G.O. No. 433, 21st May 1912.

Legislative Council resolution.

Recording notes connected with the resolution moved by the Hon'ble Mr. Seshagiri Aiyar at the meeting of the Legislative Council held on the 15th February 1912 recommending modification of rules as to grants-in-aid to secondary schools.

GOVERNMENT OF MADRAS.
EDUCATIONAL DEPARTMENT.

READ—the following :—

Notes connected with the resolution moved by the Hon'ble Mr. Seshagiri Aiyar at the meeting of the Legislative Council held on the 15th February 1912 recommending modification of rules as to grants-in-aid to secondary schools.

Order—No. 433, Educational, dated 21st May 1912.

Recorded.

(True Extract.)

L. DAVIDSON,
Ag. Secretary to Government.

To the Director of Public Instruction, with copy of the extract relating to Resolution No. III moved at the meeting of the Legislative Council held on the 15th February 1912.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O. No. 433, EDUCATIONAL,
DATED 21st MAY 1912.

[SUBJECT.—*Modification of the rules of the Grant-in-Aid Code as regards grants to Secondary schools.*]

Educational Department.

Resolution on matters of general public interest.

The Hon'ble Mr. SESHAGIRI AIYAR :—

III. That this Council recommends to His Excellency the Governor in Council that the provisions of the Madras Grant-in-Aid Code relating to secondary schools be so modified that—

(a) the maximum teaching grant allowable to a school shall be the difference between the total annual expenditure and the fee income ;

(b) the fee income of a school shall be taken to be 85 per cent. of the fee income calculated according to standard rates ; and

(c) the management of a school shall be at liberty to set apart every year a proportion, not exceeding 15 per cent. of the fee income calculated according to standard rates, towards a fund for meeting unforeseen losses or erecting necessary buildings for school purposes.

Recommending modification of rules as to grants-in-aid to secondary schools.

NOTES.

Submitted.

It is not clear what exactly the Honourable Legislative Council Member means by "total annual expenditure." The expression "annual" would seem to exclude such items as buildings, furniture, etc., which cannot strictly be regarded as current expenditure. Expenditure on objects for which special grants are not sanctionable under chapters VII to X of the Code is, therefore, apparently meant.

2. To take for instance the following simple case :—

Receipts.		Expenditure.	
	Rs.		Rs.
Actual fee income	900	Staff and establishment	4,000
Loss of fee income by the collections of fees at rates below the standard rates ..	100	Contingencies and ordinary repairs	500
Building grant	400	Building	1,200
Furniture grant	100	Furniture	200
	1,500		5,900

Under the present Code, the grant to be allotted will be limited to Rs. 1,750 as noted in the margin.* But according to the Hon'ble Mr. Seshagiri Aiyar, the grant will be Rs. 4,500 — 850 or Rupees 3,650, the fee income being calculated at 85 per cent. of the standard rates with

$$\begin{aligned} & * \text{Expenditure Rs. } 4,000 + 500 = 4,500. \\ & \text{Income Rs. } 900 + 100 = 1,000. \\ & \text{Rs. } \frac{4,500 - 1,000}{2} = 1,750. \end{aligned}$$

The nett cost to the management would be Rs. 800 on building plus Rs. 100 furniture minus Rs. 50 [being the excess of the teaching grant (Rs. 3,650) and the fee income (Rs. 900) over the cost of staff establishment and contingencies].

L. DAVIDSON.

3. The Education Commission of 1883 remarked—

"It is an important element in the grant-in-aid system that part of the expense of the aided institution should be provided by its managers from private resources of their own In a rough and general way, it may perhaps be laid down, though certainly not as a rule to be universally applied, that the sum necessary to supplement the amount of self-support attained by the institution may be equally divided between the managers and the State."

4. If this principle is adhered to, the Hon'ble Mr. Seshagiri Aiyar's proposal is not feasible as no part of the current expense* will be provided by the management and the whole nett cost will practically be borne by Government. In this connection reference is solicited to paragraphs 5 and 6 of the Hon'ble Mr. Stone's letter No. 1012, dated 1st April 1911, on pages 2 and 3 of G.O. No. 551, Educational, dated 8th August 1911, wherein he remarks as follows:—

"The underlying idea in this appears to be that if a grant-in-aid is to be given

L. DAVIDSON. "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

L.D. "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 in *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 question of revising articles 32 and 33 of the Grant-in-Aid Code is under consideration and the notes on the subject are now with the Director of Public Instruction.

5. Clauses (b) and (c) of the resolution go together.

The question of calculating the fee income at 85 per cent. of the standard rates for colleges was considered in the notes with G.O. No. 208, Educational, dated 11th April 1911, please see paragraphs 12 and 13 on pages 4 and 5 of the notes. The Hon'ble Mr. Stone (acting Director of Public Instruction) considered that it was tantamount to a demand that the rate fixed in the fee notification should be reduced by 15 per cent. and a plea in another form for the restoration of the old difference between the rates of fees in Government and aided colleges. The concession was not allowed. The same arguments apply in the case of aided secondary schools also; but, if as suggested in clause (c) the management is permitted to retain 15 per cent. of the fee income calculated at the standard rates as a fund, the fee income for purposes of

reference to clause (b) of the resolution. In other words, Government will be practically paying the nett cost of the school and the system will offer no inducement to the management to find funds from other sources.

calculating the grant should be calculated at 85 per cent. of the standard rates. A concession somewhat similar to that referred to in clause (c) existed in the Grant-in-Aid Codes prior to 1906: it was not 15 per cent. of the fee income but 10 per cent. of what surplus the school had at the end of the year. Under the old code, grants were given in proportion to the salaries of the teachers and with reference to their qualifications and the fee income was calculated at standard rates less 10 per cent. If, at the close of the year on an examination of the financial condition of the school it was found that the current receipts including the Government grant exceeded the current expenditure, the surplus up to the limit of the Government grant was deducted from the following year's grant; but the manager was allowed to retain 10 per cent. of such surplus as working balance and to spend the remainder of the surplus on improvements to staff, accommodation or appliances, in which case the refund of the surplus was not insisted on. These salary grants have now been discontinued and the 10 per cent. deduction in calculating the fee income was omitted from the present code on the advice of the Hon'ble Dr. Bourne who remarked: "It has been assumed that fees at standard rates

Paragraph 19 on pages 4 and 5 of G.O. No. 356, dated 21st May 1906. "and not as in the existing code at 10 per cent. below these rates may be collected. This will no doubt be considered by many managers to be a hardship. Calculations have been for many years based upon the rates so reduced, but I think that time has now fully come when the concession may be withdrawn in the case of these secondary schools." Many of the secondary schools except perhaps those under mission management have no endowments at their back and the reservation of 15 per cent. of the fee income, as suggested by the Hon'ble Mr. Seshagiri Aiyar would assist managers to create such endowments. It practically amounts to allowing the management to retain only 7½ per cent. of the fee income. For, if the fee income is calculated at 85 per cent. of standard rates, the Government grant in the hypothetical case mentioned on page 1 ante will be $\frac{Rs. 4,500 - 850}{2} = \frac{3650}{2} = 1,825$, the fee income available for the maintenance of the school will be Rs. 850 and the management will have to put in Rs. 1,825 or Rs. 75 more than if the fees were calculated at standard rates. The management will thus retain Rs. 150 as a fund, but will have to find Rs. 75 more for the working of the school and Government will pay Rs. 75 more. If the concession in clause (c) is allowed, clause (b) should also, it is submitted, be allowed.

R.S.—2-2-12.

I gave Dr. Bourne a copy of this resolution when it first came in and we have discussed it together. Presumably the three clauses must be read together and the mover excludes outlay on buildings and furniture from consideration as specially dealt with under chapters VIII and IX of the Code, and not forming part of *normal current expenditure*. Clause (a) then makes Government liable to meet the entire net amount of normal current charges. Clause (b) enhances the maximum Government teaching grant by 15 per cent. of the fee income, and it is this 15 per cent. provided by Government which goes to form the reserve fund contemplated by clause (c) and that very reserve may ultimately be utilized as a basis for claiming building grants from Government. To take a concrete case:

Let the normal current expenditure excluding outlay on buildings and furniture amount to Rs. 2,000, and the standard fee income to Rs. 1,000.

Then the maximum teaching grant will be Rs. 2,000 — 850 * = Rs. 1,150.

* 85 per cent. of the standard fee income. The management will receive Rs. 1,150 from Government and Rs. 1,000 from fees [unless they charge reduced fees which they need not and as a rule (I believe) do not]. In other words, their total income—Rs. 2,150—will exceed the normal current expenditure by Rs. 150 per annum.

Let this annual profit be accumulated for six years and the management has a reserve of Rs. 900— all provided by Government—with which it can under chapter VIII secure a building grant of Rs. 450 and be able to spend Rs. 1,350 on buildings.

2. It is conceivable, therefore, that an institution might be so run for a number of years as to make Government responsible for the entire cost including buildings, except perhaps for special outlay on furniture, of which under chapter IX Government would provide half and on items considered inadmissible, viz., Nos. 7 to 15 of Appendix F.

Such a possibility as this cannot seriously be contemplated and the resolution should, I submit, be met with a direct negative.

3. It will be argued no doubt that the resolution only fixes the *maximum* grant. If so, the answer is that applicants for aid always ask for and expect the *maximum* and that the department tends to work up to it in practice where funds are available. This being so, the system of grants in aid would be transformed into a scheme of State support without the full control possible in the case of State schools, and the general tax-payer would be educating the children of the richer classes, of whom a large proportion are well able to pay the cost from their own pockets.

4. While negating the resolution, it might be stated that Government have now under consideration the question of modifying the provisions relating to the grant of aid to secondary schools.

L. DAVIDSON—3-2-12.

The resolution infringes the principle which has been the guide in granting aid to private secondary schools since 1882. The commission then said: "It is an important element in a grant-in-aid system that part of the expense of the aided institution should be provided by its managers from private sources of their own" (page 417).

We cannot go back from this now and therefore cannot accept the resolution. Print these papers up and let me have with the file.

I do not think we should have any difficulty in carrying the Council with us in opposing a proposal to throw the whole burden of secondary education on the fee income and the public purse. It is going back from the principle that has guided the Government since 1882.

M. H[AMMICK]—4-2-12.

When this resolution was tentatively discussed in Council on the 6th February the conclusion arrived at was that it should be opposed as directly at variance with the accepted policy since the report of the Education Commission in 1883.

L. DAVIDSON.

LEGISLATIVE DEPARTMENT.

Meeting of the 15th February 1912.

Resolution No. III moved by the Hon'ble Mr. Seshagiri Aiyar.

The resolution was put and agreed to. Educational may be informed accordingly. An extract from the Council proceedings relating to the resolution will be forwarded to Educational after the proceedings are published in the Gazette.

C.R.V.—27-2-12.

M. S. MASCARENHAS—28-2-12.

To the Educational Department.

EDUCATIONAL DEPARTMENT.

This may lie over till the extract from the Council's Proceeding referred to is received.

T.K.—5-3-12.

R. SUNDARAM AIYAR—5-3-12.

M. S. MASCARENHAS—5-3-12.

The extract from the Council proceedings relating to the above resolution has just been received. Both the Director of Public Instruction and the Honourable Member opposed the resolution—*vide* pages 11 and 26 of the extract. No action has therefore to be taken and the papers may be recorded, copy of the resolution being sent to the Director of Public Instruction.

2. The draft is submitted for approval.

T.K.—20-3-12.

R. SUNDARAM AIYAR—20-3-12.

Please add to the papers an extract from Sir. Murray Hammick's speech on the 13th March in which he stated the views of Government and their intentions with regard to this resolution. It will appear in the next Gazette.

L. DAVIDSON—21-3-12.

Extract from Sir Murray Hammick's speech at the meeting of the Legislative Council on the 13th March 1912.

The Honourable Member then proposes that the allotment for special grants for the secondary schools should be increased by 1.50 lakhs and he wishes this done because he considers that the Government should at once carry out the amendments in the Grant-in-Aid Code which were carried at the last meeting of the Council against the views of the Government. On that point I must say that the Government opposed that resolution with very fixed and clear ideas of what were the principles which lay at the basis of the Grant-in-Aid Code; and although the resolution was carried in this council, I must distinctly assure Honourable Members that there is no chance, at all events in the next year, that that resolution will find acceptance at the hands of the Government. We shall have that resolution on record no doubt and will consider it in connection with any suggestion that may come up to amend the Grant-in-Aid Code. But I do not think that Honourable Members can possibly expect the Government with the very distinct attitude which they took up on that question, an attitude which they have taken for the last thirty years to at once go back on that and to accept that resolution which recommended a change in the Grant-in-Aid Code that we do not approve of. Therefore we do not propose to instruct the Director of Public Instruction to take any measures as regards the administration of these funds with consideration to that resolution, that is to say, we do not intend to ask him to increase his grants to secondary schools on the basis of that resolution which was passed the other day.

An extract from the speech of the Hon'ble Sir Murray Hammick on the 13th March 1912, referred to by the Secretary has been added to the file.

T.K.—29-3-12.

C. RAMANUJACHARI—30-3-12.

The case may now be recorded and the notes sent u.o. to the Director of Public Instruction for perusal after His Excellency has seen.

L. DAVIDSON—1-4-12.

M. H[AMMICK]—7-4-12.

To the Director of Public Instruction.

OFFICE OF THE DIRECTOR OF PUBLIC INSTRUCTION.

Returned.

A. G. BOURNE—20-5-12.

[G.O. No. 433, Educational, dated 21st May 1912.]

[Annexure.]

Articles 32 and 33 of the Grant-in-Aid Code.

33. **FIXING THE ALLOTMENT.**—The grant allotted to an institution will ordinarily be equal in amount to the income guaranteed to be annually provided under Rule 32, such portion of that income as is required to meet the share to be borne by the management of all expenditure in aid of which grants are sanctionable under other chapters of this code being left out of account.

APPENDIX F.

(Chapter IV, Rule 37, and Chapter V, Rule 43.)

FINANCIAL STATEMENT FOR USE IN SECONDARY SCHOOLS AND COLLEGES

Receipts side.

1. The amount shown against item 1 should agree with the amount shown in the fee returns as fees due for the official year.

Expenditure side.

2. Item 1 should be supported by a separate statement showing the names of the teachers employed, their monthly salaries, and the total salary paid to each.

3. Item 2 should be supported by a separate statement showing the designations of the servants, etc., their monthly salaries and the total salary paid to each.

4. Item 6 should be supported by a statement showing the details of the expenditure and in particular accounting separately for each item exceeding Rs. 10.

FINANCIAL STATEMENT FOR THE YEAR 190 -190

	Amount.			Amount.	
	RS.	A. P.		RS.	A. P.
1. Fees due at standard rates			Expenditure on—		
April 190 to March 190			1. Teaching staff		
2. Income from endowments			2. Servants including writer		
3. Subscriptions and donations			3. Rents		
4. Actual receipts by fees—			4. Taxes		
(a) Ordinary			5. Ordinary repairs and upkeep		
(b) Special			6. Contingencies		
5. Grants-in-aid received—			7. Scholarships		
(a) Teaching			8. Prizes		
(b) Building			9. New buildings		
(c) Furniture and apparatus			10. Furniture		
(d) Endowments			11. Science apparatus and materials		
6. Miscellaneous receipts—			12. Other appliances for teaching		
			13. Library		
			14. Gymnasium and games		
			15. Outlay not falling under the above heads,		

CERTIFICATE.—On behalf of the management I hereby certify that the expenditure shown in the above statement under items 1—6 has been actually incurred and that no part of it relates to scholarships or to articles for which a special grant is sanctionable under the Grant-in-Aid Code.

STATION

Date _____

Correspondent.

Note.—In practice, the method of assessing grant is as below :—

From the expenditure on items 1 to 6 is subtracted the fee income calculated at standard rates and half of the balance is given as the code grant.

READ AGAIN G.O. No., dated 191

READ ALSO:—

C. No. 643, From the Leg. Dept., No. 413-3, dated 29-2-1912

Read the following: -
Notes connected with the resolution
moved by the Hon^{ble} Mr. Deshagiri aiyar
at the meeting of the legislative
Council held on the 15th February 1912
recommending the modification of
rules as to grant in aid to secondary schools.

ORDER

No. 433, dated 21-5-1912

Recorded

74.
20.3.12 Re
20.3.12

To 1600

The D.P. I. with copy of
the entire relating to Resolu no III
moved at the meeting of the Leg. Cc.
held on the 15th Feb. 1912

May 2 1912

ORDINARY.

PREFERENCE.

URGENT (a).

Educational
LOCAL AND MUNICIPAL DEPARTMENT.

Current No. dated 19

G.O., No. 4393, dated 21.5.1912.

(b)

Number of MS. pages sent { Correspondence including order or orders
(b¹)
Notes.....Docket. Legislative Council resolutionRegarding notes connected with
the resolution as the proposed
by the Hon'ble Mr. Schapira Aiyar at
the meeting of the Legislative Council
held on the 15th February 1912, recom-
mending the modification of rules as
to grant of aid to secondary
schools.Number of copies required when struck off (not including
copies for volumes and editors' table which are retained
in the Press) Complete
correspondence
and orders. Notes

FOR RECORD.*

Madras Records	25	20
City Records	3	3
For filing with original	1	1
Total	29	24

FOR ISSUE.†

Signature copies.....

India Office.....				
Govt. of India.....Dept.				
Revenue Department.....				
Public Works Department.....				
Educational Department.....				
.....Dept.				
.....Dept.				
.....Dept.				
.....Dept.				
Total				

Spare copies

The C. M. C.....				
The Collector of.....				
The P. D. B.....				
The Accountant-General.....				
The Director of Public Instruction.....	5			5
The Surgeon-General.....				
The Sanitary Commissioner.....				
Do. Engineer.....				
Do. Board.....				
The President, Corporation of Madras.....				
The.....				
The.....				
The.....				
The.....				
Total				

INSTRUCTIONS FOR THE
SECRETARIAT.

(a) If a paper is marked to be printed urgently, the Superintendent of the section concerned should sign the Press slip. The Superintendent should exercise a careful discretion in the matter.

(b) Each letter, memorandum, or order, or set of orders, in the file of correspondence should be headed in succession with the Roman numeral I, II, III, etc., the number being written in red ink or blue chalk above the item. The particular papers to be printed in the special issue-copies should be indicated by the Roman numeral (I, II, etc.) by which that item has been headed in the correspondence file. All matter, including marginal remarks or references, to be printed should be written in ink and matter which should not be printed should be encircled. Initials and signatures that are not quite legible should be re-written distinctly.

(b¹) For rules regarding printing of notes, see the rules in G.O., No. 1220, Public dated 30th November 1900.

(c) The number of copies and the details of distribution should be filled in by the Superintendent or Referencer concerned.

(d) In the absence of special instructions to the Press to keep matter standing for a specified period, ordinary papers of 8 pages and under will be kept standing for one week, and larger papers for two weeks only. The type of notes and of all confidential papers is distributed immediately after striking.

(e) This slip, properly and completely filled in, should accompany every paper sent to Press; it will be returned by the Press when proofs are furnished; it should be sent to the Press when a call is made for revised proofs or when a corrected proof is sent for striking. When finally returned by Press it should be filed with the original order or letter.

INSTRUCTIONS FOR THE PRESS.

(a) If, in the opinion of the Superintendent of the Press, a paper has been marked urgent unnecessarily, he should send the Press slip to the Registrar with a remark to that effect.

(b) Unless a note to the contrary is made against the matter, pencil entries should not be printed. The Superintendent of the Press may bring to the notice of the Registrar any instance of incomplete or careless editing.

(c) Signature copies of letters to the Secretary of State or to the Government of India should be printed on hand-made paper.

(d) This slip should be returned by the Press to the Secretariat when proofs are furnished; it will be sent back to the Press when proofs are returned corrected and should be finally returned to the Secretariat when struck-off copies are supplied.

(e) The names of the Secretary and Members should be printed in full when they occur on the right hand side, but only the first time when they appear on the left side, the initials alone being printed later.

* Copies distributed on..... (Press Clerk.)

† Copies distributed on..... (Despatcher.)

* To be initialed and dated.

A	B	C
Please send proof in triplicate. The papers have been carefully edited.	Proof returned corrected. Please strike off and send number of copies as indicated.	As the matter is clear manuscript and has been carefully edited, (b) proof need not be sent. Please print and supply number of copies as indicated.
Type may be released after usual interval.	Type may be released after usual interval.	Type may be released after usual interval.
.....Clerk.	Clerk.	Clerk.
.....Supdt.	Supdt.	Supdt.

(b) Three copies of proof of all notes should be sent for approval, except when instructions are given to the contrary.

SPECIAL INSTRUCTIONS.

TO BE FILLED IN BY THE PRESS.

Diary.	Initials of Press official.
Received in Press on.....	23-5-12 LB
First proof furnished on.....	24-5-12 LB
Call for revised proof received on.....	
Revised proof furnished on.....	
Corrected proof received for striking on.....	4-6-12 LB
Final copies supplied on.....	7-6-12 LB

Account of copies.	Complete copies.	Notes.	Issue copies.
Supplied to Secretariat for Record.....	29		
" " " Issue.....	16		
For Volumes....	16		
For E.T.....			
Total	50		