

Home (1919) Department.
(Education)

Ordinary SERIES.

G.O. No. 352

DATED 4-8-1919

INDEXED

[Despatch Abstract.]

Richmond Education Trust.

Declining to sanction a grant-in-aid of the-----

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.	Date.

HOME (EDUCATION)

DEPARTMENT.

Received



Registered

21-6-1919

Subject.

Madras 26619

Addressing Government regarding endowment for Richmond Education Trust.

ENCLOSURES

No.

Spare copies

Re No. 4621/9

Station (Camp) Ootacamund, Dated the 21st June 1919.

From (Name) The Hon'ble Mr. R. Littlehales, M.A.,

(Designation) Ag. Director of Public Instruction

To The Secretary to the Government of Madras,
Home (Education) Department.

Sir,

Towards the end of February last I received an application from the Trustees of the Richmond Education Trust for a grant-in-aid of an endowment for the award of scholarships. In view of the orders of Government contained in Para 7 (iv) of G.O.No.112 Home (Education) dated 25-1-19 I informed the Trustees that I was not at that time prepared to consider the application. I enclose herewith a copy of the letter of the Trustees dated 21st February 1919 together with the Trust Deed

infra

and 7

of the Richmond Education Trust in original. I have considered this case on its merits and submit it for the orders of Government. It will be seen from the Trust Deed that it is proposed to grant loans to youths and men over eighteen years of age, which are to be repaid to the Association with interest, the loan to be secured on an assurance policy on the life of the recipient. The loan is restricted to Anglo-Indians who must be or become members of the Anglo-Indian Association or wards brought up in an orphanage in Southern India for a period of more than two years and who have won a Government scholarship while in the orphanage and who have further been recipients of a scholarship from the Anglo-Indian Association or from Government or from other sources after being sixteen years of age. Preference in the award of scholarship shall be given to the sons or wards of the long-standing members of the Anglo-Indian Association. I might invite the attention of Government to the definition of Anglo-Indian which is contained in the Articles of the Anglo-Indian Association. It is as follows: "By Anglo-Indian is meant one whose father, mother, grand-father or grand-mother is or was either a European or American or descendant of such--European includes Australians or other British Colonists." The definition of European as laid down in the Code of Regulations for European Schools is as follows: "The term European signifies any person of European descent, pure or mixed who retains European habits and modes of life." The endowment is thus for the use of only a limited number of Anglo-Indians, limited first by the definition of Anglo-Indians as laid down in the Articles of Association of the Anglo-Indian Association and secondly by the fact that all recipients must be or become members of this Association. It is very doubtful whether public funds should be utilised in making provision for loans being granted to a small exclusive sect of the community. The precedent that would be established if the request of the Anglo-Indian Association were granted would I submit be extremely undesirable and might involve Government in the acceptance of a policy which would be inequitable in its application to all sections of the community who provide public funds.

3. After

3. After lapse of some years the fund will automatically increase in value from year to year by reason of the repayment of the loans made or as the recipients die and the policies on their lives are paid to the Trustees. It does not seem as if Government aid were required in a project of this description.

4. It is stated that the recipients of the loans must have passed either High School examination, the School Final examination or any other examination or test qualifying the candidate to appear for the University examination or for professional examinations and tests in India, Great Britain or elsewhere and that educational qualifications should be the primary test for eligibility. But it is nowhere laid down either that the recipients should have ability above the average or that he would be financially unable to continue his studies without the aid of a loan. The selection of recipients rests with the council of the Anglo-Indian Association which can frame its own rules of award. Government has no voice in the award nor in the formulation of rules of award. The Council can alter and amend its rules of award and Government has no voice in such alteration or emendation. It is clearly opposed to public policy to allot money for loans to persons from public funds without some guarantee that the funds will be utilised for a purpose approved by Government and under conditions which are accepted by Government.

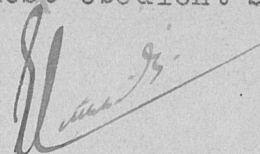
5. I am of opinion that grants-in-aid should be awarded only to associations or corporations which maintain educational institutions and such is, I believe, is the intention of the Code of Regulations for European Schools. Any endowment grant therefore which is made by Government should in my opinion be made to an association or corporation which maintain educational institutions and not to a body of Trustees who are connected with an external association whose objects are, as stated in the Memorandum of Association, the promotion of the material, social, moral and intellectual advancement primarily of the members of the Association and secondarily of the classes eligible for membership and of their common interests.

6. There may possibly be some need for an increase in the number of scholarships awarded by Government under the Code of Regulations for European Schools. I am looking into this question shortly when the award of scholarships is taken up for the current year and I consider that if public funds are to be spent on furthering the education of individual Anglo-Indians these funds would be most suitably allocated to the award by Government of additional scholarships or scholarships at enhanced rates.

I have the honour to be,

Sir,

Your most obedient servant,


Ag. Director of Public Instruction.

5
Copy of letter dated 21st February 1919 from the Hon. Mr. T. Richmond, A.E. Rencontre, Esq., F.J. Mc Cready, Esq., Trustees of the Richmond Education Trust, Madras to the Director of Public Instruction

The first named of us has handed over to us as an Endowment Government Paper 3½ per cent of the Face Value of Rs.30,000/- to award the interest accruing thereon as Scholarships for the advancement of Higher and Professional Education among Anglo-Indians in Southern India and we now hold the said Endowment as Trustees and the Trust Deed dated 11th April 1918 duly registered is enclosed for your personal and return when no longer required. The Government Paper has since been converted into a Stock Certificate and lodged for safe custody with the Bank of Madras. Since July 1918 Scholarships are being awarded from the accruing interest and we need scarcely say that there is very considerable demand for more scholarships if funds were available.

2. We have now the honour to request that Government may be pleased to sanction the payment of a Half Grant, towards the Endowment under Article 44 Clause (f) of the Code of Regulations for European Schools on the analogy of Article 61 of the Grant-in-Aid Code. We may mention that the Anglo-Indian Community as a Community is poor and needs all the assistance possible to afford its poorer members a reasonable scope for advancement in life. No provision was made in the Trust Deed for any distribution of the Fund as mentioned in Clause III of Article 62 as the Donor of the Trust intended the Endowment to be perpetual and did not contemplate any such contingency as is referred to in that clause. As the author of the Trust and the Trustees were not aware at the time of the execution of the Trust Deed that the Endowment would become entitled to a grant from Government and the provisions of Article 62, the Trust Deed was not sent for the approval of the Law Officers of the Government.

3. We have no doubt that you will find the Trust Deed in perfect order and we may also add that the operation of the Articles of the Grant-in-Aid Code have been expressly declared not to be applicable to

to European Schools by virtue of Article 1 of the same Code and so Clause III of Article 62 has no application to the present case.

4. We have only cited Article 61 of the Grant-in-Aid Code as indicating the class of cases in the contemplation of Government as calling for Endowment grants, for, it only stands to reason that if Endowments for the advancement of Pure Indian Education are eligible for grants, Endowments in the cause of European Education are equally entitled to consideration at the hands of Government.

5. We are anxious that Government should treat this application as urgent and award us the grant applied for before the close of the Financial Year 1918-19 to enable us to earn interest in time to award scholarships during the coming University term.

6. We further desire to point out that if scholarship Endowments of the class are encouraged by Government grants it may lead to further private benevolence in the cause of Education.

7. We the Trustees will feel ourselves under a deep obligation if this application could be treated and dealt with as urgent as desired by us.

(True Copy)

PAGES 7 TO 13

(died)

SUBSTITUTE FOR DETACHED ENCLOSURE.

Home (Edⁿ) DEPARTMENT.

G.O. No. 952, dated 4. 8. 1919.

FORWARDED TO THE Director of Public Instruction

WITH The G.O. mentioned above.
G.O. No. _____, dated _____ 1919.

DATE 7. 8. 1919

EXAMINER'S
DESPATCHER'S INITIALS CRH
7/8/19

LINDEN TOWERS,
ANDERSON'S ROAD,
NUNGUMBAUKUM.

9th March 19

Dear Mr. Alexander

I received the enclosed for the
purpose of Father's instruction this morning. I
don't know when the impediment is and
I hope it can be remedied.

I am so sorry I am writing

Yours so often

Yours truly
L. Alexander

PROCEEDINGS OF THE DIRECTOR OF PUBLIC INSTRUCTION.

Dis No. 1651 dated 7th March 1919.

19

Read letter R.C.No. 85 E/19 dated 25-2-1919, from the Inspector of European and Training Schools, Madras, submitting with recommendation the application of the Trustees of the Richmond Education Trust for a half grant.

The Trustees of the Richmond Education Trust are informed that the Director cannot now consider the application, as under para 7 (iv) of G.O.No.112, Home (Education) dated 25-1-19 the rules in the Grant-in-aid Code regarding Endowments are at present held in abeyance.

2. The trust deed is returned herewith.

Native

To

For Director of Public Instruction.

The Inspector of European and Training Schools
The Hon^{ble} Mr. Richmond, "Linden Towers,"
Anderson Road, Nungambakam, Madras.
(with the Trust deed.)

V.R.R.

Educl. Dept 3/8

Will the Sec^y kindly refer me to the passage in the Notes to G.O. N^o 11 d. 25. 1. 19 on w^h the last sent^{ce} of para. 7 (iv) of the G.O. was based. If there was nothing to the effect in the Notes, why was the sentence inserted?

Alf
11. 3. 19

Submitted that the ~~sentence~~ in question was not based on any definite suggestion made in the notes.

In the draft submitted by the office the last sentence of para 7 was as follows: — Slip (4)

"The Govt^t therefore desire that the question should be further examined by the D.P.I. in all its aspects and a well considered scheme for aiding endowment submitted to them for approval."

In the ^(revised) draft prepared by the P.S. & approved by H.E., the Governor, the above sentence was altered as follows: —

"The Govt^t therefore desire that the

But in para 19 of the joint note of Messrs. Duncan & Co. on page 3 of notes to the Govt. a doubt was raised whether it was justifiable that Govt^t should be bound to supplement private endowments even to the extent of 50 percent as required by rule 61 of the grant-in-aid code.

page 189 slip (B)

the question should be reexamined by the D.P.S in all its aspects. In the meantime the rules contained in chapter XI of the grant-in aid code will be held in abeyance.

8x
11.3.19.

NY
11.3.19.

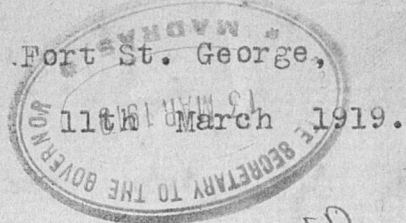
CA
11.3.19.

Submitted

11/3/19

H/11/1

B73
C. 11.3
7



My dear Moir,

I think these papers are fairly self-explanatory. The facts are that the Hon'ble Mr. Richmond has given a sum of Rs.30,000 for the promotion of European education. He applied to the Director of Public Instruction for a half grant under the Grant in Aid Code to supplement his endowment and he has received the reply that the operation of the rules in the Grant in Aid Code was to be entirely held in abeyance. I asked Ramachandra Rao what this was based upon and you will see what he says in the note. Of course the matter is not one with which it is for me to interfere, but I was not quite sure that it was the deliberate intention of the Government order to suspend the grant of all assistance to endowments for what may be a long period pending the consideration of the general question and I therefore send you the file for your perusal. Perhaps you would kindly ascertain His Excellency's views about it.

Yours sincerely,
A. G. Cardew.



6/5/19
GOVERNMENT HOUSE,

Madras,

16th April 1919.

My dear Davidson,

Lord Pentland desired to do nothing further in this matter until Mr. Littlehales had had full opportunity of considering the question which is a very complicated and difficult one. As you have taken over charge of the Educational portfolio I forward the records to you.

Yours sincerely,

Alfred.

The Hon'ble Mr. L. Davidson, C.S.I., I.C.S.,

Ootacamund.

2
'Woodsides',

Ootacamund. ✓

21st April 1919.

My dear Littlenailles,

(M) One of the papers which I have received from the Private Secretary relates to a proceedings of yours bearing No.1651/19 and date 7th March 1919, declining under paragraph 7(iv) of G.O.No.112 Home (Education) dated 25th January 1919 now to consider an application from the trustees of the Richmond Education Trust for a half grant. The issue was raised whether it is the deliberate intention of the Government Order to suspend the grant of all assistance to endowments for what may be a long period pending the consideration of the -- general question, and I understand from Duff that it was Lord Pentland's desire to take no action in this particular case until you have had full opportunity of considering the very complicated and difficult - question of principle. I am not cognizant of the full history of the matter, but on the face of it article 61 of the Grant-in-aid Code is purely permissive and while prescribing a maximum of one half of the private contribution

8
contribution stipulates for the sanction of Government in each case.

(M) I shall be much obliged if you ^{will} consider this aspect of the matter and let me know in due course whether you think it necessary to enforce the final sentence of paragraph 7 of G.O.No.112 dated 25th January 1919 holding Chapter XI of the Code in abeyance, or would be prepared if this instruction were relaxed to deal with the application for assistance to the Richmond Education Trust on its merits.

Yours sincerely,

Mc.
The Hon'ble Mr. A. Littlehales,
Director of Public Instruction,
Madras. *21-4-19*

208/18
See Please Sp. for copy & retain of
File ready repl *21-4-19*

9
D.O. No. 92

13 Edu 85-3 B
284. C
Office of the Director of Public Instruction,
The Old College, Mungambakkam,
24th April 1919.

Amie Seal
Dear Davidson,

I think I sent this into office 22
Regarding Endowment Grants and in reply to your D.O. dated 21-4-19.

pp 7-8
No provision is made under the Code of Regulations for European schools specifically, as is made in the Grant-in-Aid Code, for endowment grants. The application for a grant from the Trustees of the Richmond Educational Trust would have to be treated under Rule 44 (f) of the Code of Regulations for European schools which reads "Special grants may also be made on the recommendation of the Inspector for any other reason which the Local Government may consider sufficient". The application of the Trust for an Endowment Grant was held in abeyance by analogy with the orders of Government regarding Endowment Grants in the case of non-European schools, so that equality of treatment should be meted out and the same general principles applied to European as to non-European schools. Technically then, the case of the Richmond Trust could be treated at once without the necessity for Government relaxing any instruction issued in G.O.No.112 dated 25-1-19. I should consider it undesirable however to treat it without specific relaxation of the portion of the G.O mentioned in your letter for the reasons just stated.

para 7 (iv)
The recent (i.e. since 1914) history of Endowment Grants began with a note I wrote for the Educational Conference, a copy of which I enclose. Some of the difficulties of the problem are indicated therein, and I should like to discuss them with you.

pp 11-14
I have already passed preliminary orders to my office on the whole of G.O.No.112 and do not think I am too optimistic in thinking that I shall be able to address Government on all the questions raised in the G.O in June at latest; that being so and in view of the undesirability of orders being passed on one endowment application

which

which might be in conflict with the principles that are subsequently adopted by Government, I think that the Richmond Trustees might "bide a wee". I am quite prepared however to treat this application immediately if you so desire.

Yours sincerely,

W. S.

To
The Hon. Mr. I. Davidson, C.S.I.,
"Woodside"
Ootacamund.

EDUCATIONAL CONFERENCE.

ENDOWMENT GRANTS.

Prior to 1885 no provision was made in the Grant-in-Aid Code in this Presidency for the award of grants towards endowments. In the Code which received Government sanction with effect from July the 1st, 1885, provision was made for the award, under certain conditions, of "grants equal to one half of the amount given or devised for the endowment of professorships, teacherships, scholarships, museums or other definite objects approved by Government." This was at a time in the history of grants-in-aid during which the salary grant system, under which the majority of the qualified teachers employed in aided schools earned for the managers of the schools in which they were employed grants equal to one-third of their salary, was one of the systems in force in Madras. It may be presumed that the ratio of one-third of the total amount of the endowment was fixed by analogy with the amount of salary grant then awarded on behalf of qualified teachers.

From 1885 to the present date the objects and conditions of award have been only very slightly modified in succeeding editions of the Grant-in-Aid Code, and the ratio of the amount payable by Government to the amount subscribed privately towards an endowment has not been changed. Government therefore subscribes to this source of income only one-half of the amount raised, while other grants are given on the base of an equal contribution.

According to clause (v) of article 62 of the existing Code "no salary towards the endowment of which a grant has been paid shall be included as admissible expenditure for the purposes of determining the amount of aid to be given to a school or college."

It is doubtful whether any school management which bases its actions on sound financial principles will under the present regulations ever apply for an endowment grant. By obtaining an endowment it is penalized by not being permitted to consider the interest on even its own share of the endowment as permissible expenditure in the assessment of teaching grants. To take a concrete case, let us assume that an endowment of Rs. 3,000 is formed, Rs. 1,000 of which is the Government contribution, and that it bears interest at 4 per cent per annum. The Government contribution thus amounts to Rs. 40 per annum and the contribution of the management to Rs. 80 per annum. In this illustration the income of the management is increased by Rs. 40 per annum by that portion of the endowment which was met from public funds, while at the same time its income from teaching grants is diminished by one-half of Rs. 120, i.e., by Rs. 60 per annum, the net result of which is an annual loss to the management of Rs. 20 per annum in the shape of diminished teaching grants together with the locking up of capital under conditions (one of which is that the capital yields a low rate of interest) that might not be fully acceptable by the manager but which he has to accept since they are laid down in article 62 of the Code as conditions on which the grant was made.

If instead of obtaining an endowment grant on the amount originally subscribed for the endowment (say Rs. 2,000 as above), the management had itself invested this sum at 4 per cent interest it would have obtained an income of Rs. 80 per annum which it could utilize as ordinary recurring income and receive an annual teaching grant of Rs. 80 per annum on this account, provided its total expenditure exceeded by at least Rs. 160 fees at standard rates, leaving itself free to deal with the capital as it is considered best. The following hypothetical balance sheets in which the expenditure is Rs. 5,000 and the income from the fees at standard rates is Rs. 3,000 per annum will perhaps explain the position. Items of income and expenditure which are unnecessary to the argument may be considered to be omitted from or consolidated in these returns.

I. Case in which an endowment is formed under the conditions in the existing Grant-in-Aid Code—

Receipts.				Expenditure.		
Fees ...	...	...	Rs. 3,000	Rs. 5,000.	5,000—3,000—120	
Teaching grant ...	...	...	940		2	
Endowment ...	...	...	120 (a)		= Rs. 940	
Manager's funds ...	...	...	940			

(a) Rupees 80 of which is income from that portion of the endowment which is subscribed for private.

In this case the management pays Rs. 1,020 (940 plus 80) and Government pay Rs. 980 (940 plus 40).

II. Case in which the amount of Rs. 2,000 is funded and the income therefrom used to meet current expenditure—

Receipts.				Expenditure.	
Fees ...	...	...	Rs. 3,000	Rs. 5,000.	
Teaching grant ...	...	...	1,000		
Interest on funded capital ...	...	...	80		
Manager's funds ...	...	...	920		

In this case the manager pays Rs. 1,000 and Government pay Rs. 1,000 towards the up-keep of the school.

In general terms the manager loses, as a matter of fact, income from teaching grants to the net extent of one-quarter of the interest that accrues to his share of the capital that is invested in the endowment.

One principle underlying the aid that is given to secondary schools is that it should supplement local aid to an extent not greater than the amount that is raised by local private effort. The department has continually insisted upon the desirability for placing such local aid as is raised by private effort in some such form, e.g., as an endowment, as will ensure a permanent guaranteed income to the institution which the aid is intended to benefit and thus ensure its greater stability. It is therefore a matter for consideration whether some changes are not desirable in the rules regulating the payment of endowment grants which will tend to place endowments on a much more favourable footing than they are at present.

Two alternative methods of doing this present themselves at once, one is to retain the proviso of rule 62 (v) of the Code but to increase the ratio of aid so that Government may provide an amount equal to the provided from private funds, the other is to retain the present ratio of one-half, but to delete the proviso of rule 62 (v) of the Code.

The former method would appear to bring endowment grants exactly into line with other grants to secondary schools. As a matter of fact, however, it would, in certain eventualities do more than bring endowment grants into line with other grants. It will be observed that the principle of provincial funds providing an amount equal to that provided by the management is generally applied in all cases of non-recurring grants (building, furniture, etc., grants), but that in the case of recurring grants (i.e., teaching grants) the principle is applied only to such schools as are run at some cost to the management. If the maintenance of the school costs the manager nothing, then nothing is paid as teaching grant by Government.

Now, endowment grants are strictly speaking recurring grants in perpetuity. The interest of Government in a building grant expires at the end of a period of forty years, and in a furniture grant at the end of five years. When an endowment is, however, once formed its life-time cannot be measured in definite finite terms; the object for which the endowment was originally made may become obsolete, the conditions of utilization of the interest on the endowment may be subjected to change as time goes on, but the actual funded capital of the endowment and consequently the interest that accrues on this capital is of as permanent a character as is the stability of the Government in whose securities the capital is invested. The payment then of a grant towards an endowment which is to be utilized on the provision of some object involving recurring expenditure is really

equivalent to the grant by Government of a permanent recurring income or 'teaching grant' to the institution for whose benefit the endowment was established. If now the institution which has received the endowment grant is more or less self-supporting, excluding the endowment, then it earns no teaching grant and yet it will be in receipt of the equivalent of a permanent annual maintenance income which is the interest that accrues to that portion of the endowment that is subscribed by provincial funds.

Endowment grants to such institutions as these (the Hindu High School, Triplicane, is an instance) work out therefore in practice at more favourable terms than they do to institutions in which the fee income goes only a very small way towards meeting the whole cost of maintaining the institutions. The above argument obviously applies in general to all endowment grants for recurring expenditure no matter what fraction of the total amount of the endowment is met from Government funds.

The alternative method would place endowment grants at an advantage over the other grants-in-aid to secondary schools. A concrete instance will indicate this. Let us assume that an endowment to provide for a salary for a teacher at Rs. 120 per mensem is formed, and that the capital cost (and consequently the income from the endowment) is met by Government and private funds in the ratio of one to two respectively, which is the ratio laid down in rule 61 of the Code. Government will then provide a capital sum yielding interest at Rs. 40 per mensem and the management, a capital sum, yielding interest at Rs. 80 per mensem. If now the cost of the teacher is allowed to be considered as a part of the recurring expenditure upon which grant may be earned under Rules 32, 33 of the Code, Government will be called upon to bear one-half of the net cost of this teacher's salary; that is Government will be called upon to pay an additional Rs. 60 per mensem. The net result would be that Government would meet Rs. 60 plus Rs. 40, i.e., Rs. 100 while the management would meet only Rs. 80. Thus the ratio of the expenditure on this account that would be met by Government to that met by the management would be 10 to 8 or 5 to 4 or put in other words, Government would find 25 per cent more of the expenditure on this account than is found by the management. This argument assumes that the income from fees on standard rates is very much less than the expenditure.

If this is not the case then only a portion of the salary of the teacher may be permissible for calculation in estimating the grant earned by the school, and the cost that may have to be met by Government on account of this endowment will be to the cost that is met by the management in any ratio varying from $\frac{1}{2}$ to $\frac{5}{4}$; the greater the total expenditure that is met by the management the higher will be the Government portion of the cost on this account subject to the maximum limit of a ratio of 5 to 4. It will be noticed here also that Government provide a minimum fixed income to be used on recurring expenditure.

A third method that might be adopted has been suggested. It is to modify rule 33 of the Grant-in-Aid Code so that it may read somewhat as follows:—

"The grant allotted to an institution will ordinarily be equal in amount to the income guaranteed from permanent endowments vested in the Treasurer of Charitable Endowments plus half the net expenditure.

"In calculating the net expenditure for the purposes of this rule the following deductions only shall be made from the total outlay on the institution:—

"(i) expenditure on objects for which grants are sanctionable under other chapters of this code;

(ii) expenditure on objects which in the opinion of the Director of Public Instruction are not essential to the efficient management of the institution; and

(iii) the fees calculated at standard rates from the entire strength including scholarship holders."

The effect of this will be to give every school that cares to obtain an endowment a permanent fixed income to be utilized on recurring expenditure independently of its teaching grant, of a total amount which is made up of contributions from Government and the management in the ratio of 2 to 1, Government subscribing twice as much as the management. This is seen as follows. In the

original endowment Government has presumably under the rules in force provided one-third of the total amount of the endowment, and therefore a third of the interest that accrues on the endowment. If then Government is to give in addition an amount equal to the income guaranteed from the endowment, the subscription of the manager is to the subscription of the Government as two-thirds is to one-third plus one, i.e., 2 to 4 or 1 to 2.

The theoretical objections to the institution of any kind of endowments may be just referred to in passing. The aim of the endowment may be obscured through course of time, it may eventually become impossible to fulfil the purpose of the founder, the prescriptions may be narrow, the social needs of the time which called forth the endowment and the requirements of the institution that benefits will change, large endowments make the beneficiaries idle, and indisposed towards exertions, schools and colleges with endowments for scholarships are able to secure pupils without the necessity of competition with other institutions, they place a premium on the teaching of things long after the spirit of the age has got beyond them, they are a vicious exception to the laws of nature in enabling the dead to retain its power indefinitely over property that belongs to the living and to dictate for all time, in virtue of a transient possession, to what purpose property, which only retains its value by the work of the living, shall be applied. On the other hand it is argued that endowments have their value in maintaining chairs in subjects which are or may become important but which are not popular. Sir Joshua Fitch has suggested as conditions under which endowments might be accepted that the object should have worth, that the mode of attaining it should not be too rigidly prescribed, that it be managed by a broad-minded governing body and that the State should supervise and make amendments where necessary for the benefit of the public. The objections to endowments except under some such conditions are strong and any new rules for endowment grants would have to contain conditions designed to meet them and might involve withdrawal from the policy of giving grants towards some of the specific objects mentioned in rule 61 of the Code.

relating to the Provisional
ation of the Government
Memorial School - now in
London

NOTES.

Home (Ed)

With refer: to 'A' of the D.

D.O. at p. 9 ante, H.M. has written in a file that the Director is to arrive in on the 12th May and the discussion which the Director desires to have will apparently have to be arranged for only after that date. For orders whether the case may be over till then.

29.4.19

S. J. P.

O no. H.M. wants the references at once.

For orders whether the case may be over till discussion with the D.P.S. or he should be asked to take up this case under Art 44 f of the European Code

H.M.

May 30/4/19

Yr: Please.

D. S. U.



Noted

1.5.19

Inform D.P.S. accordingly; & Submit file to H.M. so as to reach him on 12 May morning May 1/5/19

0x11
12-5-19

8(a)-160,004-18-1-17.

NO

D.O.

applied

"My dear Sir,

Fig out

'92, d/ 24th April

'grant-in-aid of the

'Trust, addressed to

'Davidson, I am to info

'^{is prepared} to discuss with

'question of Endowment

'as you get ^{ready} up to Gokarna

To the Honble Mr. Littlehales

M.A,

Aq: D. P. S. School,

Nungambakkam,

Madras

The DP9 has arrived

(ah
mm
12/5)

HM

I have asked Mr Little

Take this case up on it

seems to admit of it

There are fe

appl

lc

(M)

The D. P. D. will presumably be addressing Govt. officially in the matter. Submitted that the official communication may be awaited: if it is not received by the 15th June next, the Director will be reminded.

15.5.19

[Signature]
16.5.

*out of the
domain
of the*

The D. P. D. may be requested w/o to state when his official report on the subject of a grant in aid of the Richmond Education Trust may be ~~expected~~ expected.

17.6.19

[Signature]

This file cannot
be out as
Sund a d-o

The following draft D.O. is for afft.

D.O. 8536-2
18.6.19.

My Dear Littlehaires,
With reference to the correspondence ending with
"my D. D. No. 853/B-1, d/18th May 1919, it is understood that
"the Honble. Mr. Davidson has asked you
"to take up the question of a grant in aid
"of the Richmond Education Trust on the
"merits of the case. I am to ask you
"whether you intend sending up the case
"officially and if so, when it may be expected."
Yours sincerely.

[Signature]
To the Honble. Mr. R. Littlehaires
ag. D.P.D.
Coty Club.
17.6.19



Edn C No. 1248 B

23-6-19

Camp, Ootacamund,

20th June 1919.

D.O. Camp No. 135/19

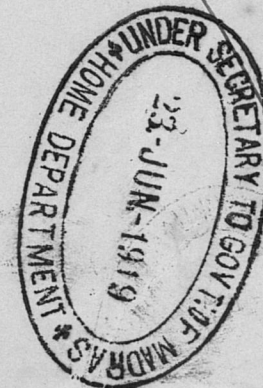
My dear Hilton Brown,

Your E.O. No. 853 B-2 dated 18th June 1919.

I am addressing Government officially today regarding the Richmond Education Trust.

Yours sincerely,

To
Hilton Brown, Esq., I.C.S.,
Home (Education) deptt.,
Ooty.



[C.N. 1246 B]. From the D.P.D. Re no. 4621/19 D. 21. 6.

The official letter promised by the D.P.D. ^(dealing with the) application of the trustees of the Richmond Enea Trust for an endowment grant has since been received & will be found on pages 1-13 C.F.

2. In the first place the Code of Regulation for European Schools makes no provision for payment of endowment grants as does art. 6 of the Grant-in-aid Code for non-European schools. The latter has also been specially declared inapplicable to European schools - art. 1 of the Grant-in-aid Code. The fact that the current application is made on the analogy ^(art 61 of) of the ordinary Gr. in-aid Code does not in any way help the applicants. The applicants are also under a misapprehension when they say in para. 2 of their letter on p. 5 C.F. that the endowment is "entitled" to a grant from Govt. No body or institution is entitled to a grant inasmuch as all grants are given as a matter of grace and the Codes merely embody the general principles on which grants are sanctioned in the ordinary course.

3. The only provision under which the present application can be brought is ~~shown~~ ^{found} in art. 44 of the European Code which enumerates the several purposes for which grants may be made to Schools. Clause (f) of that art. adminis



of special grant being sanctioned² for any other reason which the local Govt. may consider sufficient. Even this clause cannot strictly speaking be applied, because the Code appears to contemplate the payment of grants only to schools and not to bodies or associations which do not maintain schools. This point is also emphasized by the D. in para. 5 of his letter on page 3 c.p.

4. It will thus be seen that according to the strict provisions of the Code of Regulations for European Schools the application cannot be accepted. There are also other reasons against the acceptance of the application and they are dealt with fully by the D.P.D. in paras 2, 3 & 4 of his letter to which attention is solicited. There is, however, nothing to prevent the Govt. from making an exception to the rule, if that precedent will not land them in difficulties pointed out by the D.P.D. at "M" in para. 2 of his letter on page 2 c.p. In the circumstances it is for consideration whether the request of the applicants ~~will~~ may be ~~granted~~ ^{negatived}. There appears to be no precedent for it.

- 5 The question of Scholarships referred to in para. 6 of the D.P.D.'s letter is not a new one -
- (u) see para. 3 (9) on page 4 of letter No. 2398 of 26.2.
 - (Q) para. 18 of letter from the Govt. of India printed p. 8 of G.O. No. 124 of 1-2-17 and para. 13 ^{on p. 5 of}
 - (K) to G.O. No. 876 Home (E.S.) of 2-7-17. No special action

pages 2-3 c.p.

page 4 c.p.

action was considered necessary in the past. If and when the D.P.D. submits proposals for their increase they may be considered on their merits.

M
17/9
JL
As the rules stand, it looks as if we should have to refuse. I think, a severe strain on Art 44(f) of the European Code & its interpretation. Moreover we must agree with the D.P.D. that the precedent of making this special concession to a small & exclusive community might well become a thorn in our flesh.

AM
528

7/7/19

AM (on rehn to 103)

File 103

This case recalls to mind the discussion about a grant in aid of the hostel founded by the Indian Officers' Association, another small & exclusive community, which has succeeded in securing a Govt endowment. In this instance the beneficiaries wd. be members (present or future) of the Anglo-Indian Association: and it may be claimed that the Anglo-Indian community in view of

NOTES.

educational backwardness, ^{with} improvement, & the rarity of officers like Mr. Richards; ~~the~~ ought to be treated with not less consideration than ^{the} comparatively well-to-do Gov't servants ~~and~~ ^{as} ~~as~~ who join the Indian Officers Association.

Please put up the papers about the grant to the Indian Officers Association & examine this aspect of the case. I do not ^{clearly} remember if that grant was regarded as falling within the Grant-in-Aid Code; if it was a special grant outside the Code, this case presents definite analogies. The grant to the I. O. Assocⁿ was subject to certain conditions designed to secure general control by the Dept., but I believe the admission of individuals to the hostel was left to the Committee, just as in this case the selection of scholars rests with the Council of the A. I. Assocⁿ.

Personally I have regarded the grant to the I. O. Assocⁿ as a very doubtful step, & I look on it as important that, if in this case we refuse assistance, we should be prepared with a complete defence against the argument that differential treatment ^{is} given to the I. O. Assocⁿ.



Mr. [unclear]
23 July.

NOTES.

The file relating to the payment of a half grant of Rs.40,000 for the provision of a hostel for the children of the members of the Indian Officers' Association is linked.

25

Pages 21 & 22 ante.

2. The points raised in the H.M's note dated 18-7-19 are briefly noted on below:--

(1) The Indian Officers' Association is ~~an~~ another small and exclusive community.

Attention is solicited to the Director of Public Instruction's note on page 6 ^(note in the linked file) ~~ante~~ in which he has explained that persons who are eligible to be members of the Indian Officers' Association do not form a separate community "or an integral portion of the population of India in the same way as the other classes do" to which he has referred therein, namely, Europeans, Muhammadans, Savaras, Khonds, Panchamas, children of Rajas, chiefs, nobles etc. etc. No doubt the membership is limited to persons drawing at least Rs.200/- per mensem. This is done with a view to prevent the association from becoming unwieldy and because it is only persons of so much means at least who will be in a position to send their children to Madras for education. Apart from this, as the Director of Public Instruction states, the association cannot be said to be an exclusive community.

(2) The Indian Officers' Association has succeeded in securing a Government Endowment. It is submitted that the grant to be given to the Indian Officers' Association is not an "Endowment" grant but only a "building" grant. The former is given under arts

This seems to me rather special pleading based on the word community. If I had said class not community - which would have served my purpose just as well, this note would have been all right.

LD
30.7.19
p. 21 ante

Again special pleading for the gift of a building or half its cost is an endowment in ordinary parlance.

LD
30.7.19

arts 61 and 62 of the Gr.-in-aid-Code; it is a capital investment yielding interest which alone is spent. The latter is given under art. 50 to 52 of the Code for immediate expenditure on buildings. The two grants are thus different. The grant applied for by the Anglo Indian Association is an endowment grant.

(3) The Anglo-Indian Community ought to be treated with not less consideration than the comparatively well-to-do Government servants who join the Indian Officers' Association. If, in view of the explanation given in sub para (1) above, it is conceded that the members of the Indian Officers' Association do not form a separate community, the Anglo-Indian Community cannot properly be compared with that association. Further, the Indian Officers' Association has not been treated specially violating the provisions of the Grant-in-aid-Code; for, the object of the grant is the acquisition of a land and the erection of a hostel (art. 50 (1) & (3)); the amount of the grant is one-half (art. 54) and the whole thing is subject to the conditions of the Grant-in-aid-Code and other additional conditions specially imposed.

(4) Is the grant to Indian Officers' Association regarded as falling within the Grant-in-aid-Code.

Please see the Hon'ble Mr. Rajagopalachariyar's note at K on page 13 of the notes in the linked file. The H.M. suggested that the grant should be outside the Grant-in-aid-Code. No further orders on this point have been recorded.

p. 22 ante

page 20 quote
in the linked case.

p. 22 ante

NOTES.

But from the order in Council on page 20 of notes in linked file it would appear that the grant is to be sanctioned under the grant-in-aid code - further, the grant is being sanctioned in this department. If it were outside the Grant-in-aid-Code it would have been sanctioned in Financial as in the case of G.O.No.288 Financial dated 31-3-19. Further the grant is subject ~~non~~ ^{to} ~~not~~ to the conditions of the Grant-in-aid-Code. It is ~~may~~ therefore ^{to} be regarded as falling ~~purely~~ ^{clearly} within the provisions of the Grant-in-aid-Code. As regards the further conditions imposed, please see the order in Council on page 20 of the notes in the linked file. It will thus appear that there is no analogy between this grant ^{in the present case} and the grant to the Indian Officer's Association.

M
24.7.19.

TL
25/7/19

S
25.7.19

The papers are submitted.

2. In the case of the I. O. A. the purpose was a hostel for schoolgoing children - In this case the purpose is to issue loans which are repayable.

my
29/7/19

H.M.

It was, so far as I recollect - and the D.P.1 confirms my recollection - intended that the grant to the Indian Officer's Association should be reported as a special contribution outside the Grant-in-aid Code though

This sh. be
clearly brought out
in the final order.
LD

Post from the order in Council on page 20 of notes in linked file it would appear that the grant is to be sanctioned under the grant-in-aid code - further, the grant is being sanctioned in this department.

The papers are submitted.
2. In the case of the I. O. A. the purpose was a hostel for schoolgoing children - In this case the purpose is to issue loans which are repayable.

It was, so far as I recollect - and the D.P.1 confirms my recollection - intended that the grant to the Indian Officer's Association should be reported as a special contribution outside the Grant-in-aid Code though

26

subject to the conditions of that Code and other conditions designed to secure effective general control by the D.P.I. It still seems to me that in essential aspects, as distinguished from technical points e.g. the difference between a "community" and a "class", or the code rules regarding "endowments" and "building grants", the two cases do present a definite analogy. It would not be easy to devise a condition giving the D.P.I. effective general control over the Richmond Trust without stipulating for modification of the terms of the trust deed e.g. as to the selection of individual scholars.

On the whole I think it is better to express regret that Govt cannot support this very special endowment.

LD
30.7.19

H.E. the Governor.

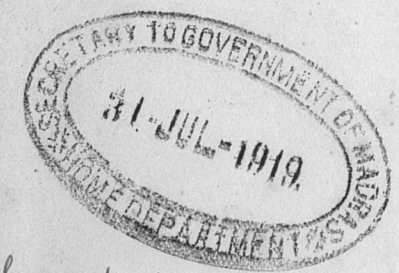
W. 31.7.19.

A draft order is dated:

2 H.M.'s direction on the margin of the previous page will be noted in drafting final orders on the application of the Indian Officers' Association.

26
1.8.19

S.
4/8/19



Relevant portion extracted & sent to the D. for addn to the file.

13.8.19
ANN

(१६५)

191 .

191 .

919.

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No. 952, dated 4.8. 1919.

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READ AGAIN G.O. No.
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DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

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LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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