E. 21

300—23-12-01

Educational (1905) Department.

ORDINARY PRINTED.

G.O., No. 255

DATED 19-4-05

INDEXED

N. P.

ORIGINAL

[Despatch Abstract.]

Passing orders on letter from the Director of Public Instruction submitting for consideration a new system of financial arrangement between Provincial and Local Funds.

BACK PAPERS.

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

FURTHER PAPERS.

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

Government {1905} of Madras.

EDUCATIONAL.

Read. } 1905. *Enclosures*

Regd. } *Spare copies*

ORIGINAL

G.O., No. 255, 19th April 1905.

R. P.

APRIL.

Passing orders on letter from the Director of Public Instruction submitting for consideration a new system of financial arrangement between Provincial and Local funds.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—the following paper:—

From the Hon'ble Mr. A. G. BOURNE, D.Sc., F.R.S., Director of Public Instruction, Madras, to the Secretary to Government, Educational Department, dated 24th January 1905, C. No. 511.

Before addressing Government with reference to paragraph 12 of the Resolution of the Government of India on Indian Educational Policy on the subject of the abolition of the results system, and the substitution in its place of another system of aid based upon simpler principles and upon more equitable tests of efficiency, I submit for the orders of Government certain proposals for altering the financial relations which now obtain between Provincial funds and Local funds in so far as education is concerned. It is very desirable that this question should first be settled, for as I shall show presently the existing financial arrangements between Provincial and Local funds are due to the complicated nature of the system of aiding schools upon the results shown at examinations, and any change in the latter involves a concomitant alteration in the former, the two being inextricably bound together.

2. It is not necessary that I should here attempt a history of the Grant-in-Aid Code but I may be allowed to point out that, in this province, the grant-in-aid system which was originally intended for private agencies has been extended in a curious way so that public funds are now utilized, under rules which were laid down with another object, to aid other public funds, namely, those of Municipalities and Local Boards, thus leading to anomalies the removal of which is necessary in order to simplify the system of aid. The present situation is this: Local Boards and Municipalities manage schools of their own. These schools are maintained partly from Local funds and partly by means of Provincial grants given under the Code.

In so far as local bodies receive grants from Provincial funds under the Code, they are treated like private agencies, but these bodies themselves in their turn aid schools up to a certain standard and as such they stand in the relation of controlling agencies in regard to private bodies, though as stated above they are themselves treated in the light of private bodies in so far as they receive Provincial aid. This anomaly becomes still more glaring when it is remembered that though local bodies are supposed to aid private institutions up to a certain standard from their own funds, and thus take part in the elementary education of the country, it is this Department that actually determines the distribution and disposal of the grant and as such constitutes the real sanctioning authority. The local bodies have practically no option and must acquiesce.

The introduction of the subsidy system in 1902 has further complicated matters, for under this system Provincial funds are given to local bodies so as to enable them in turn to aid private institutions, the real sanctioning authority even in this case being the departmental officers. Not only this, a portion of the subsidy has been utilized in the payment of results stipends to teachers in schools under the direct management of these bodies. The result of all this cumbersome and circuitous procedure has been a mass of figures and an extreme difficulty in seeing what a local body is doing for the cause of education.

It is the system of results grants that has led to all this complication; for the present distribution of financial responsibility in regard to aid is the result of the Code laying down as a hard and fast rule that grants for certain standards should be paid from Provincial funds and from Provincial funds alone, and those for other standards

from Local funds; and this again in turn is the outcome of the system of aid which is based upon the results of the examination of individual pupils by standards, the system which has been condemned and is to be abolished.

3. The great complication and the full financial effect of the present system are not immediately obvious. I give a few instances—

(i) A Board school contains standards Infant to IV. The Board is supposed to maintain standards Infant to III. For standard IV provincial grants are given; these frequently amount to the total net cost of the entire school so that many Board schools are entirely supported by Provincial funds and have even been—though this should have been discovered and stopped—a source of profit to the Boards at the expense of Provincial funds.

(ii) Article 79 of the Grant-in-Aid Code lays down that "The maximum results grant to a school shall be the sum required to meet that part of the current expenditure which will not be covered by the receipts from fees, endowments and miscellaneous sources. The current expenditure shall be taken to be the cost of the staff together with an addition not exceeding 25 per cent. thereof for supervision and sundry charges." A similar provision for fixed grant schools is contained in Rule 56 of the Code. The current expenditure has been in many cases taken to mean the expenditure by a Board in all the standards and this has been taken to be the maximum limit of aid from Provincial funds though Provincial funds are intended to meet the aid for only upper primary and lower secondary departments. The result of this is that grants from Provincial funds in many cases meet the greater part of the current expenditure on Board Upper Primary and Lower Secondary schools leaving very little for Boards to meet from their own funds. This curious financial effect is noticeable chiefly in Board Lower Secondary schools. The statement below gives the net expenditure met from Provincial and Local funds on Board Lower Secondary schools:—

Statement showing the number of Local Board Lower Secondary schools for boys (English and Vernacular) and the net expenditure on them met from Provincial and Local funds during 1903–1904.

Districts.	Number of Local Board Schools.	Expenditure met from Provincial funds.	Expenditure met from Local funds.
		Rs.	Rs.
Ganjám	3	1,861	454
Vizagapatam	6	3,642	50
Gódávari	20	4,524	6,249
Kistna	10	2,122	309
Kurnool	1	258	357
Bellary	1	610	— 86
Anantapur	1	780	— 136
Cuddapah	2	650	— 48
Nellore	2	769	471
North Arcot	5	1,419	1,080
South Arcot	5	2,460	— 158
Tanjore	7	2,117	3,730
Trichinopoly	3	1,400	— 156
Madura	2	799	676
Tinnevelly	2	235	564
Coimbatore	5	1,890	1,250
Salem	8	3,756	879
Malabar	10	2,833	— 2,020
South Canara	4	970	— 1,388
Total ..	97	* 33,095	12,077

* Includes Rs.532, grants for furniture and other special objects.

The above statement shows that whilst Local Boards spent only Rs. 12,077 on 97 Lower Secondary schools under their own management the expenditure on these schools met from Provincial funds was Rs. 33,095. This state of things is an entire reversal of the principle upon which the system of grant-in-aid should be based; for this system presupposes that the managing body meets the greater portion of the expenditure on its own schools, Provincial funds coming in only to make good any deficiency. As things stand at present it is just the other way in regard to Local Board Lower Secondary schools, Provincial funds meet the greater portion of the expenditure, Local

funds coming in to make good any deficiency. In fact in as many as seven districts, Local Boards have not only nothing to spend on their own schools they are actually making a profit on their schools at the expense of Provincial funds.

(iii) Grants are paid from Provincial funds on behalf of girls reading in any standard of a boys' school. These are paid at very high rates (Rule 91 of the Code) and a few girls in a school go a long way towards paying the expenses of the school. These high rates were fixed to induce private agencies to take up female education, but it does not cost a Board or Municipality any more to add a few girls to its existing schools and there is no reason why it should be a source of financial profit to it.

(iv) The adoption of the salary-results system for Board and Municipal schools has led to further financial complications at the expense of Provincial funds. According to this system the teachers are paid certain fixed salaries *plus* a definite proportion of the grants earned, which sum is known as results stipends. The utilization of the subsidy in payment of results stipends to teachers in these schools combined with the curious mode of working the net cost limit alluded to in (i) and (ii) above has led to Provincial funds being burdened with a large portion of the charges relating to results stipends. It is needless for me to enter here into the question of the legitimacy of utilizing the subsidy for paying results stipends. The subsidy, it is clear, was originally intended to enable Boards to pay results grants in full to schools under private management but the Government evidently approved of the utilization of the subsidy in paying results stipends as well—*vide* G.O., No. 876 L., dated 13th July 1903. I give a single concrete instance to show what may take place. A Board Upper Primary school has three teachers with salaries of Rs. 10, Rs. 7 and Rs. 6 per mensem, the monthly contingencies amount to Rs. 3 and the monthly fee income to Rs. 5. The net cost of the whole school is Rs. 250. The three lower standards are examined and earn, say Rs. 80, which is an average grant for the lower primary standards. This amount is supposed to be met entirely from Local funds. The pupils of the fourth standard, which may be a large one, appear for the Primary examination. If they do well the earnings for this standard may easily exceed Rs. 170. At the end of the year, the Sub-Assistant Inspector makes out a stipend bill of Rs. 250, the total net cost limit, which is divided in proportion to salaries among the teachers. Of this sum Rs. 80 is debited to Local funds, being earnings for the lower standards, and Rs. 170 to Provincial funds, being earnings for the fourth standard. Yet if we consider the net cost of upkeep of this fourth standard, it amounts at the most generous calculations to Rs. 110 but under the present sytem is difficult to fix. Out of a subsidy of Rs. 2,18,378 paid to Local Boards in 1903–1904, a sum of Rs. 63,330 was estimated as having been spent in the payment of results stipends. The Boards' share of results stipends was Rs. 84,560.

4. The printed statement appended to this letter gives detailed particulars relating to Local Board and Municipal expenditure on education. Statements I and II are based upon General Table 7 of the Report on Public Instruction for 1903–1904, and they show not only the net expenditure incurred by Boards and Municipal Councils on their own schools, district by district, but also the Provincial grants to Board schools and also the grants to schools under private management passed from Local and Municipal funds. In one word, the statements are meant to indicate the respective shares which Local and Provincial funds are at present bearing in the maintenance of Board schools as well as in aiding institutions under private management. Expenditure on special schools is excluded, as the system of financial arrangement which I am about to propose will leave these schools which are insignificant in number, untouched. also expenditure on buildings which is not a recurring charge. The expenditure met from Local funds on inspection, amounting to Rs. 1,16,566, is also not taken into account as this is an indirect expenditure. Statements I (*a*), I (*b*), I (*c*) and II (*a*), II (*b*) and II (*c*) give an analysis of the figures in statements I and II.

A comparison of the figures in the printed statements with those in statements XIX to XXI in the report on the working of Local Boards for 1903–1904 (*vide* G.O., Nos. 1575–1577 L., dated 12th December 1904) reveals certain differences and they are due chiefly to the following causes. The net expenditure on Board schools as given in the report is less than that shown in the printed statements because the North Arcot, South Arcot, Tanjore and Salem Boards have evidently taken credit for

larger amounts of Provincial grants than they had actually received. This also accounts for the variations under Provincial grants to Board schools. The variations in the figures relating to Local Board grants to schools under private management is due to the figures in the report including not only teaching grants but also building and other special grants and also the subsidy, whereas those in the printed statements include only teaching grants excluding subsidy. I would also point out that the figures prepared in this office agree with the Accountant-General's figures, whilst the Local Board figures do not.

In regard to the statements appended I wish to draw the attention of Government, in the first instance, to the diversity of practice now obtaining among Local Boards and Municipal Councils in regard to the responsibilities they assume in matters educational, making it extremely difficult to compare what one local body now does for education with that undertaken by another. Looking at statement I which relates to District Boards—I have not gone into the question from the point of view of the several Taluk Boards as I presume that it is unnecessary—it is evident that the conditions relating to the educational responsibility assumed by Local Boards vary in a most perplexing manner. The Kistna Board, for example, spent Rs. 31,673 upon its own schools, recovered Rs. 10,069 in the shape of Provincial grants and spent Rs. 13,287 on grants to private schools. In Malabar the amount of Provincial grants recovered was relatively much greater, but the amount spent in aiding institutions under private management was very much less. In Chingleput, the conditions are again different. The Board spends very little (Rs. 5,258) on its own schools but utilizes a large amount of its funds in aiding private institutions (Rs. 13,015). In Madura again still other tactics prevail. Spending about the same amount as Malabar upon its own schools, the Board receives comparatively very little Provincial grant for these schools, utilizes very little of the subsidy for results stipends, but gives very large grants to schools under private management. Whilst there are some Boards like Ganjám, Nellore, North Arcot, South Arcot, Tanjore, Trichinopoly and Coimbatore that spend fairly large amounts both on their own schools and in aiding private schools, there are Boards like Kurnool, Cuddapah and Salem that spend very little in aiding schools as compared with the amounts spent on their own schools. It is also evident that the amounts of Provincial grants that the Boards receive are also by no means proportionate to the expenditure on their own schools, for example, while Vizagapatam which spends Rs. 17,899 receives only Rs. 7,956 in the way of Provincial grants, South Canara which spends not even half the amount spent by Vizagapatam receives as much as Rs. 5,384. So on, from district to district, the conditions vary, making it extremely difficult to compare the educational work of the different boards, and to estimate aright their financial responsibility in the matter of education. Statement II which relates to direct expenditure on education met by Municipal Councils brings out the anomalies in a still more striking form. Compare, for instance, what the Vizagapatam, Rajahmundry, Ellore and Masulipatam Councils are spending on their own schools and in aiding private institutions with what the Máyavaram, Cuddapah, Palghat, Cannanore and Tellicherry Councils are meeting in the way of expenditure on their own institutions and in aiding private institutions as well as what they are in receipt of from Provincial funds. Municipalities like Palghat, Máyavaram, Tellicherry, Chicacole and Cannanore get more from Provincial funds in the way of aid than what they spend on their own schools. As if this is was not enough, some of these Municipalities which make a profit get additional aid from the subsidy for the payment of results stipends. All these anomalies are the outcome of the complicated financial arrangements that the working of the Grant-in-Aid Code has given risen to, and they appear to have escaped notice till now. There are various ways of removing the anomalies but most of them would tend to involve further complication. I am advocating here a drastic remedy which would result in complete simplification.

5. I propose that Local Boards and Municipalities should maintain their own schools without aid from Provincial funds in the shape of grants for teaching, that on the other hand they should be relieved of the obligation of giving grants to any school under private management and that as a necessary corollary the present system of paying a Provincial subsidy should cease.

6. Statements I and II show the financial effect of the proposed scheme. As Provincial grants to Board Schools will have to be discontinued Boards will cease to draw a sum amounting to Rs. 1,26,133 (col. 3 of statement I) and Municipalities Rs. 29,100 (col. 3 of statement II). As the subsidy will be stopped they will also cease to draw that portion of the subsidy utilised for results stipends which amount to Rs. 63,330 (col. 4 of statement I) in the case of Boards and to Rs. 6,209 (col. 4 of statement II) in the case of Municipalities. As a set off against this they will be relieved of paying grants to private institutions, that is Boards will be relieved of an expenditure of Rs. 2,53,589 (col. 5, statement I) and Municipalities of an expenditure of Rs. 1,17,062 (col. 5 of statement II). What Boards and Municipalities will have to spend on their own schools will be the sum of the amounts in columns 2 and 3 which is given in column 7; and this will amount, in the case of Local Boards, to Rs. 4,75,689 and in the case of Municipalities to Rs. 1,04,665. But the actual direct expenditure at present incurred on education from these funds is what is represented in col. 6, *i.e.*, (col. 2—4 + 5). This is because in column 2, the portion of the subsidy utilized for results stipends is included, and so the proposed change will result, in the first instance, in Local Boards incurring an expenditure of Rs. 4,75,689 instead of Rs. 5,39,815 which they do now, and Municipalities incurring an expenditure of Rs. 1,04,665 instead of Rs. 1,86,418. In other words, the proposed change would, in the absence of some adjustment, reduce the direct expenditure of Local Boards on education by Rs. 64,126 (col. 8 of statement I) and that of Municipalities by Rs. 81,753 (col. 8 of statement II).

Actual reduction of expenditure cannot, of course, be permitted nor is it desirable that the change should bring about any immediate financial disturbance. I propose, therefore, that until those Local Boards and Municipalities whose expenditure would be reduced increase their expenditure on their own schools up to the limit they are now spending on both their own and aided institutions, they should be asked to pay the difference in the form of a lump contribution to Provincial funds. This contribution could be reduced year by year as their expenditure upon their own schools increased. Those Local Boards and Municipalities whose expenditure would be increased (*vide* the *minus* signs in column 8 of statement I and of statement II) might continue to receive a lump contribution from Provincial funds to be gradually diminished as they become able to afford more than at present for education.

I presume that it will not be any more difficult to arrange for these adjustments than it was to introduce the subsidy arrangement that is in vogue at present. In the case of several District Boards and Municipalities, the adjustment will be of such a trifling nature that it can be overlooked.

I can see no danger whatever of less being done for education under the proposed system than is done at present. The expenditure will be as much under the control of Government as it now is with this difference that the Director will always be able to advise as to what should be done. He is not in this position at present as it is almost impossible to say at any moment what is being done.

The proposed system should make it much easier to secure more being done for Education as funds become available. The only satisfactory future that I can foresee for the majority of primary schools on the results system which are under private management or rather under that form of private management where the teacher is the manager and the grant and the fees the only source of his income is that they should gradually be brought under public management (Board or Municipality) and an almost necessary preliminary to the development of this policy is the simplification of the financial relations between Provincial and Local authorities.

The proposed system will, of course, led also to an enormous simplification in administration in doing away with the dual source of the grants to schools under private but *bonâ fide* management. The Grant-in-Aid Code may then become a document which he who runs may read.

Enclosures.

STATEMENT I.

Statement showing the direct expenditure of Local Boards on institutions for general education during 1903–1904.

Districts.	Local Board net expenditure at present on Board schools.	Provincial grants to Board schools.	Amount of subsidy used in paying results stipends.	Grants to schools under private management actually paid from Local funds.	Total net expenditure on Secondary and Primary schools actually met from Local funds (2—4 + 5).	What Local Boards will be obliged to spend on Board schools without aid from Provincial funds under the proposed system (2 + 3).	Amounts to be adjusted.
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	11,641	3,980	1,910	23,806	33,537	15,621	17,916
Vizagapatam	17,890	7,956	1,600	9,338	25,628	25,846	— 218
Gódávari	67,436	14,242	10,960	13,494	69,970	81,678	— 11,708
Kistna	31,673	10,069	8,990	13,287	35,970	41,742	— 5,772
Kurnool	12,327	4,290	1,920	3,902	14,309	16,617	— 2,308
Bellary	8,807	3,489	880	8,867	16,794	12,296	4,498
Anantapur	9,259	3,103	1,700	3,915	11,474	12,362	— 888
Cuddapah	12,536	4,768	2,530	8,731	18,737	17,304	1,433
Nellore	14,095	6,298	3,110	11,872	22,857	20,393	2,464
Chingleput	5,258	1,188	1,100	13,015	17,173	6,446	10,727
North Arcot	15,025	7,401	4,020	14,263	25,268	22,426	2,842
South Arcot	18,006	6,248	4,010	18,744	32,740	24,254	8,486
Tanjore	26,434	6,614	2,730	14,338	38,042	33,048	4,994
Trichinopoly	12,800	5,270	2,840	10,900	20,860	18,070	2,790
Madura	13,538	2,074	910	24,255	36,883	15,612	21,271
Tinnevelly	11,372	2,110	830	21,596	32,138	13,482	18,656
Coimbatore	13,777	7,507	1,050	16,390	29,117	21,284	7,833
Salem	24,546	10,526	5,650	7,043	25,939	35,072	— 9,133
The Nilgiris	3,177	480	50	1,919	5,046	3,657	1,389
Malabar	12,491	13,136	2,400	5,894	15,985	25,627	— 9,642
South Canara	7,468	5,384	4,140	8,020	11,348	12,852	— 1,504
Total ..	3,49,556	1,26,133	63,330	2,53,589	5,39,815	4,75,689	64,126

STATEMENT I(*a*).

Detailed statement of Local Fund Expenditure on Local Board Schools during 1903–1904 being an analysis of the figures in column 2 of Statement I.

Districts.	English Upper Secondary schools for boys.	English Lower Secondary schools for boys.	Vernacular Lower Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	Upper Primary schools for girls.	Total of Local Board expenditure at present on their own schools.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	..	454	..	9,991	1,196	..	11,641
Vizagapatam	..	50	..	17,201	639	..	17,890
Gódávari	— 2,466	2,500	3,749	52,564	11,089	..	67,436
Kistna	— 244	— 516	825	26,656	4,952	..	31,673
Kurnool	..	..	357	11,295	675	..	12,327
Bellary	— 15	— 86	..	7,348	1,560	..	8,807
Anantapur	..	— 136	..	8,326	1,069	..	9,259
Cuddapah	..	— 48	..	10,940	1,614	30	12,536
Nellore	..	471	..	12,876	748	..	14,095
Chingleput	..	..	..	4,107	1,151	..	5,258
North Arcot	219	1,080	..	10,666	3,060	..	15,025
South Arcot	— 272	— 158	..	15,102	3,334	..	18,006
Tanjore	— 2,201	— 108	3,838	19,215	5,108	532	26,434
Trichinopoly	— 398	— 297	141	10,563	2,791	..	12,800
Madura	..	— 201	877	8,432	4,430	..	13,538
Tinnevelly	..	64	500	7,896	2,912	..	11,372
Coimbatore	— 644	890	360	12,128	1,043	..	13,777
Salem	— 758	1	878	16,606	7,819	..	24,546
Nilgiris	..	..	..	2,319	858	..	3,177
Malabar	..	— 2,020	..	6,993	7,518	..	12,491
South Canara	— 914	— 1,388	..	6,728	3,042	..	7,468
Total ..	— 7,693	552	11,525	2,77,952	66,608	612	+ 3,49,556

STATEMENT I (*b*).

Detailed statement of grants payable from Local funds during 1903–1904 showing how the figures in column 5 of statement I have been obtained.

Districts.	English Upper Secondary schools for boys.	English Lower Secondary schools for boys.	Vernacular Lower Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	English Lower Secondary schools for girls.	Vernacular Lower Secondary schools for girls.	Upper Primary schools for girls.	Lower Primary schools for girls.	Total.	Deduct portion of subsidy which is used in paying these grants.	Grants to schools under private management, actually paid from Local funds.
1	2	3	4	5	6	7	8	9	10	11	12	13
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	30	254	..	7,686	32,915	..	..	..	11	40,896	17,090	23,806
Vizagapatam	..	..	269	9,207	16,007	..	30	..	25	25,538	16,200	9,338
Gódávari	59	..	200	4,557	12,153	..	..	59	106	17,134	3,640	13,494
Kistna	..	..	504	4,518	17,985	..	..	..	..	23,007	9,720	13,287
Kurnool	..	..	171	3,509	6,899	..	..	..	3	10,582	6,680	3,902
Bellary	..	..	..	4,109	15,878	..	..	..	..	19,987	11,120	8,867
Anantapur	..	..	..	4,845	5,170	..	..	..	..	10,015	6,100	3,915
Cuddapah	..	65	86	6,353	7,616	..	..	..	..	14,120	5,389	8,731
Nellore	103	..	119	8,065	9,754	..	..	100	25	18,166	6,294	11,872
Chingleput	108	194	696	10,593	9,308	..	..	6	10	20,915	7,900	13,015
North Arcot	..	572	..	4,804	16,146	..	..	29	4	21,555	7,292	14,263
South Arcot	..	..	..	4,208	12,992	..	..	..	..	17,200	1,544	18,744
Tanjore	..	542	..	7,415	9,696	..	..	65	76	17,794	3,456	14,338
Trichinopoly	..	195	..	4,189	6,973	..	..	54	25	11,436	536	10,900
Madura	..	559	..	8,126	23,093	..	..	195	..	31,973	7,718	24,255
Tinnevelly	..	504	209	5,594	24,778	150	..	673	122	32,030	10,434	21,596
Coimbatore	..	..	207	6,584	14,251	..	..	..	..	21,042	4,652	16,390
Salem	..	100	75	1,604	6,930	..	..	16	22	8,747	1,704	7,043
Nilgiris	..	250	270	882	820	..	..	..	..	2,222	303	1,919
Malabar	..	780	..	13,857	12,185	..	110	77	85	27,094	21,200	5,894
South Canara	..	270	..	10,631	6,263	..	..	20	..	17,184	9,164	8,020
Total ..	300	4,285	2,806	1,31,336	2,67,812	150	140	1,294	514	4,08,637	1,55,048	2,53,589

STATEMENT I (*c*).

Statement showing Provincial grants to Local Board Schools during 1903–1904, being an analysis of the figures in column 3 of statement I.

Districts.	English Upper Secondary schools for boys.	English Lower Secondary schools for boys.	Vernacular Lower Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	Upper Primary schools for girls.	Total of Provincial grants to Local Board schools.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Ganjám	..	1,856	..	2,108	16	..	3,980
Vizagapatam	..	3,642	..	4,309	5	..	7,956
Gódávari	..	3,383	1,105	9,342	412	..	14,242
Kistna	..	1,572	334	7,799	364	..	10,069
Kurnool	..	..	258	3,992	40	..	4,290
Bellary	1,000	610	..	1,854	25	..	3,489
Anantapur	..	780	..	2,319	4	..	3,103
Cuddapah	..	650	..	3,868	186	64	4,768
Nellore	..	759	..	5,516	23	..	6,298
Chingleput	..	..	..	1,116	72	..	1,188
North Arcot	999	1,335	..	4,963	114	..	7,401
South Arcot	..	2,370	..	3,832	46	..	6,248
Tanjore	..	380	1,737	4,207	60	230	6,614
Trichinopoly	799	590	810	3,048	23	..	5,270
Madura	..	400	399	1,266	9	..	2,074
Tinnevelly	..	41	194	1,824	51	..	2,110
Coimbatore	1,892	1,640	260	3,701	24	..	7,507
Salem	1,237	3,290	386	5,278	335	..	10,526
Nilgiris	..	..	..	480	..	..	180
Malabar	..	2,822	..	7,429	2,885	..	13,136
South Canara	838	970	..	2,336	749	..	5,384
Total ..	6,765	27,090	5,473	81,077	5,434	294	1,26,133

STATEMENT II.

Statement showing the direct expenditure of Municipal Councils on institutions for general education during 1903–1904.

Municipalities.	Municipal fund net expenditure at present on Municipal schools.	Provincial grants to Municipal schools.	Amount of subsidy used in paying results stipends.	Grants to schools under private management actually paid from Municipal funds.	Total net expenditure on Colleges, Secondary and Primary schools actually met from Municipal funds. (2—4+5).	What Municipal Councils will be obliged to spend on Municipal schools without aid from Provincial funds under the proposed system (2+3).	Amounts to be adjusted.
1	2	3	4	5	6	7	8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Berhampur ..	1,901	15	..	276	2,177	1,916	261
Chicacole ..	20	1,033	..	479	499	1,053	— 554
Parlákimedi ..	954	54	..	418	1,372	1,008	364
Vizagapatam ..	1,035	90	60	3,894	4,869	1,125	3,744
Bimlipatam ..	1,713	594	..	150	1,863	2,307	— 444
Anakapalle ..	393	..	13	400	780	393	387
Vizianagram ..	1,184	72	68	2,567	3,683	1,256	2,427
Cocanada ..	3,497	156	..	567	4,064	3,653	411
Rajahmundry ..	2,360	127	..	1,529	3,889	2,487	1,402
Ellore	1,058	61	119	1,708	2,647	1,119	1,528
Masulipatam ..	2,037	118	137	3,934	5,834	2,155	3,679
Guntúr	1,417	170	27	3,728	5,118	1,587	3,531
Bezwada ..	2,054	60	213	1,084	2,925	2,114	811
Kurnool ..	2,339	859	163	604	2,780	3,198	— 418
Nandyal ..	863	1	18	554	1,399	864	535
Bellary	1,410	2,568	..	2,523	3,933	3,978	— 45
Adóni	3,330	240	..	349	3,679	3,570	109
Anantapur ..	— 52	983	32	475	391	931	— 540
Cuddapah ..	1,778	1,850	..	366	2,144	3,628	—1,484
Nellore	1,795	182	210	1,466	3,051	1,977	1,074
Ongole	324	..	..	1,660	1,984	324	1,660
Madras	531	49	54	12,469	12,946	580	12,366
Chingleput ..	421	..	60	1,472	1,833	421	1,412
Conjeeveram ..	1,402	132	88	2,148	3,462	1,534	1,928
Vellore	2,621	180	307	3,534	5,848	2,801	3,047
Gudiyáttam ..	1,935	159	219	129	1,845	2,094	— 249
Tirupati	1,216	244	..	475	1,691	1,460	231
Walajanagar ..	563	58	430	19	152	621	— 469
Cuddalore ..	2,289	280	600	2,104	3,793	2,569	1,224
Chidambaram ..	149	18	..	1,578	1,727	167	1,560
Tiruvannámalai.	350	25	7	355	698	375	323
Tanjore	1,394	94	40	8,330	9,684	1,488	8,196
Kumbakónam ..	2,657	1,255	..	2,434	5,091	3,912	1,179
Mannárgudi ..	692	77	..	1,887	2,579	769	1,810
Negapatam ..	2,067	312	90	4,375	6,352	2,379	3,973
Máyavaram ..	—1,843	236	130	647	—1,326	—1,607	281
Trichinopoly ..	4,082	334	180	7,373	11,275	4,416	6,859
Srírangam ..	988	295	30	—79	879	1,283	— 404
Madura	1,139	240	16	7,424	8,547	1,379	7,168
Kodaikánal ..	..	..	..	120	120	..	120
Dindigul	—388	731	..	1,878	1 490	343	1 147
Palni	1,118	56	276	1,055	1,897	1,174	723
Periyakulam ..	222	160	..	1,440	1,662	382	1,280
Tinnevelly ..	654	180	..	794	1,448	834	614
Palamcottah ..	1,007	157	67	2,629	3,569	1,164	2,405
Tuticorin ..	302	644	..	3,274	3,576	946	2,630
Srívilliputtúr ..	862	97	..	1,395	2,257	959	1,298
Coimbatore ..	1,955	60	82	3,694	5,567	2,015	3,552
Erode	1,070	129	..	502	1,572	1,199	373
Karúr	—871	663	..	364	—507	— 208	— 299
Salem	1,627	2,543	200	1,330	2,757	4,170	—1,413
Vániyambádi ..	1,217	173	..	258	1,475	1,390	85
Tiruppattur ..	1,769	906	..	315	2,084	2,669	— 585
Ootacamund ..	910	80	..	2,670	3,580	990	2,590
Coonoor ..	..	..	..	1,812	1,812	..	1,812
Calicut	2,788	247	412	2,085	4,461	3,035	1,426
Cochin	1,019	137	..	476	1,495	1,156	339
Palghat	2,664	4,332	382	1,823	4,105	6,996	—2,891
Tellicherry ..	212	2,193	280	1,058	990	2,405	—1,415
Cannanore ..	1,921	2,023	762	75	1,234	3,944	—2,710
Mangalore ..	1,444	374	437	2,610	3,617	1,818	1,799
Total ..	75,565	29,100	6,209	1,17,062	1,86,418	1,04,665	81,753

STATEMENT II (*a*).

Detailed statement of Municipal fund expenditure on Municipal Schools during 1903–1904 being an analysis of the figures in column 2 of statement II.

Municipalities.	Colleges and English Upper Secondary schools for boys.	English Lower Secondary schools for boys.	Vernacular Lower Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	Vernacular Lower Secondary schools for girls.	Upper Primary schools for girls.	Lower Primary schools for girls.	Total of Municipal Board expenditure at present on Municipal schools.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Berhampur ..	..	..	..	1,101	800	..	..	..	1,901
Chicacole ..	—1,067	..	..	848	239	..	..	..	20
Parlákimedi ..	..	..	..	954	..	..	..	..	954
Vizagapatam ..	..	..	..	1,035	..	..	..	..	1,035
Bimlipatam ..	752	..	..	481	480	..	..	..	1,713
Anakápalle ..	..	— 104	..	401	96	..	..	..	393
Vizianagram ..	..	..	..	962	222	..	..	..	1,184
Cocanada ..	..	— 67	..	2,156	1,408	..	..	..	3,497
Rajhamundry ..	..	762	..	1,598	..	..	..	..	2,360
Ellore ..	..	..	..	549	509	..	..	..	1,058
Masulipatam ..	..	..	..	1,705	332	..	..	..	2,037
Guntúr ..	..	..	..	1,141	276	..	..	..	1,417
Bezwada ..	..	..	..	2,054	..	..	..	..	2,054
Kurnool ..	1,351	..	..	988	..	..	..	..	2,339
Nandyal ..	..	..	298	449	116	..	..	..	863
Bellary ..	100	..	..	1,310	..	..	..	..	1,410
Adóni	..	..	..	1,893	1,437	..	..	..	3,320
Anantapur ..	— 486	..	..	255	179	..	..	..	— 52
Cuddapah ..	434	..	..	1,022	322	..	..	..	1,778
Nellore	..	..	..	1,656	139	..	..	..	1,795
Ongole	..	324	..	..	..	..	..	..	324
Madras	..	..	..	531	..	..	..	..	531
Chingleput ..	..	..	..	421	..	..	..	..	421
Conjeeveram ..	..	..	..	1,402	..	..	..	..	1,402
Vellore	..	..	..	2,283	338	..	..	..	2,621
Gudiyáttam ..	..	— 163	..	940	1,158	..	..	..	1,935
Tirupati ..	..	..	..	648	151	..	417	..	1,216
Walajanagar ..	— 873	..	..	650	786	..	..	..	563
Cuddalore ..	..	..	..	2,066	223	..	..	..	2,289
Chidambaram ..	..	..	..	..	149	..	..	..	149
Tiruvannámalai	..	— 76	..	426	..	..	..	..	350
Tanjore ..	..	..	..	1,073	321	..	..	..	1,394
Kumbakónam ..	..	..	..	1,271	265	477	644	..	2,657
Mannárgudi ..	..	..	..	375	131	..	..	186	692
Negapatam ..	..	..	..	1,748	319	..	..	..	2,067
Máyavaram ..	—3,996	..	..	1,948	205	..	..	..	—1,843
Trichinopoly ..	..	..	1,223	1,649	1,210	..	..	..	4,082
Srírangam ..	..	..	..	457	159	..	372	..	988
Madura	..	..	..	1,139	..	..	..	..	1,139
Kodaikánal ..	..	..	..	..	..	..	..	..	..
Dindigul ..	—1,237	..	..	849	..	..	..	..	— 388
Palni	..	..	..	858	260	..	..	..	1,118
Periyakulam ..	..	..	..	222	..	..	..	..	222
Tinnevelly ..	..	..	..	654	..	..	..	..	654
Palamcottah ..	..	..	..	1,007	..	..	..	..	1,007
Tuticorin ..	..	..	..	— 205	507	..	..	..	302
Srivilliputtúr ..	..	..	..	862	..	..	..	..	862
Coimbatore ..	..	..	..	1,536	419	..	..	..	1,955
Erode	..	..	..	1,070	..	..	..	..	1,070
Karúr	—1,399	..	..	258	270	..	..	..	— 871
Salem ..	— *770 —2,303	..	..	3,618	1,082	..	..	407	1,627
Vániyambádi ..	..	..	..	601	209	..	..	..	1,217
Tiruppattúr ..	501	..	..	943	325	..	..	..	1,769
Ootacamund ..	..	..	..	505	405	..	..	..	910
Coonoor ..	..	..	..	..	..	..	..	..	..
Calicut	..	— 121	..	2,496	413	..	..	..	2,788
Cochin	..	..	..	1,019	..	..	..	..	1,019
Palghat ..	— *728 754	..	..	789	1,849	..	..	..	2,664
Tellicherry ..	— *354 — 893	— 477	..	851	1,085	..	..	..	212
Cannanore ..	—1,151	..	..	2,963	109	..	..	..	1,921
Mangalore ..	..	..	..	1,444	..	..	..	..	1,444
Total ..	—11,365	78	1,521	63,925	18,903	477	1,433	593	75,565

*Relate to Colleges.

STATEMENT II (*b*).

Detailed statement of grants payable from Municipal funds during 1903–1904 showing how the figures in column 5 of statement II have been obtained.

Municipalities.	English Upper Secondary schools for boys.	English Lower Secondary schools for boys.	Vernacular Lower Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	Vernacular Lower Secondary schools for girls.	Upper Primary schools for girls.	Lower Primary schools for girls.	Total.	Deduct portion of subsidy which is used in paying these grants.	Grants to schools under private management actually paid from Municipal funds.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Berhampur	..	..	..	75	251	..	..	..	326	50	276
Chicacole	..	..	..	330	199	..	..	..	529	50	479
Parlákimedi	..	..	..	152	416	..	..	..	568	150	418
Vizagapatam	1,593	..	..	2,491	400	..	..	..	4,484	590	3,894
Bimlipatam	..	..	..	..	196	..	..	..	196	46	150
Anakápalle	..	..	..	..	684	..	..	..	684	284	400
Vizianagram	..	..	..	2,624	755	..	120	..	3,499	932	2,567
Cocanada	..	..	..	325	242	..	..	..	567	..	567
Rajahmundry	..	967	..	524	38	..	..	..	1,529	..	1,529
Ellore	..	590	..	981	270	..	..	..	1,841	133	1,708
Masulipatam	..	931	2,000	779	537	..	..	..	4,247	313	3,934
Guntúr	..	1,284	..	2,108	359	..	..	..	3,751	23	3,728
Bezwada	..	360	..	848	155	..	..	..	1,363	279	1,084
Kurnool	..	..	150	1,163	22	..	..	..	1,335	731	604
Nandyal	..	316	..	760	..	..	..	10	1,086	532	554
Bellary	..	1,079	103	832	689	..	..	..	2,703	180	2,523
Adóni	..	..	..	134	215	..	..	..	349	..	349
Anantapur	..	..	..	405	221	..	..	..	626	151	475
Cuddapah	..	..	160	218	68	..	..	..	446	80	366
Nellore	..	919	..	1,045	342	..	..	..	2,306	840	1,466
Ongole	..	356	1,094	311	149	..	..	..	1,910	250	1,660
Madras	..	107	805	372	12,280	6,180	150	10	11	19,915	7,446	12,469
Chingleput	..	532	..	240	809	81	..	..	..	1,662	190	1,472
Conjeeveram	..	787	..	..	1,531	359	..	..	..	2,677	529	2,148
Vellore	..	2,343	..	..	518	948	..	..	..	3,809	275	3,534
Gudiyáttam	..	..	..	..	..	145	..	..	..	145	16	129
Tirupati	..	335	..	..	..	190	..	..	..	525	50	475
Walajanagar	..	..	..	..	..	..	..	..	..	..	— 19	19
Cuddalore	..	94	320	..	1,298	890	..	..	..	2,102	— 2	2,104
Chidambaram	..	464	..	..	694	420	..	..	..	1,578	..	1,578
Tiruvannámalai	..	..	..	..	287	299	..	..	..	586	231	355
Tanjore	..	..	3,410	..	5,520	363	..	..	..	9,293	963	8,330
Kumbakónam	..	..	..	..	2,126	308	..	..	..	2,434	..	2,434
Mannárgudi	..	723	..	..	1,254	210	..	..	..	2,187	300	1,887
Negapatam	..	1,011	..	828	2,382	344	..	..	..	4,565	190	4,375
Máyavaram	..	..	..	..	563	259	..	45	..	867	220	647
Trichinopoly	..	..	..	706	7,903	1,320	..	12	74	10,015	2,642	7,373
Srírangam	..	..	166	..	..	163	..	..	7	336	415	— 79
Madura	..	3,304	..	..	3,793	2,411	..	..	..	9,508	2,084	7,424
Kodaikánal	..	..	..	..	..	120	..	..	..	120	..	120
Dindigul	..	..	300	..	1,748	280	..	..	..	2,328	450	1,878
Palni	..	..	280	..	140	471	..	..	..	891	— 164	1,055
Periyakulam	..	..	400	..	761	279	..	..	..	1,440	..	1,440
Tinnevelly	..	690	350	..	579	1,004	..	..	..	2,623	1,829	794
Palamcottah	..	684	750	..	749	379	..	..	..	2,562	— 67	2,629
Tuticorin	..	..	1,280	..	1,764	230	..	..	..	3,274	..	3,274
Srívilliputtúr	..	..	250	..	300	845	..	..	..	1,395	..	1,395
Coimbatore	..	1,222	600	..	1,655	532	..	..	..	4,009	315	3,694
Erode	..	..	..	..	621	95	..	..	..	716	214	502
Karúr	..	..	..	..	154	210	..	..	..	364	..	364
Salem	..	450	..	..	694	637	11	..	..	1,792	462	1,330
Vániyambádi	..	..	500	..	..	158	..	..	..	658	400	258
Tiruppattúr	..	..	..	..	288	27	..	..	..	315	..	315
Ootacamund	..	..	1,950	..	520	200	..	..	..	2,670	..	2,670
Coonoor	..	1,322	..	..	460	30	..	..	..	1,812	..	1,812
Calicut	..	409	200	..	738	953	..	..	..	2,300	215	2,085
Cochin	..	..	150	..	100	226	..	..	..	476	..	476
Palghat	..	..	1,100	..	922	199	..	..	..	2,221	398	1,823
Tellicherry	..	..	..	..	1,463	..	..	215	..	1,678	620	1,058
Cannanore	..	..	763	..	..	..	..	..	..	763	688	75
Mangalore	..	920	650	..	786	467	..	..	..	2,823	213	2,610
Total	..	22,825	15,604	5,240	71,505	27,940	161	402	102	1,43,779	26,717	1,17,062

STATEMENT II (*c*).

Statement showing Provincial grants to Municipal schools during 1903–1904, being an analysis of the figures in column 3 of statement II.

Municipalities.	Colleges and English Upper Secondary schools for boys.	Upper Primary schools for boys.	Lower Primary schools for boys.	Vernacular Lower Secondary schools for girls.	Upper Primary schools for girls.	Lower Primary schools for girls.	Total of Provincial grants to Municipal schools.
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Berhampur	..	..	15	..	..	..	15
Chicacole	978	49	6	..	..	..	1,033
Parlákimedi	..	54	..	..	..	..	54
Vizagapatam	..	90	..	..	..	..	90
Bimlipatam	445	149	..	..	..	..	594
Anakápalle	..	..	..	..	..	..	..
Vizianagram	..	72	..	..	..	..	72
Cocanada	..	156	..	..	..	..	156
Rajahmundry	..	127	..	..	..	..	127
Ellore	..	55	6	..	..	..	61
Masulipatam	..	84	34	..	..	..	118
Guntúr	..	170	..	..	..	..	170
Bezwada	..	60	..	..	..	..	60
Kurnool	* 1,084	— 225	..	..	..	..	859
Nandyal	..	1	..	..	..	..	1
Bellary	2,568	..	..	..	..	..	2,568
Adóni	..	240	..	..	..	..	240
Anantapur	914	59	10	..	..	..	983
Cuddapah	* 1,780	70	..	..	..	..	1,850
Nellore	..	156	26	..	..	..	182
Ongole	..	..	..	..	..	..	..
Madras	..	49	..	..	..	..	49
Chingleput	..	..	..	..	..	..	..
Conjeeveram	..	132	..	..	..	..	132
Vellore	..	179	1	..	..	..	180
Gudiyattám	..	148	11	..	..	..	159
Tirupati	..	60	..	..	184	..	244
Walajanagar	17	40	1	..	..	..	58
Cuddalore	..	280	..	..	..	..	280
Chidambaram	..	..	18	..	..	..	18
Tiruvannámalai	..	25	..	..	..	..	25
Tanjore	..	94	..	..	..	..	94
Kumbakónam	..	300	..	550	405	..	1,255
Mannárgudi	..	74	..	..	..	3	77
Negapatam	..	312	..	..	..	..	312
Máyavaram	..	233	3	..	..	..	236
Trichinopoly	..	324	10	..	..	..	334
Srírangam	..	183	..	..	112	..	295
Madura	..	240	..	..	..	..	240
Kodaikánal	..	..	..	..	..	..	..
Dindigul	575	156	..	..	..	..	731
Palni	..	56	..	..	..	..	56
Periyakulam	..	160	..	..	..	..	160
Tinnevelly	..	180	..	..	..	..	180
Palamcottah	..	157	..	..	..	..	157
Tuticorin	..	643	1	..	..	..	644
Srívilliputtúr	..	97	..	..	..	..	97
Coimbatore	..	60	..	..	..	..	60
Erode	..	129	..	..	..	..	129
Karúr	663	..	..	..	..	..	663
Salem	†1,058 1,332	140	13	..	..	..	2,543
Vániyambádi	..	48	1	..	..	124	173
Tiruppattúr	900	..	..	..	..	..	900
Ootacamund	..	80	..	..	..	..	80
Coonoor	..	..	..	..	..	..	..
Calicut	..	137	110	..	..	..	247
Cochin	..	137	..	..	..	..	137
Palghat	†2,154 1,771	101	306	..	..	..	4,332
Tellicherry	† 945 1,248	..	..	..	..	..	2,193
Cannanore	691	1,226	106	..	..	..	2,023
Mangalore	..	374	..	..	..	..	374
Total	19,123	7,921	678	550	701	127	29,100

* Represent net cost.

† Relate to Colleges.

Order—No. 255, Educational, dated 19th April 1905.

In his letter read above the Director proposes that in future—

(1) the maintenance of Board and Municipal schools should be left entirely to Local Boards and Municipal Councils without any aid from Government in the shape of grants for teaching ;

(2) the payment of all grants to aided schools under private management should be made directly by Government ; and

(3) that as local bodies would save by the adoption of proposals (1) and (2) the amount saved should be placed at the disposal of Government in the Educational Department as a lump contribution to be spent on Education.

2. The Government regret that they cannot adopt these proposals. The division of work involved is arbitrary and it deprives the local bodies of their proper functions in regard to Education without providing any more reliable agency for control or administration. Even if those bodies were willing to make over their surplus funds to Government such funds would still require to be spent in the area from which they were made over. The only remedy, in the opinion of Government, for the evils complained of by the Director that can be applied at once lies in the separate exhibition in Local Fund and Municipal accounts of all Government money now given as subsidy so that the Director can have no difficulty in tracing it and controlling it. The Accountant-General will report what changes in the budget and account forms will be necessary on this account.

3. The Government also consider that as long as the system of payment by results remains in force two additional columns should be opened in the certifying memoranda form (appendix M of the Grant-in-Aid Code for 1905–1906) to show the distribution between purely Local or Municipal funds and the subsidy, of the total grants earned by a school and payable to it. Column 12 of the results list (appendix J of the Grant-in-Aid Code for 1905–1906) may also be divided into two columns, one to show the amount payable as subsidy and the other to show the ordinary grant. Similarly in bills for fixed grants (appendix G of the Grant-in-Aid Code for 1905–1906) the net total amounts due may be distributed between purely Local and Municipal funds and the subsidy. In making payments the Treasury officer will debit the different amounts to the appropriate heads of account. The Director of Public Instruction will report in consultation with the Accountant-General whether he sees any objection to this procedure.

4. It will be pointed out to Local Boards and Municipal Councils that no portion of the subsidy is at their absolute disposal, that whatever portion remains unutilized in any year will lapse to Government and that local bodies are not at liberty to withdraw any part of the provision from purely Local and Municipal funds, once made in a budget and sanctioned by Government for the payment of grants.

5. In order that the action of Local Boards and Municipal Councils and of the Department of Education may be duly regulated, it seems to Government that the sooner an educational survey of each District's and Council's needs, supplies and general conduct of education within its bounds is taken in hand the better. The Director of Public Instruction is accordingly requested to arrange for such a survey in consultation with the local authorities. It will have to be considered both whether the local bodies are doing all they can and should do and also whether they are doing it in the proper way. Government cannot and will not lay down any fixed percentage of income to be spent on education by these bodies ; but even if it is the case that they are giving all the money they can spare it does not follow that they are spending it to the best advantage. For instance no local body will be justified in supporting higher education when primary education is neglected.

6. It appears to Government that the Grant-in-Aid Code applied to schools under the direct management of local bodies is possibly a misapplication in present circumstances. Whether such aid as the boards stand in need of on account of these schools should be given in the shape of an additional subsidy and the schools taken out of the operation of the code is a question requiring further examination. The Director of

Public Instruction is requested to report on the point, which will also be dealt with in the Local and Municipal Department. The provincialisation of the establishment of supervisors with the financial adjustment involved will be matter for consideration in this connection.

7. No part of the subsidy should be spent in the current year on results stipends without the sanction of Government. Any proposal to devote a portion of the subsidy to increasing the emoluments of teachers in salary-results schools maintained by local bodies, should be accompanied by statements (1) of the principles of allotment to the different bodies to be observed, (2) of the rates of stipendiary grants.

(True Extract.)

H. D. TAYLOR,
Ag. Secretary to Government.

To the Director of Public Instruction.
„ the Accountant-General.
„ all Presidents of District Boards.
„ all Chairmen of Municipal Councils.
„ the Local and Municipal Department.

Fxd. P. Sankaran Nair.

NOTES CONNECTED WITH G.O., No. 255, EDUCATIONAL, DATED 19TH APRIL 1905.

[SUBJECT.—*A new system of Financial arrangement between Provincial and Local Funds.*]

From the Director of Public Instruction, No. 511, *dated* 24*th January* 1905.

The obvious objection to the Director of Public Instruction's proposals is that their adoption will fix and stereotype the amount for which local bodies may be held liable for educational purposes. The Government have more than once vetoed proposals for making District Boards contribute any fixed percentage of their income for education. If the liabilities and responsibilities of local bodies are to be fixed there will be no room for expansion and growth of education except at the cost of Provincial.

Papers please.

H. D. TAYLOR—25-1-05.

The following papers are submitted :—

(1) G.O., Nos. 215, 216, Educational, dated 6th April 1904, containing the resolution of the Government of India on Indian Educational Policy referred to in paragraph 1 of the Director's letter.

(2) G.O., No. 876 L., dated 13th July 1903, referred to in paragraph 3 of the Director's letter.

(3) G.O., Nos. 1575—1577 L., dated 12th December 1904, quoted in paragraph 4 of the Director's letter.

(4) G.O., No. 1337 L., dated 3rd August 1900, and the several Government orders quoted in paragraph 3 of the notes connected with it in which the Government have vetoed proposals for making District Boards contribute any fixed percentage of their income for education.

2. The Director's proposal is that Local Boards and Municipalities should maintain their own schools without any aid from Provincial funds in the shape of grants for teaching, they being relieved of the obligation of giving such grants to any school under private management. This proposal will throw an additional burden of Rupees 1,45,879 on Provincial funds according to the figures of 1903–1904—column 8 of statements I and II on pages 14 and 17 of the current file. The Director, therefore, further suggests that this amount should be recovered from Local Boards and Municipalities as a lump contribution — the amount to be increased or decreased according as the expenditure on Board schools is less or more, the total amount remaining a constant quantity.

This cannot I think be done.

H.D.T.

3. The present relation between Provincial and Local in the matter of grants for teaching will be found in rule 6 of the Grant-in-Aid Code. There seems to be no question that the arrangement is a complicated one. Broadly speaking, the principle underlying the rule is that Provincial should be responsible for—

(1) Female education ;
(2) European education ;
(3) Mappilla education ;
(4) Education in the Agency tracts ;
(5) Special education—Training, Technical and Industrial schools ; and
(6) Male education above the third or lower primary standard in rural areas and in the City of Madras and above the seventh or lower secondary standard in municipal areas.

Local is responsible for primary eductation of boys up to the third standard in rural areas and for lower secondary and primary education of boys in municipal areas.

In the observance of this principle grants for girls, European children and Mappilla boys in schools or departments maintained or aided from Local (including Municipal) funds are paid from Provincial. It is here that the complication comes in. Hitherto it has not been very much felt as grants have been calculated on the number of pupils, but when the system of payment by results is abolished grants will have to be paid to schools as a whole and payments on account of girls, Mappillas or European children individually will be very difficult and troublesome.

Rule 90 of the Grant-in-Aid Code. Also rules 88 and 62.

When the Director comes up with his proposals for the changes from results to fixed grants, he will, if he thinks it necessary, propose the abolition of the system of giving individual grants for girls, etc., in boys' primary schools aided by Boards. But I do not see why the old line of cleavage—

Boards .. Male elementary education,
Department .. other education,

should not survive the change. The change from results to fixed grants will be a change from grants for pupils to grants for schools. The Director will probably propose, if the present scheme of taking from Boards their functions in regard to aided education is rejected, that Boards should in future aid male primary *schools* (as wholes) and the Department all other schools, including male secondary schools with primary departments. Boards would then gain standard IV and girls, etc., in boys' schools and lose primary departments in boys' secondary schools. However, we need not anticipate, and no rearrangement would be absolutely necessary. Even under a fixed grant system, you can give grants to departments of schools as well as to whole schools and retain more or less anomalous special grants for girls, etc.

A. Galletti.
H. D. Taylor.

4. Some such arrangement as that proposed by the Director would therefore be very convenient if not actually necessary. The specific proposal made by him seems, however, to be open to the objection noted by the Secretary, namely, that it will have the effect of fixing once for all the amount for which local bodies may be held liable for educational purposes without leaving any room for expansion and growth. It is submitted, however, that this objection will not hold good if *each* District Board is made to contribute a fixed *percentage* of its income for education. The percentage should not be the same for all the Boards. As will be seen from paragraph 3 of the notes in G.O., No. 1337 L., dated 3rd August 1900, it was the proposal to fix the same percentage for all Boards that has several times been vetoed by Government. Such a proposal is inadmissible as the circumstances of one Board may differ widely from those of another. But there is not the same objection to fixing a proportion for *each* Board based on its average net expenditure for the last three or five years. No Board will be permitted by Government to spend less on education than it has been spending during the last three or five years. The average for a larger number of years may be less.

Government might think it advisable to let a Board spend less in some particular year. I imagine it would only be with great reluctance that Government would tie a Board down to a minimum percentage.

A. Galletti.

The Government have already held more than once that a system of fixed percentages is objectionable.

H. D. Taylor.

If the average for three or five years be taken, the percentage of that amount on the average income for the same period calculated and this percentage fixed once for all for each Board, the *amount* will not remain stationary. As the finances

of the Board improve the *amount* to be spent on education will also increase. A proposal on these lines has not yet been considered.

* This appears to me to be an illegal arrangement. The subsidising of Government is not one of the objects of Boards' expenditure (Act, section 95). A Board can spend money on education, but must spend it itself; and it would have no guarantee that the local funds, raised by local taxation for local purposes and to be spent by the local authority, would not be spent by the Director somewhere else. The Ganjám rupee might go to aid a school at Tuticorin.

A. Galletti.
H. D. Taylor.

† *I.e.*, besides the contribution of Rs. 64,000 which the Director wants to levy from Local Boards, the office propose that Board should pay Government another lakh of rupees or so, the cost of the supervisors. In other words Local Funds should be taxed by Government for the purpose of paying the salaries of people who will be Government officers.

A. Galletti.

I should prefer to see this class of inspecting officers "provincialised."

H. D. Taylor.

5. If the amount is thus fixed the Boards can take what they want for their own schools and * pay the balance over to Provincial. This will also solve the difficulty now experienced in the matter of supervisors of primary schools, for out of the contribution received as above Provincial can not only pay grants to schools under private management but also † maintain supervisors. From paragraphs 18 and 19 of the resolution of the Government of India on the Indian Educational Policy (G.O., Nos. 215, 216, Educational, dated 6th April 1904) it would seem that provincial should take the responsibility for the extension of primary education, although it may work through local. This can be best done by a scheme of expenditure on the above lines. There appears, therefore, to be some ground for a consideration of the subject on the lines now suggested. If ordered, the figures will be worked out so that the exact position under the scheme may be ascertained.

6. If on the other hand things have to remain as at present the questions—

(1) of the continuance of salary results schools, and

(2) of the exhibition of the provincial subsidy in Local Fund and Municipal accounts

have to be considered.

The Government girls' schools on the salary results system have now been converted into purely salary system schools. It will be for consideration whether local bodies should be allowed to have salary results schools any longer. If they are permitted to continue maintaining schools on that system, it is submitted that the remuneration to the teachers should be revised in such a way that the fixed and results stipends given them should together not exceed the salary ordinarily allowed in salary system schools. It appears from the latter part of paragraph 3 (iv) of the Director's letter that the whole of the grant earned by a salary results school is now paid away to the teachers in addition to fixed pay, but only a definite proportion sufficient to raise the salaries to about those of teachers in purely salary system schools should be thus paid away. The grants earned by these schools from Provincial funds for standards above the third in non-Municipal areas should not however be included in the subsidy. They are so far as provincial is concerned results grants pure and simple and should be met from the provision for provincial grants in aid under Adjusting Heads. These payments should go to the Boards concerned, the teachers receiving only the definite proportion agreed upon. In G.O., No. 876 L.,

G.O., No. 608, Educational, dated 7th October 1904.

I don't know that there is any *should be* about it. It depends upon how high the salaries are.

A. Galletti.

They are not entirely paid from subsidy. The old part of the stipend that was paid from provincial before is still paid from provincial; what is paid from the subsidy is the difference between the stipends at full rates and at the old lower rates. See telephone message below.

A. Galletti.

dated 13th July 1903, the Government approved "the Director's suggestion that "Local Boards and Municipalities should pay results grants in full before utilizing "on results stipends the subsidy given "them by Government", but it could never have been intended that the Boards should, with the aid of the subsidy, give their salary results school teachers the whole of the grants earned by them. Nor was it intended that results grants to Board schools in rural areas for standards above the third should be debited to the subsidy.

Probably not. I do not feel sure that the Director was picking his words carefully in the passage from which office deduce that the money is all divided among the teachers. However in another current the Director also says that the Boards do not profit by the full rate of stipend as it all goes to the teachers.

A. GALLETTI.

Probably it was not intended; but Government did not go into the matter. It would be more accurate, perhaps, to say that Government did not consider the question.

A. GALLETTI.

In future perhaps the utilization of any portion of the subsidy in the payment of results stipends to salary results school teachers may be prohibited.

If results grants and stipends are now to be abolished, it is hardly worth while to issue orders on the subject.

A. GALLETTI.

7. The question of the exhibition of the subsidy in the Local Fund and Municipal accounts was considered in the notes in G.O., No. 1609 L., dated 19th December 1904. Orders on the point were, however, held over till all the Director's proposals for additional expenditure were received and considered.

P. T. THARYAN—31-1-05.

What I asked about was column 3, not column 2. I have now puzzled out column 3 for myself from appendix K and tables (32) and (33), Public Instruction Report, volume II.

With reference to the further information required by the Assistant Secretary, it is submitted that the figures shown in column 2 of statement I and column 2 of statement II submitted by the Director have been obtained by adding the totals under "School Education—General" in columns 7 and 22 of general table (7) appended to the Public Instruction report for 1903–1904, volume I, and deducting therefrom the surplus fees credited to Local and Municipal funds as shown in foot-notes (*a*) and (*b*) to the general table. These do not include the expenditure on buildings which is shown separately in the general table.

	Rs.
1. Fixed grants to Boards for schools	59,872
2. Result grants to Boards for schools	54,035
3. Net cost Board High school, Chittoor	999
4. Cost of Board schools in Ernad and Walluvanad taluks ..	2,968
5. Salary and rent grants to ordinary schools	9,339
	1,26,213
Deduct grant to Alwartirunagari Sanskrit school	80
Total ..	1,26,133

Similarly the figures shown in column 11 of statement I (*b*) and column 10 of statement II (*b*) submitted by the Director have been obtained by adding the totals under "School Education—General" in columns 15 and 30 of general table (7). These do not include grants for buildings, furniture and apparatus which are shown separately in the general table.

Column 3 does not include building or furniture grants nor grants to technical schools.

A. GALLETTI.

The Assistant Secretary's proposal is to fix when the budget is prepared the total expenditure on Board and Aided schools and then say so much or so much per cent. of this expenditure in each District or Municipality shall be met from Local Funds (including Municipal) and so much or so much per cent. from Provincial, local bodies having no option to touch the provincial portion.

I still think this would work; but on second thoughts there seems to be no necessity to revolutionise the present arrangements for joint aid to private schools.

A. GALLETTI.

It is submitted that it is no easy matter to fix the proportion for each school and there will always be a tendency to reduce the Local and increase the Provincial share. The Government will have to keep a most vigilant eye which in the short time that the budgets have to be reviewed may not always be quite possible. Sometimes in the case of impoverished local bodies the Government may also be likely to yield. This will all the more be likely to be the case when at the end of the year the provision made by a local body is found insufficient and an appropriation from the balance may not be possible.

For all the schools in each district No more difficulty than in any other budgeting. You go by the actuals of the preceding year or years.

A. GALLETTI.

What does Government exist for? and the educational parts of the budgets come on from the Director with his remarks; so that Government not only has an opportunity of revising, but also hears the vakil for the other side.

A. GALLETTI.

P. T. THARYAN—2-2-05.

BOARDS AND GOVERNMENT.

For convenience I am only going to note about Boards. The arguments that apply to Boards will apply with a little alteration to Municipalities.

2. The position is—

A. For Board Schools (Public)—

	Lakhs.	Per cent.
Boards pay	2·86	60
Government pay	1·89	40
Total ..	4·75	100

These schools are therefore schools jointly maintained by Boards and Government, three-fifths of the cost falling on Boards, two-fifths on Government.

B. For Aided Schools (Private)—

	Lakhs.
Boards pay	2·53

The Director's proposal is (1) that the jointly-maintained Board schools should, in future, be entirely maintained by the Boards and (2) that the aiding of Aided schools (male elementary) should be taken over entirely by Government. As this would result in a profit to the Boards of 2·53 lakhs — 1·89 = ·64, the Boards should hand over the ·64 to the Director of Public Instruction. In other words, the Boards are (1) to have their sphere of action limited, not to be allowed to assist education except directly by the maintenance of public schools; (2) are to subsidize Government; (3) are to engage (such of them as would be debtors under the adjustment) not to reduce their subsidies to Government unless decrease in the subsidy is accompanied by equivalent increase in the expenditure on public schools (this amounts to fining them as a penalty for not maintaining more public schools); (4) are to engage not to reduce their expenditure on public schools (for then they would have to pay a bigger fine or subsidy to Government and the Director contemplates not an increase, but a gradual diminution of the Boards' subsidies).

3. *Objections to the Director's proposals from the point of view of the Boards.*—(1) Firstly the subsidizing of the Educational Department by some of the Local Boards seems to me to be illegal with reference to the Local Boards Act. See Act, section 95. With the sanction of Government expenditure outside the local area is permissible; but the expenditure must be made by the Board not by some one else. Local funds are raised under the Act to be spent both locally and by the local authority, not to be handed over to a Department of the Central Government to be spent by the Department and where the Department pleases. The Director may intend, though he does not say so, to spend the subsidy he will get from Ganjám entirely in Ganjám; and, as a matter of fact, he will almost certainly spend on the whole more in Ganjám than he gets out of

I submit that this view is correct.

H. D. TAYLOR.

it. But there will be nothing to guarantee Ganjám against the Ganjám rupee being exported to Tuticorin to aid a school there.

A payment for supplies and services made and done.

J. T[HOMSON].

Government, under an old arrangement which was made, I think, before the present District Boards Act was passed, made Boards subsidize the Medical College. The arrangement may or may not have been legal. But if Honourable Member is in favour of the Director's proposal and wishes the legal aspect of the matter to be discussed, the papers concerning that arrangement might be some help.

The Local and Municipal Department of the Secretariat and the Local Fund establishment of the Accountant-General's office and other services are similarly maintained by contributions—page 211 of the Civil Budget Estimate.

P. T. THARYAN.

But these are establishments kept up for the working of the Local Boards Act. Their upkeep from Local funds may be illegal with reference to the letter of the Act, but is in accordance with its spirit. To make Boards pay on account of schools with which they will no longer have anything to do, is quite a different matter.

A. GALLETTI.

(2) *Objection No.* 2.—The Boards are to be tied down to a minimum of expenditure on education. Whether this is a real objection or not depends on the views of the Government. To fix a minimum for Grant II Education is hardly fair to Grant III Medical. In 1900 Mr. Castlestuart Stuart made an exactly contrary proposal—that a minimum should be fixed for Grant III and a maximum for Grant II on the ground that native members of the Boards favoured education at the expense of sanitation. Submitted that Government should not favour either Education at the expense of Sanitation or Sanitation at the expense of Education and that it would be a mistake to tie the Boards down to fixed amounts for either. The office suggestion of a *percentage* minimum is just as objectionable from this point of view as the Director's.

There must be a certain amount of elasticity and discretion allowed. The expenditure to be incurred on Grant II cannot be fixed either by an average lump sum or by a proportion.

H. D. TAYLOR.

(3) *Objection No.* 3.—Boards would be deprived (*a*) of one of their present functions given them by law (Local Boards Act, section 95) of aiding education indirectly, (*b*) of all control over the subordinate educational officers, Sub-Assistants (indirect control) as well as supervisors (direct control), and (*c*) there would be a premium on the artificial establishment of Board schools in places where private schools might grow of themselves, as some Boards would be fined in the adjustment so long as they did not spend a certain sum on public schools directly supported by them. (*a*) is a *political* question—infringement of right of local self-Government, etc., etc., (*b*) and (*c*) are intimately connected with (*a*), but involve educational as well as political considerations. The Director says that the present function of the Boards is just to acquiesce in what the Department decides in the way of aiding education (male elementary) indirectly. There is some truth in this. Taluk Board Presidents and Members don't examine for grant or decide what results schools are to be recognised or aided. I submit, however, that under the fixed grant system Taluk Boards could and should have their say before private schools are put on the fixed grant list. Sub-Assistants will prepare these lists and Sub-Assistants want more looking after than they get from the educational officers above them. Petitions about fixed grants should go to the Taluk Board Presidents; also petitions about delays of payment and levying of mamools by Sub-Assistants. In the district I often received petitions about delays in passing bills for grant and my impression was that if a results schoolmaster wanted his grant quickly, he had to pay for the privilege of being attended to before his fellows. As results schools (elementary male) were

Not the proper word.

J. T[HOMSON].

This seems very reasonable and proper. Educational subordinates seem to consider themselves an independent body, without any reference to the question as to who has to pay the piper.

H. D. TAYLOR.

Due perhaps to laziness: All certifying memoranda are left to the last few days of the official year to the great disorganisation of treasury work.

H. D. TAYLOR.

within my province as Taluk Board President, I could enquire into these complaints and, if necessary, report the Sub-Assistant to his superiors. But if Taluk Boards are not to have anything more to do with aided schools, the misconduct of Sub-Assistant Inspectors will cease to be any business of the Taluk Board Presidents and Sub-Assistants would, like Delta Superintendents, be safe if they could only get on to the blind side of their departmental superiors. I think it would be a mistake to put a premium on the artificial establishment of Board schools. I also think Taluk Boards ought to retain some say in the matter of policy, *e.g.*, division of available funds between public and private (aided) education. The Director complains of "the diversity of practice now obtaining among Local Boards" and that "the conditions relating to the educational responsibility assumed by Local Boards vary in a most perplexing manner". These are big words and I am not quite sure I understand them. But I take him to mean that some Boards like to have lots of schools of their own, while others prefer to spend their money in grants to private schools. If that is all he means I submit that the variety complained of by the Director may really be a sign of health; it may only indicate that the Boards fit their budgets to existing schools and real needs; or it may indicate that different Boards have different policies. Why should not a Board have a policy? I dare say if the aiding of private schools (male elementary) were to be transferred to the Director (which is his proposal), he would reduce the variety and issue proceedings saying, for instance: "In "Ganjám Rs. 41,000 goes in grants to "primary aided education, but only "Rs. 9000 in Salem; there is something wrong in this; I will take two or three "thousand from Ganjám and give it to Salem." But is it certain that a Director of Public Instruction reading reports of Inspectors who have themselves very little local knowledge and have probably inspected hardly any of the elementary schools in their range and only repeat what comes up to them from Sub-Assistants and Supervisors, would be a better judge of the policy adapted to the locality than the local authority? Would there not be some danger, if budgeting for the aiding of elementary (male) education were to be transferred entirely to the Director that it would become bureaucratised?

I do not see much sense in writing in this fashion. The "policy" of a Board in education and the policy of a Director of Public Instruction are hardly comparable. Extreme cases supposed should still have a semblance of possibility.

J. T[HOMSON].

There would be a likelihood of its being intelligently systematised. Question begging epithets should be avoided in noting.

J. T[HOMSON].

ALTERNATIVE PROPOSALS WHICH RETAIN AS MUCH OF THE DIRECTOR'S SCHEME AS APPEARS TO ME NOT TO BE OPEN TO THE ABOVE OBJECTIONS.

I. Aided Schools.—It appears to me that the aiding of private schools separately from Provincial and Local, by the Director and the Boards, should continue. Under the results grants system the accounts have got rather confused. They will be simpler under the fixed grant system because there won't be so much uncertainty about the total annual expense. It will be easier to budget and easier to say beforehand exactly what Provincial and exactly what Local will have to pay. The only immediate change I would propose is that the subsidy should be shown separately in the Boards' budgets. This proposal was considered in the notes to G.O., No. 1609 L., dated 19th December 1904, but orders were held over pending the receipt of this report. It is a mere account book detail; will make it easier to read the budgets. When the Director comes up with his proposals for the change from the results grant to the fixed grant system of aid, he will no doubt, if his present proposal that Boards should altogether cease to aid, is rejected, make a proposal for the redistribution of the classes of schools, standards and pupils to be aided respectively from Provincial and Local; *e.g.*, he might propose, in order to do away with the complications and anomalies noticed in his present report that all primary schools for boys (and not merely the first three standards) should be aided from Local, while, to compensate, primary

This is most desirable. Figures cannot then be hidden away behind totals.

H. D. TAYLOR

departments in secondary schools should be transferred to Provincial. I submit, however, that we cannot work out this redistribution here and now, but must leave it to the Director to do. I merely propose Government should say for the Director's guidance that they are not disposed to deprive Boards of their function of aiding private schools and that they think the old line of cleavage—elementary male education, Boards—other education, Government—should as far as possible be retained when the change from results grants to fixed grants is made.

II. Local Board Schools.—I would accept the Director's proposal that the Grant-in-Aid Code should be declared inapplicable to Local Board schools. To apply all the rules in the Code in order to determine the exact amount Government should contribute to these schools appears to me to be quite unnecessary. You give a great deal of work to a number of people, you confuse your accounts, and all for what?

The simple fact is that these institutions are supported at present jointly by Boards and Government in the proportions of 60 to 40 per cent. for the whole Presidency, and roughly in the proportions noted in the margin for different districts. I would now say to each District Board Government propose to abolish the present tiresome, complicated and untrustworthy estimating of Government and Board proportions of expenditure on these schools under rules in the Grant-in-Aid Code. Therefore:

	Board.	Government.
Ganjám	62	38
Vizagapatam ..	61	39
Gódávari	70	30
Kistna	69	31
Malabar	40	60

(1) Report what extra amount would have to be paid in salaries to teachers if the salary results system is abolished in your primary and lower secondary schools, and how much of this expenditure should be met by Government and how much by you.

The reports submitted hereon by the District Board would be amusing reading I expect.

J. T[HOMSON].

(2) Report what amount Government should give you in commutation of the salary grants now paid to you for your High schools.

(3) Report what amount Government should give you in commutation of the fixed grants you now get for certain schools, and

when Government have all your proposals, Government will settle how much can be contributed the next year as a consolidated contribution to you for all your Board schools. The sum will be so much of their estimated cost to be entered under head "salaries to teachers" for a particular year, but Government will not guarantee to keep their contribution at the same percentage of estimated cost of salaries of teachers every year. It will be a matter for consideration when the budgets come up. Every monthly bill for salaries to teachers will be debited in the fixed proportion (fixed in the budget for the particular year) to ADJUSTING HEADS and Local. Government and Board shares under salaries to teachers will be entered separately in the budgets, and you will not be allowed to transfer from the Government share, any saving under which will lapse to Government at the end of the year.

Building grants, furniture grants, grants for technical schools might still be continued to be paid to Boards under the Grant-in-Aid Code. I see from the Director's figures that he does not include them in his proposals.

There is a precedent for making a consolidated grant to a Taluk Board—Bhadráchalam Taluk Board gets Rs. 14,000 or 15,000 a year, according to net cost of schools, for the Government schools in the Gódávari Agency transferred to the Board when the Board was formed. The contribution appears of course under ADJUSTING HEADS in our budget and in the Board's budget.

With the consolidated grant the difficulty about profits made by Boards on particular schools, with the aid of Government grants of course, disappears.

	P. 149 of L. Report. Cost of Supervisors.	Director's Statement I, cols. 3 and 4 Present Provincial grants.
Anantapur	2,216	4,803
Arcot, North	4,385	11,421
Arcot, South	4,049	10,258
Bellary	2,805	4,369
Canara, South	3,533	9,524
Chingleput	3,659	2,288 *
Coimbatore	5,180	8,557
Cuddapah	3,712	7,298
Ganjám	5,146	5,890
Gódávari	10,445	25,202
Kistna	7,991	19,059
Kurnool	3,499	6,210
Madura	6,395	2,984 *
Malabar	7,949	15,536
Nellore	4,517	9,408
Nilgiris	1,084	530 *
Salem	4,893	16,176
Tanjore	6,035	9,344
Tinnevelly	5,955	2,940 *
Trichinopoly	3,188	8,110
Vizagapatam	5,444	9,556
Total ..	1,02,080	1,89,463

* Government could argue that they never meant results stipends to be paid indefinitely out of subsidy. This would reduce the total of my second column above to Rs. 1,26,133 and bring most of the district items in the second column down very near to those in the first column.

A. GALLETTI.

III. Supervisors.— I don't see much objection to the Supervisors being transferred to the Educational Department. Under my proposal of a consolidated grant to each district the cost of the supervisors would exceed the probable consolidated grant only in Chingleput, Madura, the Nilgiris and Tinnevelly. In the other districts the supervisors could be at once transferred and the increased cost to Provincial be deducted from the Provincial grant for Board schools, which in most districts would then be reduced to very modest proportions — so modest that the Boards could possibly afford to cry quits and do without a grant at all.* In the four districts it seems to me Government could afford to cry quits and take over the Supervisors. My scheme would make the transfer of the supervisors simple.

On the contrary, under the Director's scheme the transfer of the supervisors would add another 1·02 lakhs to the ·64 which he proposes the Boards should pay Government. Government would thus draw from Local funds an annual subsidy of Rs. 1,66,000. It seems to me that it would be very undesirable for the reasons I have given before to make Boards subsidize the Educational Department: it is reversing the parts. It is Government that should subsidize if there is to be any adjusting; and under my modification of the Director's proposals the adjusting will be done by Government paying to Local, not by Local paying to Government.

Conclusion.—I think my modification of his scheme will carry out the Director's professed object which is simplification.

The other objects which the Director appears to have in view—the grabbing of Local funds for himself and the withdrawal from Local Boards of all control over aided education—my modified scheme would not help him to; but these objects merit, I submit, no sympathy from Government.

A. GALLETTI—6-2-05.

Mr. Galletti has been with the proposals most carefully and I have nothing to add to his able note and criticism on the subject. The proposals of the Director of Public Instruction are illegal in so far as they advocate a grant or contribution from Local to Provincial, and objectionable in so far as they would fix the expenditure or proportion of expenditure to be devoted by any local body to education.

2. The objects in view are—

(*a*) simplification of accounts,

(*b*) means of ascertaining at a glance whether local bodies are attempting to shift on to Government their burdens and responsibilities in connection with education.

3. On the other hand Local Boards must retain some control and have a voice in the matter of private schools to be aided and paid for out of their funds.

4. If Honourable Member will indicate the extent to which the Director's proposals must be negatived, or may be adopted, Mr. Galletti's proposals which have much to recommend them may be referred to him for remarks.

H. D. Taylor—21-2-05.

I wanted to speak to the Director on this subject, but he has other work to do at present. We cannot adopt the Director's proposal and separate Local Boards' and Government's work by confining the former to their own schools while the Department takes over aided schools and receives the Boards' contributions. The division is arbitrary to start with, deprives the Boards of their functions under educational supply without providing any more reliable agency for control or administration, and, even if the Boards were willing to make over their surplus funds to the Department, they would still require to be spent in the district.

2. The only thing to be done for the present is to show and continue to show Government money given as subsidy right through the accounts from start to finish so that the Department can have no difficulty in tracing it and controlling it. What is not properly required for education under the Boards must lapse to Government.

The budget form has been amended to this end.

H. D. Taylor—21-3-05.

3. But, for the due action of Boards (and Councils) and of the Department over education, it seems to me that the sooner an educational survey of each district's needs, supplies and general conduct of education within its bounds is taken in hand the better. It is work for the Educational Department properly, but in concert with the local authorities. It would have to be considered both whether they were doing all they could and should do, and also whether they were doing it in the proper way. Government cannot and will not lay down any fixed centage of income as to be spent on education—the other needs take prior place—but, even if it is the case that all Boards are giving all the money they can spare, it does not follow that they are spending their grants to the best advantage. I do not think any local body under the Acts of 1884 is justified in supporting the higher education when primary education is neglected; but the whole question requires to be dispassionately considered and orders passed where necessary.

4. The Grant-in-Aid Code applied to Local Board schools is a misapplication in present circumstances. I am afraid that the Educational officers in their present plethora of money are not so careful as they might be to see that none of it is improperly used.

J. T[homson]—21-3-05.

Please draft accordingly.

H. D. Taylor—21-3-05.

The draft placed below is submitted for approval.

P. T. Thabyan—27-3-05.

Draft submitted to Secretary. It is assumed in the draft that Honourable Member's last paragraph is not *obiter dictum*, but conveys an order.

A. Galletti—27-3-05.

The draft may be approved, but the last five lines of paragraph 6 require to be accepted in Financial and Local and Municipal respectively.

H. D. Taylor—30-3-05.

To the Financial Department.

Financial Department.

The question which concerns the Financial Department is the provincialisation of the establishment of supervisors of primary schools now paid from Local funds.

2. In the budget estimates for 1901–1902 this Government entered a lump provision of one lakh for provincialising the agency of inspecting schoolmasters and paragraphs 8–9 of letter No. 59, Financial, dated 21st January 1901, submitting the Civil budget estimate for that year to the Government of India dwelt at length on the necessity for the measure. The Government of India were likewise addressed by the Educational Department on the proposal.

G.O., No. 1263, Financial, dated 6th December 1900.

Letter No. 73, Educational, dated 12th February 1901.

3. The Government of India eliminated * the provision in the budget as it was unsanctioned and eventually disallowed † the scheme.

* Paragraph 2 of Finance and Commerce Department letter No. A-1716, dated 27th March 1901, in G.O., No. 379, Financial, dated 26th April 1901; also Home Department letter No. 127, dated 27th March 1901, in G.O., No. 187, Educational, dated 3rd April 1901, in original of G.O., No. 379, Financial, dated 26th April 1901.

† Home Department letter No. 217, dated 14th June 1901, in G.O., No. 373, Educational, dated 3rd July 1901; G.O., No. 564, Financial, dated 11th July 1901.

4. On page 8 *supra*, the Educational Department have suggested that except in four districts the supervisors could be at once transferred (to Provincial) and the increased cost to Provincial be deducted from the Provincial grant for Board schools and that in the four districts in which the cost of the supervisors would exceed the Provincial grant, viz., Chingleput, Madura, the Nilgiris and Tinnevelly, "Government could afford to cry quits and take over the supervisors".

District.	Cost of supervisors.	Present Provincial grants.
	Rs.	Rs.
‡ Chingleput	3,659	2,288
Madura	6,395	2,984
The Nilgiris	1,084	530
Tinnevelly	5,955	2,940
Total ..	17,093	8,742
Difference ..	8,351	

5. The adoption of this suggestion would throw on Provincial funds an extra charge of Rs. 8,351 ‡. On the other hand the provincialisation of all supervisors would throw on Provincial funds an extra cost of 1·02 lakhs.

6. Educational has not been able to spend its grants for many years and we now have the additional six lakhs for primary education recently assigned by India. On the score of "ways and means" there should be no difficulty in provincialising the Inspecting agency. The scheme has yet to be developed and India's sanction will be required. This Department may, it is submitted, accept the draft order which commits Government to nothing definite.

C. M. Schmidt—6-4-05.

May be accepted in Financial.

G. S. Forbes—8-4-05.

To the Local and Municipal Department.

Local and Municipal Department.

Accepted in Local and Municipal.

H. D. Taylor—17-4-05.

To the Educational Department.

12

EDUCATIONAL DEPARTMENT.

For approval.

H. D. TAYLOR—17-4-05.
J. T[HOMSON]—18-4-05.

Issue.

H. D. TAYLOR—19-4-05.

[G.O., No. 255, Educational, dated 19th April 1905.]

Stock Form No. 151
5,000—13-7-03.

EDUCATIONAL

Local & Munl. (1905) Department.

Soon

CURRENT No. 115

From

[*Name*] The Hon'ble Mr. A.G. Bourne, D.Sc., F.R.S.,

[*Designation*] Director of Public Instruction,

[*Station*] Madras.

LOCAL & MUNICIPAL SECRETARIAT. 25 JAN 1905

Current No. 511 of 05

Dated 24th January 1905.

Enclosures 3

Received 25-1-1905.

Registered Do 190 .

SUBJECT.

A new system of Financial arrangement between Provincial and Local Funds------Submitting for consideration.

BACK PAPERS.

Govt. circular cycle 215-16-6-4-04 178- 14-3-04 876 & 13-7-03 1575-77 & 12-12-04	1609 & 14-12-04 with this. 436-Sdc. 18-7-04 444-Sdc. 20-7-04

FURTHER PAPERS

To

The Secretary to Government,
EDUCATIONAL
Local and Municipal Department.

Sir,

Before addressing Government with reference to paragraph 12 of the Resolution of the Government of India on Indian Educational Policy, on the subject of the abolition of the results system, and the substitution in its place of another system of aid based upon simpler principles and upon more equitable tests of efficiency, I submit for the orders of Government certain proposals for altering the financial relations which now obtain between provincial funds and local funds in so far as education is concerned. It is very desirable that this question should first be settled, for as I shall show presently the existing financial arrangements between provincial and local funds are due to the complicated nature of the system of aiding schools upon the results shown at examinations, and any change in the latter involves a concomitant alteration in the former, the two being inextricably bound together.

2. It is not necessary that I should here attempt a history of the Grant-in-Aid Code but I may be allowed to point out that, in this province, the grant-in-aid system which was originally intended for private agencies has been extended in a curious way so that public funds are now utilized, under rules which were laid down with another object, to aid other public funds namely those of Municipalities and Local Boards, thus leading to anomalies the removal of which is necessary in order to simplify the system of aid. The present situation is this:—— Local Boards and Municipalities manage schools of their own. These schools are maintained partly from Local funds and

are shandy their grants to the best advantage. I do not think any local body under the Acts of 1884 is justified in supplying the higher education when primary education is neglected; but the whole question requires to be dispassionately considered and orders passed where necessary.

The grant in aid Code applies to local board schools is a misapplication in present circumstances. I am afraid that the Educational Officers in their present plethora of money are not so careful as they might be to see that none fish is misapplied.

H
21.3.05

Please draft accordingly
PZ
21-3-05.

The draft placed below is submitted for approval.

PZ
~~22/3/5~~
27/3/5

Draft submitted to Secretary. It is assumed in the draft that H.H.'s last paragraph ~~is~~ is not obiter dictum, but conveys an order
H 27/3/5

Secy as
No 1 Wrapper
H 27/

Submitted that the file returned from circulation when the Secretary was in Council (Legislative) & was therefore sent to the A.S. in the first instance. Unless the file made a mistake it must have gone to the A.S. & instead words "Secy as" before submitting file to Secretary after return, as I thought, from the A.S.
PZ
22/3/5

Some mistake
PZ

Please copy out again last two pages of draft as revised H

Done 28/3/5 Tosec H 28/

[E. 12]

1,000–24-9-04.

EDUCATIONAL DEPARTMENT.

READ AGAIN G.O., No. , dated 190 .

" " " " " " 190 .

READ ALSO:–

C. No. 115, From the Director of Public Instruction No 511 , dated 24-1- 1905.

" " " " " " 190 .

" " " " " " 190 .

ORDER No. 255 , dated 19-4- 1905.

In this letter read above the Director proposes that in future

(1) the maintenance of Board Schools should be left entirely to Local Boards and Municipal Councils without any aid from Government in the shape of grants for teaching;

(2) the payment of all grants to aided Schools under private management should be made directly by Government and

(3) that as the amount ~~saved~~ by local bodies would save ~~in their present expenditure on Education~~ by the adoption of proposals (1) and (2) –

Municipal

Proposal (1): no loss and no saving. (2) is a saving. (3) is proposal

9 21P

the amount saved
should be placed at the disposal of
with Educational Dept
Government as a lump contribution ~~for~~ to
be spent on Education
~~meeting the extra expenditure incurred~~
~~by them under proposal~~ (2).

2. The Government regret that they cannot adopt these proposals. The division of work involved is arbitrary and it deprives the local bodies of their proper functions in regard to Education without providing any more reliable agency for control or administration ~~than at present~~. Even if those bodies were willing to make over their surplus funds to Government such funds would still require to be spent in the area from which they were made over. The only remedy for the evils complained of by the Director lies, in the opinion of Government, in the Separate Exhibition in Local Fund and municipal accounts of all Govt. money now given as Subsidy so that the Director can have no difficulty in tracing it and controlling it. The Accountant General will report what changes in the budget and account forms will be necessary on this account.

3. The Govt. also consider that as long as the System of payment by results remains in force two addition

Please see paras:- 4, 5 & 6 of the draft in G.O. No 1609 Edl 19-12-04 which were held over - XX.

Part of a G.O. we drew up at Ooty which was to wait for these proposals of the Director

J

Page 55 of file no. 5906R 21-9-04.

Page 52 ——— do ———

Page 48 ——— do ———

columns should be opened in the certifying memoranda form (appendix M of the Grant-in-aid code for 1905-06) to show the distribution between purely Local or Municipal funds and the Subsidy, of the total grants earned by a School and payable to it. Column 12 of the results list (appendix J of the Grant-in-aid Code for 1905-06) may also be divided into two ~~the net total amounts due~~ columns, one to show the amount payable as Subsidy and the other to show the ordinary grant. Similarly in bills for fixed grants (appendix G of the Grant-in-aid code for 1905-06) the net total amounts due may be distributed between purely Local and Municipal funds and the Subsidy. In making payments the Treasury officer will debit the different amounts to the appropriate heads of account. The Director of Public Instruction will report in consultation with the accountant General whether he sees any objection to this procedure.

4. It will be pointed out to Local Boards and Municipal Councils that no portion of the Subsidy is at their absolute disposal, that whatever portion

7 21 23P

remains unutilized in any year ~~shall~~ will ~~should~~ lapse to Government and that local bodies are not at liberty to withdraw any part of the provision from purely Local and Municipal funds, once made in a budget and sanctioned by Government for the payment of grant.

5. In order that the action of Local Boards and Municipal Councils and of the Department of Education may be duly regulated, it seems to Government that the sooner an educational survey of Each District's Councils needs, supplies and general conduct of education within its bounds is taken in hand the better. The D.P.I. is accordingly requested to arrange for such a survey in consultation with the local authorities. It will have to be considered both whether the local bodies are doing all they can and should do and also whether they are doing it in the proper way. Government cannot & will not lay down any fixed percentage of income to be spent on education by these bodies; but even if it is the case that they are ~~spending~~ giving all the money they can spare it does not follow that they are spending it to the best advantage: For instance no local body will be

S 32 24P

justified in supporting higher education when primary education is neglected.

6. It appears to Government that the Grant-in-aid Code applied to Schools under the direct management of local bodies is possibly a misapplication in present circumstances. Whether Such aid as the Boards stand in need of on account of these Schools Should be given in the Shape of an additional Subsidy and the Schools taken out of the operation of the Code is a question requiring further examination. The D.P.I. is requested to report on the point, which will also be dealt with in the Local and Municipal Department. The provincialisation of the establishment of supervisors with the financial adjustment involved will be matter for Consideration in this Connection.

L.M

7. No part of the Subsidy Should be spent in the ensuing year on results Stipends without the Sanction of Govt. Any proposal to devote a portion of the Subsidy to increasing the emoluments of teachers in Salary-result Schools maintained by local bodies, Should be accompanied by Statements of (1) the principles of allotment to the differ-

b

9 23 257

bodies to be observed (2) of the rates of Stipendiary grants.

Pth 28/3/15

K 28/3/15

B 30/3/15.

V. 18/4/15

To the D.P.S. ✓ Despd 15/5/15.
" A.S. ✓
All Presidents of Dt. Bds. ✓
" Chairmen of Rural Councils ✓ Despd 17/5/15.
The 4th Deptt. ✓ Despd 15/5/15.

First copy sent to Press.

Returned for signature.

Despatched in print.

NUMBER OF COPIES REQUIRED. { Order complete. 700 / Letter only. / Order complete with Letter.

HEAD AGAIN G.O., No. 190 . , DATED

CURRENT No.

1—31

26P

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT.

LETTER OF GOVERNMENT.

STATEMENT [illegible] DITTO.

PAPERS NOT FILED UP, BEING MEANT FOR DESPATCH IN ORIGINAL.

N.B.—

A = Print in full.
B = Not to be printed.
P = Print abstract only.
Q = Print heading only.