Scott. II-37—37,004—12-11-46

E&PH (1946) Department.

MS. SERIES.

G.O. No. 1753 Edn

Dated 11th September 1946.

P4-31

[Despatch Abstract.]

Allowance - Dearness or war - Staff in aided educational institutions (other than elementary schools) - Payment of grant equal to one half of the allowance at Govt. rates - Sanctioned.

Back Papers.

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

Further Papers.

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

THE SOUTH INDIA TEACHERS' UNION

520, HIGH ROAD,
TRIPLICANE,

No. _____ Madras, 24th March 1946.

1673

ASST. SECRETARY TO GOVERNMENT
2 6 MAR 1946
EDUCATION AND PUBLIC HEALTH DEPT.

From:
Mr. T.P.Srinivasavaradan, B.A.,L.T.,
Hony. Secretary,
The South India Teachers' Union.

To: The Secretary to the Government of Madras,
Education and Public Health Department,
Fort St. George,
MADRAS.

Sir,

Sub:- Dearness Allowance to Teachers in Aided Institutions.
Ref:- G.O. MS. 1654 Education d/10-11-45 and
G,O. MS. 57 Education d/ 8- 1-46.

On behalf of the Union I have the honour to submit a further memorandum on the question of Dearness Allowance to teachers in aided Secondary Schools,Colleges,Training Schools & Special Schools

The Union is thankful to the Government for having raised the Dearness Allowance in the case of teachers in aided elementary schools from Rs.8 to Rs.16. It would have been a great help to the teachers, besides doing justice to them, if retrospective effect had been given from 1st April 1945 instead of 1st February 1946.

As regards the question of Dearness Allowance to teachers in aided secondary schools, the position now is practically the same as it was before the issue of the G.O.Ms.No.57 Education, dated 8th January 1946. Soon after the issue of the G.O. ~~I sent~~ has been sent a circular (Exhibit A) to the Headmasters of all Secondary Schools requesting them to let ~~me~~ the Union know (i) the rate of dearness allowance in 1944-45, (ii) the rate of dearness allowance in 1945-46 and (iii) whether there has been revision in the scales of salaries in the recent years and if so were the scales raised or lowered. Almost all the headmasters of aided secondary schools replied to that circular. On an analysis of the replies received, it has been found that in most of the schools the dearness allowance in 1944-45 did not exceed Rs.5/- and in 1945-46 about 30 schools paid Rs.5 and less than Rs.5/-, about 150 schools between

between 5 and 10, about 80 schools between 10 and 15 and only about 30 schools at Government rates (Rs.16 and Rs.18 or 17½% of the salary). Some schools in Malabar stopped in 1945-46 even the low dearness allowance they were giving in 1944-45 on the ground that they had no money. Further a good number of schools revised their salary scales to the disadvantage of the teachers.

The Union sent another circular (Exhibit B) to the Correspondents appealing to them to give deanrness allowance to their employees at Government rates and emphasising the necessity for maintaining harmomious relationship between them and their employees. A number of correspondents have replied to this circular. Some of them say that with the income they get they are unable to grant dearness allowance at Government rates. They have positively written to us that unless the Government are prepared to meet the entire expense on dearness allowance, it is not possible for them to give any relief to teachers. From the replies received from other correspondents, Teachers' Associations and Individual teachers, it is seen that a good number of managements are not keen on giving dearness allowance at Government rates. In view of the high cost of living, growing day by day and in view of the low salaries received by the teachers, they are in a high tension and they are pressing the Union to take immediate steps to bring pressure to bear upon the Managements and the Government to grant the Dearness Allowance at Government rates.

In our previous memorandum, it was brought to the notice of the Government that if expenditure on dearness allowance is taken only for purposes of grant, it will not help most of the managements. Even the so-called surplus institutions will become deficit institutions if they begin to pay dearness allowance at Government rates. The teachers feel that while the Government have done justice though belated to elementary school teachers by raising the dearness allowance to Rs.16, they are unwilling to do so in the case of employees in aided secondary schools and Colleges.

(V)

We are unable to understand what prevents the Government from compelling the managements ~~giving an assurance to them~~ to pay Dearness allowance at Government rates and giving an assurance to them that they would make good the loss incurred on account of Dearness allowance at government rates as they have done in the case of Local Bodies.

It is earnestly hoped that the Government will do justice to aided schools and Colleges without any further delay, thus giving up the policy of step-motherly treatment that has been accorded to them.

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

J. P. Srinivasavaradan.
Hony. Secretary.

Copy Forwarded to:

The Director of Public Instruction,
Cathedral Post,
MADRAS.

(Exhibit-A.) 4 (5)

THE SOUTH INDIA TEACHERS' UNION

520, High Road, Triplicane,
Madras, 5th Febry. 1946.

From

Mr. T. P. Srinivasavaradan, B.A., L.T.,
Honorary Secretary.

To

The Principal,
The Headmaster,
The Headmistress,

Sir/Madam,

On a representation made by the South India Teachers' Union on the question of Dearness Allowance to Teachers, the Government issued a G.O. which was published in the newspapers and a copy of which was also sent to the correspondents of Aided Institutions. The Government, while admitting the necessity and urgency for granting Dearness Allowance at Government rates to employees in aided institutions, have not accepted the Union's request that it should be made obligatory on the part of the managements to pay Dearness Allowance at Government rates, assuring the managements that the entire expenditure on this item would be met by a special grant. As the Union proposes to make further representation to the Government on this question, you are requested to furnish at a very early date, information on the following points so as to enable the Union to do the needful. The information sought for may be treated as urgent.

1. Rate of Dearness Allowance in 1944—45.
2. Rate of Dearness Allowance in 1945—46.
3. Whether there has been revision in scales of salaries in the recent years? If so were the scales raised or lowered?

Yours in the cause of
the profession,

T. P. Srinivasavaradan

Hony. Secretary.

Loyal Press, Triplicane—500—5.2.'46.

(Exhibit-B.)

5

6

THE SOUTH INDIA TEACHERS' UNION

From
T. P. SRINIVASAVARADAN.
Honorary Secretary.

520, High Road,
Triplicane,
Madras, 15th Feb. 1946

To

The Correspondent,

Sir,

On the representation made by the South India Teachers' Union more than once the Government issued a G.O., which was published in all the dailies, and a copy of which was also sent to you, on the question of Dearness Allowance to employees in Aided Institutions. Though the Government has recognised the necessity and the just claims of the employees for Dearness Allowance at Government rates, it has not accepted the Union's request to treat the expenditure on Dearness Allowance as an emergency one, and to meet the entire expenditure on that item by a special grant, It is needless to point out to you that the salaries of teachers are very low when compared with those paid to persons in other professions. It would be very difficult for the teachers to tide over the present crisis if at least Dearness Allowance at Government rates were not given to them. Teachers in aided institutions are urging the Union to take effective steps to bring pressure to bear both on the Managements and the Government to grant Dearness Allowance at Government rates. As the Managements are alive to the difficulties and sufferings under which their employees are working, it is earnestly requested that they should find ways and means of paying their employees Dearness Allowance at Government rates, if they have not already done so.

The Union is very anxious to do its best to preserve the harmony that exists at present between the Managements and their employees. The Union strongly feels that it is now the duty of the Managements to pay Dearness Allowance at Government rates and bring pressure to bear on the Government to meet the deficit incurred on account of that enpenditure.

A line in reply is earnestly solicited.

Yours in the cause of the profession,

J. P. Srinivasavaradan

Hon. Secretary.

Loyal Press, Triplicane.

(Exhibit-B.) 5 (6)

THE SOUTH INDIA TEACHERS' UNION

From
T. P. SRINIVASAVARADAN.
Honorary Secretary.

520, High Road,
Triplicane,
Madras, 15th Feb. 1946

To

The Correspondent,

Sir,

On the representation made by the South India Teachers' Union more than once the Government issued a G.O., which was published in all the dailies, and a copy of which was also sent to you, on the question of Dearness Allowance to employees in Aided Institutions. Though the Government has recognised the necessity and thc just claims of the employees for Dearness Allowance at Government rates, it has not accepted the Union's request to treat the expenditure on Dearness Allowance as an emergency one, and to meet the entire expenditure on that item by a special grant, It is needless to point out to you that the salaries of teachers are very low when compared with those paid to persons in other professions. It would be very difficult for the teachers to tide over the present crisis if at least Dearness Allowance at Government rates were not given to them. Teachers in aided institutions are urging the Union to take effective steps to bring pressure to bear both on the Managements and the Government to grant Dearness Allowance at Government rates. As the Managements are alive to the difficulties and sufferings under which their employees are working, it is earnestly requested that they should find ways and means of paying their employees Dearness Allowance at Government rates, if they have not already done so.

The Union is very anxious to do its best to preserve the harmony that exists at present between the Managements and their employees. The Union strongly feels that it is now the duty of the Managements to pay Dearness Allowance at Government rates and bring pressure to bear on the Government to meet the deficit incurred on account of that enpenditure.

A line in reply is earnestly solicited.

Yours in the cause of the profession,

J. P. Srinivasavaradan

Hon. Secretary.

Loyal Press, Triplicane.

C. B. JAGANNADHA RAO, M. A
Suryaraopeta, Cocanada

3 - MAY 1946

Sir, 2384

Excuse me for placing the following facts before you:

One of the first things done by the Congress Ministry of Bombay is to order payment of dearness allowance to all teachers in private schools (with retrospective effect) at government rates.

The teachers in private schools of this province are in a much worse plight though they have not held out any threat of a strike - for obvious reasons.

All that the Government of Madras has, so far, done for them is, only an ineffective and vaguely worded "recommendation" by the Director of Public Instruction that they might also be paid dearness allowance at government rates

The only help ever done to this

'noblest of professions but sorriest of trades' in the presidency was by Sir A.P. Patro whom all of us gratefully remember even today for making Provident Fund compulsory in all private schools and colleges, when he was minister for Education.

The last Congress Ministry of Madras did practically nothing as far as teachers are concerned - a fact which was openly admitted by Dr. Subbarayan and others.

CR. Jagannadhasco

PS

As the writer of this letter belongs to the same community as the addressee, he hopes that his form of begging need not be made more explicit and that Madras, with such able leadership, would not lag behind others in doing the right thing by the poor teacher

CR. J

33/2915

A 28/5

7

(21) F.& P.H. (E.1)

Allowance - Dearness or War - Staff in aided educational institutions (other than elementary schools) - Payment at Govt. rates - Revision of the system of aid.

From the Honorary Secretary, The South Indian Teachers Union, dated 24-3-1946.

Memo 16731 Ser/46-2 Dated 28/5/46 The attention of the D.P.I. is invited to ~~A copy of the letter from~~ the Honorary Secretary, South Indian Teachers Union, cited above a copy ~~forwarded to the D.P.I.~~ of which has been forwarded to him direct and he is requested to submit a clear statement showing what the additional cost to Government would be, if they are to undertake to meet that portion of the expenditure on payment of dearness or war allowance to the staff in aided educational institutions (other than elementary schools) at full Govt. rates which cannot be met by the managements from their own resources. He is requested to report with reference to the financial position of the managements

managements what may be taken to be the maximum rate of dearness or war allowance the managements could pay and whether the Govt. may make good the difference between that rate and the rate admissible as per Govt.rates, and if so, what the cost would be to Govt., if such payments are made in the current year for 1945-46 and also what it would be if Govt. were to make payment only in 1947-48 for 1946-47. In working out the cost, it may be assumed that the payment of grant towards dearness or war allowance will be restricted only to non-profit schools.

2. The D.P.I. is also requested to report whether the 'profit schools' are in a position to pay dearness or war allowance to the members of the staff at full Govt.rates and to meet the expenditure involved from their funds and if not, what the additional cost would be if grants-in-aid are to be paid to such schools also for the purpose.

USR 18-5-46

18/5/46

20/5/46.

~~To~~
~~The D.P.I.~~
~~with copy of~~
~~c.f.~~

p4, B440

3. Under rule 32 (i) of the Grant-in-aid Code institutions whose income from tuition fees reckoned at standard rates is in excess of the approved recurring expenditure are considered to be working at a profit and they do not earn any teaching grant. Such institutions do not get any grant towards the expenditure on payment of dearness or war allowance also as it is treated as an approved item of expenditure for purposes of assessment of teaching grants. It ~~is~~ has been pointed out that a large number of aided schools have enhanced their school fees and are getting more than what they are spending even though they would not be technically 'profit schools', and a ~~It has been~~ suggestion has been made that the rule should be amended so that the income from tuition fees for purposes of grant-in-aid may be reckoned at the rates actually levied if they are higher than the standard rates. The D.P.I. is requested to offer his remarks on the suggestion. If

he agrees, he is requested to suggest a suitable amendment of the rule and also to work out the calculations of cost with reference to paras 1 and 2 above in accordance with the rule as proposed to be amended.

K.S.K.
27-5.

27/5/46 28.5.46

To the D.P.I. ~~with copy of G.O.~~

B7 11 (10)

DIRECTOR OF PUBLIC INSTRUCTION
11 JUN 1946
GOVERNMENT OF MADRAS

Fort St. George,
11th June 1946.

Dear Mr. Lobo,

You had promised to work out the cost of giving dearness allowance at full rates to Secondary school teachers on the basis of interpreting 'profit schools' as those schools which are working profitably, taking into account the fees that they are receiving in fact and not according to standard rates. This estimate has not been received They will be necessary for inclusion in the budget which will have to be prepared soon and so they may be submitted early.

Yours sincerely,

ISA

Sri G.L.Lobo,
I/c. Director of Public Instruction, Madras.

Copy to Secy E&PH.

C.F. 32 (a).

From Education Department

Received 27 JUN 1946 Registered

From (Name) Dr.S.R.U.Savoor, M.A., D.Sc., I.E.S.,

Designation Director of Public Instruction,

Station Madras.

To

The Secretary to Government, Education and Public Health Department, Madras.

ASST. SECRETARY TO GOVERNMENT EDUCATION AND PUBLIC HEALTH DEPT.

Enclosures:

Rc. No. 975 E/46 dated 25-6-1946. 194 .

Sir,

Schools - European - Allowances - Dearness or War - Staff in aided educational institutions - Payment at Government rates - Revision of the system of aid.

34292

With reference to paras 1 and 2 of Government Memo No.16731 B/43-2 dated 28-5-46, I have the honour to state that in so far as European and Anglo-Indian schools in the Province are concerned, they are eligible for Teaching grants upto the limit of the net cost though full net costs are not usually sanctioned. Hence the provision made under Teaching grant in the Budget Estimate for 46-47 will be found sufficient even if the management, sanction payment of Dearness allowance or War allowance to the staff at Government rates.

26.6.46

for Director of Public Instruction.

k.h.26-6.

2/8/7

13

(12)

Edn(S.I)

T.M

From.

The Assistant Secretary, Edn Dept

Deptl 4-7-46 To

The Deputy DPI.

17 of

Ref. Govt Memo no 16731 31/46-2 Edu dated

12 of

28.5.46 & Director's reply Rc. 975 E/46 & 25-6-46

2/7

Please say when the information required in respect of Non-European aided educational institutions will be furnished. The matter may kindly be treated as very urgent

KBK 29.6.46

RSM 29/6/46

RS

R.O.631-D/46 14

B1

ASST. SECRETARY TO GOVERNMENT
5 JUL 1946
EDUCATION AND PUBLIC HEALTH DEPT.

36133

Office of the
Director of Public Instruction,
Madras, Dated 29--6-1946.

From

Dr.S.R.U.Savoor, M.A., D.Sc., I.E.S.,
Director of Public Instruction, Madras.

To

The Secretary to Government,
Education and Public Health Department,
Fort St. George, Madras.

Sir,

Sub: Allowance -Dearness Allowance - Staff in aided educational institutions (other than elementary schools) - Payment of Government rates - Revision of the system of aid.

Ref: Govt. Memo.No.16731-B.1/46-2 Edn., dated 28-5-1946.

***

The essential ideas underlying the Memo seem to be:

(i) that teachers in all aided schools should be given the benefit of Dearness Allowance at Government rates;

(ii) that the Government should not undertake, as in the case of elementary schools, direct responsibility in full measure for such an arrangement;

(iii) that it is the duty of the managements to meet this obligation as they would any other need of the school, subject to the usual grant-in-aid;

(iv) that some managements which are defaulters have resources by way of annual incomes from fees, interests, donations etc., which should be harnessed fully for the purpose before the Government should step in and make arrangements for the payment of full allowances;

(v) that the present position is essentially a transitional phase and any arrangements made should be regarded as temporary expedients justified by the present extraordinary circumstances;

(vi)that these temporary expedients should be adopted even though for the time being restriction of a very rigid kind may result in respect of the freedom of action of the management.

Of these ideas item 4 constitutes in a sense the most important part since Government are prepared to supplement to the maximum extent in the case of non-profit schools to enable them to meet the entire cost.

Before dealing with the central problem it would be better to ascertain the nature of the profit schools, the stability of their position as profit institutions, and the margin of that stability.

The so-called profit institutions are in a number of cases the artificial creations of the department which applies the grant-in-aid code in as rigid a measure as possible. They are more the products of

rules

rules than of reality. Secondly the profits so called are not nearly so great as they appear to be. Thirdly, the very word profit is bad terminology and invests the whole thing with some opprobrium. Finally the most important point to be reckened with is that most of the so-called 'Profit' schools should become 'Defiöit' schools when full Dearness Allowance is taken into consideration.

The Income and Expenditure of two representive districts namely Madras and Malabar have been analysed and it will be observed that the results are very illuminating as shown below:

Madras: (1) In Madras there are 31 aided schools of which statistics have been collected in respect of 21 which figure include all except probably one profit institution. Of these 21 schools, only 4 worked at a profit.

(2) Of these 4 profit schools, one school had a surplus of Rs.377/- which to all practical purposes is negligible.

(3)Of the 3 remaining schools only two paid Dearness Allowance at full Government rates and in spite of such payment they worked at a'profit' of Rs.2317/- and Rs.3630. But it may be noted that the total expenditures of these schools during the years were Rs.113038 and Rs.119953. So that the so called profit would not be enough even to meet one months salaries of the teachers.

(4)The allowances paid in the other 17 schools are so meagre that even in the present scheme they would require grants upto Rs. 69,979/- to enable them to pay full grants.

Malabar: (1) In this district also there are 31 aided schools, of which statistics have been collected in respect of 23. Of these 23 schools, only 2 schools are profit schools.

(2) Of these two schools, onehad a surplus of only Rs.206/- which is negligible.

(3) The other school has a profit of Rs.1649/- while its total expenditure during the year was Rs.40,260/-. Though in this case the School does not pay Dearness Allowance at full Government Rates yet it is obvious that the amount of profit namely Rs.1649/- cannot be utilised for supplementing the rates of Dearness Allowance as it is not even sufficient as stated above in the case of Madras Schools to meet a month's salaries of the teachers.

(4) The additional funds that would be required to supplement the present allowances in respect of the remaining 21 schools comes to roughly about Rs.61,588/-.

The fact is that the number of institutions which have appreciably large surpluses in the Presidency could be counted on one's fingers and the margin of 'profits' is very narrow.

If we turn to the non-profit schools, one thing is clear and that is, that they are paying Dearness Allowance at rates much lower than the Government rates. I have called for statistics from the High Schools and when these are received I shall be able to state with some approximation to correctness the amount that would be required to carry out the orders of Government. It might probably be mentioned that the financial position of all the schools except just a few is not so far removed from the hand-to-mouth stage, that it will be useless to make any distinction between school and school on this score.

It should be noted that whether Dearness Allowance is permanent or temporary, the rise in prices is a marked feature now and is bound to continue to be one for an appreciably long time and so till the scales are revised, it is better the present fabric of grant-in-aid code is not interfered with more than is absolutely necessary.

It is necessary in this connection to estimate what might be the possible consequences of the contemplated arrangements.

1. So far as the past is concerned it is easy to estimate what the excess still due to the teachers is, and pay it. But this will involve the appropriation practically of all the balances left with the managements and this would seriously cripple them, leaving them little or no scope for making improvements.

2. As regards the future - that is till the era of Dearness Allowances comes to an end - Government will continue to utilise all the resources of the managements. Naturally managements which are deprived of their income, will have to come to Government for full grants on all expenditure on equipment, repairs, staff improvements and additions, library, etc. and unless Government are going to take up the impossible position of declaring that during the entire period no management shall be permitted to spend in any one year more that what it spent say in 1945-46, these demands will have to be met fully. Indeed the net result of the present proposal will be that the entire deficits will have to be met by Government and that the natural checks on the responsibility of the managements to run the institutions economically will vanish and ultimately in practice an enormous amount of work will be thrown on the department and its officialsof minutely checking all items of expenditure and income. It is not the object of this letter to make the problem look more grim than it is but there is no gain saying that the powers of the managements would be almost crippled and at the same time the tendency would be for them to become "irresponsible" and finally extravagant. Every proposal for new expenditure will have to be carefully scrutinised by the department as otherwise the Government bill will automatically become bigger. It will not be too much to state that by this policy the Government will in effect be taking over the responsibility of financing entirely the educational institutions, receiving from the management the income from the endowments while the power of managing the institutions would continue to be vested inmanagements, though unlike in the past these would have no motive to balance their budgets.

One is not afraid of changes, but no changes should it is submitted be ordinarily made without a full realisation of all the implications, both near and future. Alternative methods should be considered first and asuitable scheme drawn up. One of the alternative so obvious is to treat the Dearness Allowance as a special War time product; one for which the responsibility of the state is direct and unmistakable. Already managements are paying some amounts to the teachers and these are being included in Financial Statement why not Dearness Allowance be treated as a separate unit and full grant preferably, be paid and at the same time the payments be made compulsory on part of the managements.

Government

17

: 4 :

Government in the past have been generous enough to grant full grant to elementary schoolmasters. Probably every other branch of state and Private service has already by state intervention or by state rules or by the laws of demand and supply, had the benefit of increased emoluments. The teaching profession, in the secondary and collegiate institutions, is the only branch of national service that is still struggling to get its claim recognised. It could have had its claims admitted earlier if it had the same freedom of migration, the same freedom from the shackles of gentility and the same freedom from the traditional responsibilities and dignity of the so called "highest profession", fredoms which would have enabled its members to bargain and need be to take decisive steps. The policy of theGovernment should be such as would relieve the teachers without at the same time crippling the managements and thereby the schools and the youth.

I am submitting recommendation regarding special schools and colleges separately.

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

for DIRECTOR OF PUBLIC INSTRUCTION.

RVR 3/7/- Sol 3/7

18 By (4)

Secretary E. & P.H.

The D.P.I. was asked to work out the cost if all aided secondary schools are asked to pay dearness allowance to their staff at Government rates in profit and non-profit schools taking into account the actual income by way of fees. Though this has been asked for a long time back, nothing has been received from him yet. He may be asked to expedite it.

TSA 18-7-46

H.M. Education.

SECRETARY, EDN. AND P. H. DEPT. 19 JUL 1946 GOVERNMENT OF MADRAS

EDUCATION AND PUBLIC HEALTH 19 JUL 1946 39374

B1

GOVERNMENT OF MADRAS

ASST. SECRETARY TO GOVERNMENT
2 AUG 1946
EDUCATION AND PUBLIC HEALTH DEPT.

(16)

Secretary, E. & P.H.

With reference to the deputation of teachers that met us on the 27th inst. one of their main points of ~~difference~~ grievance is that the Aided Secondary school teachers are not paid the dearness allowance according to Government rates. This is a matter which we have already taken up. We have called for certain information from the D.P.I. and though it is a few weeks since, nothing has been received. I shall be glad if you will please call for the papers so that we can do something as soon as possible.

T S Avinashilingam

(Camp) Poona,
30th July 1946.

H.M. (Education).

B1

The file on the subject of dearness allowance to aided Secondary school teachers has been sent to Finance on 23/7/46 + B 2.8.46

BRM
2/8/46

H.M. (Edn)

20

46039

D.O.

AS II Put up V.V. 23

(17)

Office of the
Director of Public Instruction,
M a d r a s, 5th August 1946.

SECRETARY, EDN. AND P. H. DEPT.
6 - AUG 1946
46039
GOVERNMENT OF MADRAS

My dear Sir,

SUB:-Secondary schools - Dearness allowance.

...

I understood from the conversations I had with you and what Mr. C.D.S. Chetti told me after his meeting you last week that the line on which you would like me to work out the details in respect of the dearness allowances to secondary school -- teachers are as stated below:--

What is the amount the Government will have to pay if on the basis of the actual rates in force in the respective schools, Government decide to pay, where the managements are paying at less than the rates approved by Government in the case of Government employees, half the difference between the maximum admissible and the amount actually paid so that the recognised liabilities of Government to pay to schools a grant not exceeding half the rates may be discharged in full, irrespective of the management meeting or not its share of the dearness allowance. Thus if in 1945-46 school 'A' had paid its teachers only Rs.10/- dearness allowance instead of Rs.16/-, this sum of Rs.10/- would in the usual course of events be included in the Financial Statement of the school for that year and the grant assessed after admitting in full the sum expended so that Government would be meeting its liabilities subject to the provision of the Grant-in-Aid Code on that amount. In a case like this Government will have discharged its obligation only in respect of Rs.10/-. Its obligation in respect of the balance of Rs.6/- (Rs.16/- <u>Minus</u> Rs.10/-) has not been met for the simple reason that the management not having paid it, it cannot be included in the account and so is not an admissible expenditure under Grant-in-Aid Code. The idea is, notwithstanding the Grant-in-Aid Code, to make a special grant of Rs.3/- leaving it to the management to pay or not its own unpaid share.

Based on this direction I am submitting herewith a Note in two parts:

(a) on the lines indicated above;

(b) on what I submit is really necessary to meet the needs of the teachers.

In connection with both these parts I invite your kind attention once again to my letter to the Secretary to Government, Education & Public Health Department, ROC.No.631 D/46 dated 29th June 1946. I am convinced that the problem should be kindly viewed in the perspective of nation-wide changes in price levels and salary-adjustments, following the war conditions and the responsibility for its solution rests directly and unmistakably on the State and I shall be failing in my duty to the Government and to the teaching profession if I did not at this crisis lay bare the problem in all its aspects before you as the head of our department for your deep and sympathetic consideration.

Yours sincerely,
S K Savoor.

To

The Hon'ble Minister for Education,
Fort St. George, Madras.

25 / 19

NOTE on dearness allowances - Secondary Schools.

.....

Part I - as per scheme outlined in Director's D.O. of which the NOTE is the annexure.

GOVERNMENT LIABILITIES ASSESSED.

1. To assess the liabilities with accuracy for 1945-46 is impossible as all the Financial Statements have not been received and the figures scrutinised. I can at best estimate. The estimated figures are based on the reports of the management of 374 out of 439 schools.

1. In 1945-46 the number of aided secondary schools were	439
2. The number out of these that have sent up their figures of expenditure	374
3. The number that have to still to submit data ..	65
4. The total amount of dearness allowance actually paid by the 374 schools was	11,90,000
5. The proportionate amount that should have been paid by the remaining 65 schools is approximately	2,00,000
6. Total of (4) and (5), i.e., of amount paid as dearness allowance	13,90,000
7. The total amount still remaining to be paid by the 374 schools if D.A. is calculated at maximum rates	8,30,000
8. The proportionate amount still to be paid by the remaining 65 schools (this is an estimated figure)	1,44,000
9. Total of (7) and (8), i.e., amount still due to be paid	9,74,000
10. Total D.A. paid and still due, i.e., (6) PLUS (9)	23,64,000

AMOUNT NECESSARY FOR THE CURRENT YEAR.

2. This amount can be determined at present only very approximately and even then it will depend on (a) whether Government propose to meet only the liabilities for the year 1945-46 or (b) whether they propose in addition to (a) to pay in a like manner for the previous year. Assuming that only (a) is intended the following estimate is prepared.

3. We have provided in the current year's budget 19.91 lakhs

towards teaching grant payable for 1945-46 in 1946-47. It is doubtful if the figure has been assessed with any degree of accuracy and with reference to all the factors. Apart from the intrinsic difficulty of doing this satisfactorily at any time, it could not be done the more so this year as Government's intentions were not quite clear till long after the estimates were prepared and the data from schools were not available and as even if these were available we could not predict with certainty the extent of the liabilities of Government. So there is no good in being annoyed with anyone. In fact the difficulties are so well recognised that it has been the usual thing to either make re-appropriations or to cut proportionately the grant, the former being done most often.

The amount paid as teaching grant consists of the following:--

(i) Half the net cost calculated with reference to income and expenditure arrived at on usual assumptions;

(ii) Fee income foregone under Rule 92, Madras Educational Rules.

(iii) Half the amount paid by Government on scholarships under Rule 32, Grant-in-Aid Code;

(iv) Military concessions.

On the basis of last year's payment in respect of expenditure in 1944-45 incurred by 405 schools, the following estimates are arrived at.

	Grant paid in 1945-46 for 405 schools. Rs.	Grant payable in 1946-47 for 439 schools. Rs.
(i) Half of net cost excluding payment on dearness allowance* ..	2,65,000	2,87,000
Payment on D.A. actually disbursed*	2,10,000	6,50,000
(ii) Rule 92, Madras Educational Rules) (iii) Rule 32, Grant-in-Aid Code) (iv) Military Concessions .. ..)	12,81,000	13,50,000
	17,56,000	22,87,000

* The figures are a rough allocation of the total grant.

The amount to be added to the total liability for 1946-47 if the Hon'ble Minister's proposal is to be given effect to (i.e., half of item 9 in para 1) 4,87,000

Total teaching grant estimated as required for 1946-47 is .. .. .. 27.74 lakhs

Amount actually provided in the budget estimate for 1946-47 .. .. .. 19.91 lakhs

The additional amount required to implement the Hon'ble Minister's proposal is.. .. 7.83 lakhs or 8 lakhs in round figures.

Part II - The sufficiency of the scheme.

5. The above is a factual statement.

6. But it should not be forgotten that the proposal is defective and will not and cannot be expected to be satisfactory either from the point of view of the teaching profession or that of the managements.

(i) The teaching staff has still to get a sum of Rs.4.87 lakhs for 1945-46 and the amount will be gradually increasing year after year;

(ii) The school managements have to meet with their slender resources increasing expenditure. It should be remembered that the funds of many of these are in Government securities and the income from these is falling with every conversion and the real value of the capital and interest is being reduced considerably, consequent on the recent inflation policy of Government, lack of any systematic control of prices and the abnormal rise in labour wages. In this sense, they are the victims of policy of Government themselves who have been insisting on their investing their funds in gilt-edged securities meaning virtually Government Promissory notes, Victory Bonds and War Bonds.

(iii) Government by paying only their half will be virtually aggravating the friction between the staff and the helpless resourceless management and the relations will become certainly bitterer than they are even now.

(iv) What is the policy to be in respect of amounts (of dearness allowance) due for this year payable in 1947-48? Should not the schools be compelled to continue to pay at least the same dearness allowance as they paid in 1945-6?

Supposing managements reduced their payments, Government would naturally have to increase their contributions.

(v) Government even when they pay half the excess are paying the grants one year and more after the need for it arises in the teachers' families.

7. It should be emphasised that the dearness allowance is a State obligation arising directly from the policy of the State, an obligation similar to what has been discharged and is being discharged by it in all other walks of life in a full measure and by the profit making business concerns under the stress of demand and supply and sometimes of mere panic and fear. It is only in respect of secondary schools, colleges and special schools that the principle is receiving grudging support from Government and the obligation is being discharged only fitfully and partially. The problem will not be solved till the State recognises its direct responsibility and discharges its obligations fully and quickly. It is the only course open. Otherwise the schools cannot continue to bear this burden and at the same time meet their other liabilities.

8. In my letter R.C.No.631 D/46 dated 29th June 1946 addressed to the Secretary to Government, Education and Public Health Department, on the subject of dearness allowance to the staff in aided secondary schools I have made it clear that most of the so-called profit schools would become 'deficit' schools when full dearness allowance is taken into consideration. I have also mentioned that the financial position of all the schools except just a few is not far removed from the hand-to-mouth stage and that it will be useless to make any distinction between school and school on this score.

9. We should strive to forget and forget completely that these are not business concerns which have thriven under war conditions. These are philanthropic institutions taking on the duties which would otherwise devolve on the State and their resources are inelastic, while the demands on them are growing in volume and urgency. They have been hit hard alike by the

war and war policy of the State and by the policy of Government during the last decade. The Grant-in-Aid Code even as it is requires to be liberalised and it was the cry of the managements before the war that the liberalisation was long overdue. Even this Code, has been made increasingly illiberal by executive instructions and bans to the point of throtling the schools. To impress it now to tide over a crisis due to war, a crisis which portends to be a normal and settled feature of life, is to provoke a crisis in the school system itself. If this crisis does not actually come to a head visibly it will be simply because such a crisis can work itself out especially in educational organisation in many not easily recognizable none the less unwholesome ways, the effects of which however will be felt in the next generation. In the educational polity as in the physical body internal rottenness need not always end in a striking localised abscess but may just permeate the whole system leading to decay, though not to death. We may be unwilling to recognise the disease but the peril does not cease to grow.

10. The teachers are now in a position taking everything into consideration, in a worse position than the scavengers and unskilled labourers and occupy a position definitely inferior to that of the postmen. The situation requires serious consideration and quick decision. I therefore recommend that Government assume the entire responsibility to pay the full dearness allowance to be paid to the staff in aided institutions other than elementary schools.

11. If Government are agreeable to meeting the full dearness allowance, the approximate amount required during the current year will be:--

	Rs.
(i) Half net cost (exclusive of D.A.)	2,87,000
(ii) Compensation from fee income and scholarships and concessions..	13,50,000
(iii) D.A. at full rates	23,64,000
	40,01,000

.....

Edn. & P.H. Department (B1).

ALLOWANCE - Dearness or war - Staff in aided educational institutions (other than elementary schools) - Payment of grant equal to one half of the allowance at Government rates - Sanctioned.

- From the Honorary Secretary, The South Indian Teachers' Union, dated the 24th March 1946.
- From the Director of Public Instruction, R.C.No.975-E/46 dated the 25th June 1946.
- From the Director of Public Instruction, R.C.No.631-D/46 dated the 29th June 1946.

ORDER MS.NO.1753 EDUCATION, dated 11 (9) 1946.

In G.O.No.1854 Education, dated the 10th November 1945, the Government directed that the expenditure incurred by managements of educational institutions (other than elementary schools aided under the Grant-in-Aid Code) on payment of dearness or war allowance to members of their staff at rates not exceeding those admissible to Government servants should be treated as approved expenditure and taken into account in assessing the teaching grants payable to them under the provisions of the Code. The orders were given retrospective effect from 1--4--45.

2. The South Indian Teachers' Union has brought to the notice of Government that in spite of this concession, most of the managements are paying dearness or war allowance to teachers in their schools at less than the Govt rates on the grounds that their finances do not permit the payment of the allowance in full, and has suggested that Government should compel managements to pay the allowance in full by undertaking to make good the loss which managements may be put to on that account. The Government regret that they cannot accept the suggestion. They, however, consider that grants calculated at one half of Govt ratio of dearness or war allowance should be paid to the managements irrespective of whether managements are in a position to pay in full or not, the other half of the allowance from their funds

so that Government's liability in this behalf may be discharged in full. They, therefore, direct that in addition to the teaching grant for 1945-46 payable in the current year, a special grant equal to half the difference between the maximum amount of allowance admissible at Government rates and the amount of allowance actually paid by the managements to the staff in aided educational institutions in 1945-46 which will be taken into account in assessing the teaching grant be paid to the managements in the current year. ~~and that similar grants should be paid every year so long as the present system of aid towards dearness or war allowance is in force.~~ The managements will be required to disburse to the staff the amount of allowance due out of the special grant.

3. The Accountant-General is requested to admit the expenditure in audit pending provision of additional funds. The D.P.I. is requested to submit proposals for the provision of funds to meet the expenditure in due course.

9.9.46 16/9/46

To

The D.P.I.
The A.G. thro' Fin.
The Hony. Secy.,
The S.I.T.U.,
Triplicane.

4 Spare Copies.

---

(2) 33

Edn. & P.H. Department ~~B1~~.

PRESS NOTE. No.114 dated 11.9.46.

16/9/46

With a view to encourage ~~the~~ managements of aided educational institutions (other than elementary schools) to pay dearness or war allowance to members of their staff at the rates admissible to Government servants, the Government directed that the expenditure actually incurred by ~~the~~ managements on payment of the allowance at rates not exceeding those admissible to Government servants should be treated as approved expenditure and be taken into account in assessing the teaching grants payable to them under the provisions of the Grant-in-Aid Code. It has been represented to Government that the finances of most of the managements do not permit them to pay the allowance at ~~the~~ Govt. rates ~~admissible to government servants~~ and that Government should, therefore, ~~Compel the managements to pay the allowances in full by~~ undertake to make good the loss to which the managements may be put to ~~by the payment of the allowance~~ on that account. The Government are unable to accept the suggestion. In order, however, to ensure that the Government's share of the allowance is paid in full, they have directed that ~~the~~ half the difference between the

B1

34 -2-

the maximum ~~amount of allowance admissible to~~ at Government rates and the amount of allowance actually paid by the managements during 1945-46 be paid as a special grant in the current year in addition to the teaching grant payable for that year so that their liability to pay a grant not exceeding half the Govt. rates ~~admissible to government servants~~ may be discharged in full, irrespective of whether the managements pay in full or not, out of their own funds, their half of the allowance.

KON 9-9-46

[signature] 1?/9/46

[signature]

[signature] Rao

100 copies given to the Director of Publicity on 1?/9/46.

(23)

Education & P.H.(B1) Dept.

ALLOWANCE - Dearness or war - Staff in aided educational institutions - Payment at Government rates - Expenditure to be taken into account in assessing teaching grants under the Grant-in-Aid Code - Request for reconsideration of orders.

From the Secretary, South Indian Teachers' Union Triplicane, dated 24-2-1946.

...

ff 1-3 cf

(J) 15-16 cf

In G.O.No.1466 Edn. dated 30-10-43, the Government directed that the expenditure incurred by managements of educational institutions aided under the provisions of the Grant-in-Aid Code on the grant of dearness allowance to members of their staff at rates not exceeding one half of those for Government servants on corresponding pay be treated as "approved expenditure" in assessing teaching grants for them from 1-8-1942. This was made applicable to schools aided under the Code of Regulations for European schools also. Subsequently in G.O.No.1854 Edn. dated 10-11-45 and No.57 Edn. dated 8-1-46, the Government directed that the expenditure incurred on payment of dearness or war allowance at rates not exceeding those admissible to Government servants instead of at one half of those rates should be taken into account in assessing the teaching grants payable under the provisions of the Grant-in-Aid Code with effect from 1-4-45 and that grants should be disbursed in 1945-46 on the above basis with reference to the expenditure incurred in 1944-45. The principle underlying the decision is that Government aid towards the expenditure should be limited to a moiety of the cost as the teaching grant payable to those institutions will normally be based on half the approved net cost. In the case of European and Anglo-Indian Schools, however, ~~the~~ allowance at the full rates are paid and the entire expre. is taken into account in sanctioning grants as grants equal to the full net cost ~~can be~~ is admissible to these institutions under the Code of Regulations for European and Anglo-Indian Schools.

(Q) 61-62 cf

(P) 11-13 cf

P/24-26 CF

2. In this connection the South Indian Teachers' Union and the Madras Teachers' Guild represented that the Government should compel managements of private aided educational institutions to pay dearness allowance at Govt.

Portion marked A on ff 1-3 cf. of (P)

rates, they being assured at the same time that the portion of expenditure on this account which could not be met from their resources would be fully met by a grant from Provincial funds as in the case of local bodies. The proposal was not accepted as it would involve considerable additional expenditure and the proportion of aid would also vary from institution to institution— vide notes portions marked "X" and "Z" on pp.6-7 andthe orders in circulation on p.8 n.f. of G.O.No.57 Edn. dated 8-1-1946.

3. The Hony. Secy., South Indian Teachers' Union, now points out that if the expenditure on payment of dearness or war allowance is taken into account only for purposes of assessment of teaching grants, it will not help most of the managements as their finances do not permit the payment of the allowance at Govt. rates and he requests the Govt. to give an assurance to the managements that they would make good the loss incurred on account of the payment of dearness allowance at Govt. rates as they have done in the case of local bodies.

4. One of the proposals in the post-war five year plan is ~~the~~ improving the scales of pay ~~and~~ of teaching staff and establishments in educational institutions under all managements and the principle underlying the plan is that the addl. cost involved in enhancing salaries in respect of institutions maintained by local bodies and private managements should be borne by Govt. to the extent to which the managing agencies cannot be made to share it. (The Govt. have since appd. tentatively the minimum scales of pay that should be enforced and ~~that~~ the D.P.I. has been asked to work out the details of the extra cost involved in granting the scales of pay on the basis that where managements have not got the resources to do it, the Govt. shd. bear the cost.. The Govt. have also enhanced the rate of D.A. to teachers in aided ele. schools from Rs.8/- to Rs.16/- p.m. and it has been held that this will meet the same object as the scheme of enhancement of salaries and that it may be considered as a step in advance of implementing of that scheme. As the scheme of enhancement of salaries postulates that the Govt. should help only to the extent managements themselves cannot afford it, there is no objection to applying this principle in regard to ~~the~~ dearness or war allowance to teachers in aided

[Margin: This aspect was not pointedly stressed in the discussions leading to the issue of orders in G.O.'s 1854-Edn., d/ 10.11.45, and 57-Edn., d/. 8.1.46.]

2X

educational institutions other than elementary schools also, in the meanwhile.

5. A statement showing the rates of dearness allowance paid to teachers in institutions under the control of Government and local bodies and also to teachers in aided elementary schools is put up. flag (I) There is no uniform scale of pay for teachers in secondary schools under private management but for purpose of comparison, it may be taken that it will not be more than the scales of pay fixed for teachers in the employ of local bodies or of Government. The latest position of teachers in aided educational institutions under private managements in the matter of payment of dearness allowance is set out at "P" on pp.1-2 c.f. It will be seen that there is a growing disparity between the rates of dearness allowance for this set of teachers and those for the rest. Further, the figures at "P" on pp.1-2 cf indicate that in spite of the higher maximum fixed for purposes of calculation of grant it is only in a very small proportion of cases ~~actually~~ that the Govt. rates of allowance have been actually paid to teachers. In the circumstances, the question of dearness allowance to the teachers in aided institutions (other than elementary) would seem to require re-examination, especially as the Government have accepted the principle that there must be some uniformity in the emoluments of teachers under all managements.

6. The D.P.I. might have collected by this time figures showing the extent to which managements can be made to bear the addl. expre. on account of the post-war scheme of enhancement of salaries and with reference to that he may be asked to report whether the amount of dearness allowance now paid by private managements referred to at "P" on pp.1-2 c.f. may be taken to be the maximum the managements could pay and whether Govt. may make good the difference between that rate and the rate admissible as per Govt. rates. He may also be asked what the cost would be to Govt. if such payments are made in the current year for 1945-46 and also what it would be if Govt. were to make payment only in 1947-48 for 1946-7.

[Margin: I think there is a very strong case for reconsidering the previous decision, & taking a decision now as at 'A' on p:2 ante.]

7. Finance may see before the D.P.I. is addressed.

K.S.K. 25.4.46

B.M. 27/4/46

25/4/46

Ep. No. 16731 Fin/46 — 29/4/46

ASST. SECRETARY TO GOVERNMENT
30 APR 1946
FINANCE DEPARTMENT

Finance (Exp.B).

In G.O.No.1854 Edn. dated 10-11-45, the Govt. ordered that the expenditure incurred by the managements of aided educational institutions on payment of dearness or war allowances to members of the staff at rates admissible to Govt. servants should be taken into account in assessing teaching grants (i.e. half the net cost) to those institutions which worked at a deficit (and not in the case of those which worked at a profit). The ~~suggestion~~ that grants for dearness allowance and war allowance should be paid also to institutions which work at a profit was considered and negatived in G.O.No.57 Edn. dated 8-1-46. The Govt. have thus undertaken to meet half the expenditure on dearness allowance or war allowance at Govt. rates in regard to aided institutions which worked at a deficit. The South Indian Teachers' Union has now pointed out that if the expenditure on payment of dearness or war allowance is taken into account only for purposes of assessment of teaching grants, it will not help most of the managements as their finances do not permit the payment of the allowance at full Govt. rates and ~~wants~~ has requested that the Govt. should as in the case of local bodies undertake to make good the loss which managements may be put to by ~~on account of~~ the payment of dearness allowance ~~by aided institutions~~ at full Govt. rates.

2. The request of the South Indian Teachers' Union is not a new one. It was once before considered and negatived by the Govt. — please see the orders in circulation on p.8 N.F. of G.O. No. 57 Edn. dated 8-1-46. No fresh ~~facts~~ reasons have been adduced by the Union now.

E.P.H. consider that there is now a strong case for a reconsideration of the previous orders on the grounds that the Govt. have accepted the principle that there must be some uniformity in the emoluments of teachers under all managements, that the scales of pay of the teaching staff in all educational

para 4 on p. 2 above

D (C) p6 7 cf.

Scheme No. 87 a/9

α 26000 H 61-62 cf. of (Q)

A on p. 12 n.f. of (C)

vide para 4 on p. 2 above

α H 11-13 cf. of (P)

Bottom of p. 2 cf. & p. 3 cf.

B on p. 3 cf.

cf. portion X in pp 8-9 n.f. of (C)

B on p. 3 cf.

(P)

α para 5 on p. 3 above

cf. portion X on p. 6 n.f., Z on p. 7 n.f. and the orders in O.N. on p. 8 n.f. of (P)

institutions should be enhanced and that the additional cost relating to non-Govt. institutions which cannot be met by the managements should be borne by the Govt. E.P.H. have also noted that the enhancement of the rate of dearness allowance to teachers in aided elementary schools from Rs 8 to Rs 16 p.m. should be considered as a step in advance of implementing the scheme for improvement of the scales of pay of teachers in all schools (including aided schools). In other words, E.P.H. propose to treat the present proposal as a part of the Post-war scheme for the improvement of the scales of pay of teachers.

3. Finance have already pointed out that as long as the increased remuneration to teachers takes the form of dearness allowance (and not as addition to pay) the expenditure cannot be treated as on a post-war scheme - see Secretary's note on p.12 N.F. of G.O.438 Edn dated 1-3-46. The post-war scheme referred to has not yet taken a final shape and it remains to be seen to what extent it will be possible for the Govt. to undertake additional commitments due to the revision of the scales of pay of teachers in all schools (including ~~aid~~ local bodies' and private managed schools) The acceptance of the proposal of E.P.H will, in effect, mean giving effect in advance to a part of the post-war scheme.

The case of teachers employed in aided secondary schools has all along been treated differently from that of teachers employed in Govt. and local body schools in the matter of grants of dearness allowance. The disparity in their scales of pay still continues and pending the removal of that disparity, it does not seem quite essential to remove the disparity in the rates of dearness allowance paid to them. The reasons for not accepting the proposal on a previous occasion, viz. that it will involve considerable additional expenditure to the Govt. and that the proportion of aid would vary from institution to institution, still hold good. In the circumstances stated above, it is for consideration whether this Dept. may advise against the present proposal.

4. If E.P.H press the proposal, they may be

6

requested to obtain a clear statement of the additional cost to the Govt.

E.P.H propose to ask the D.P.I whether the amount of dearness allowance now paid by private managements may be taken to be the maximum the managements could pay. Submitted that this does not seem to be a correct basis for assessing the ability of the managements to meet the additional cost. For example, the managements of 'Profit' schools who do not at present get any grant towards the cost of dearness allowance may in several cases be able to meet the entire cost from their own funds even if they pay the allowance at full rate though they pay it at present only at reduced rates. According to the assumption at B above, these 'profit' schools also will become eligible for grants, which is quite unnecessary.

9.5.46 9.5.46

FW NO 26000 EB-1
11.5.46

25144

E.& P.H.(B.1)

Please see the remarks of the Finance Department above. They are not in favour of the proposal of this Department to re-examine the question of dearness allowance to teachers in aided educational institutions (other than elementary schools) under private managements with a view to ensure that these teachers also get dearness allowance at full Govt. rates by aiding managements to the extent to which they cannot meet the expenditure on payment of the allowance from their own funds on the ground that these teachers have all along been treated differently from teachers employed in Govt. and local body schools and the proposal to place them on par with others in the matter of dearness allowance would involve considerable additional expenditure to Govt. If, however, this Department press the proposal, they suggest that a clear statement of the additional cost may be obtained from the D.P.I. and that there is no need to give grants to 'Profit Schools' for the purpose. If any of the existing profit schools become non-profit schools on account of the payment of dearness allowance at full Government rates, they will automatically become eligible for a teaching grant including the grant towards dearness or war allowance under the Grant-in-Aid Code.

2. In the circumstances, stated at X on page 3 ante, this Department may press the proposal.

A draft memo. to the D.P.I. is submitted for approval.

16.9.46

8574/17/5/46 S

Ed. 20/5/46.

ASST. SECRETARY TO GOVERNMENT EDUCATION AND PUBLIC HEALTH DEPT. PH. 3 MAY 1946

SECRETARY, LOCAL AND P.H. DEPT. GOVERNMENT OF MADRAS 28 MAY 1946

While generally approving the above, I would like to make one thing clear. Today 'Profit School' has been understood to mean Schools working at a profit with fees calculated at Govt. rates. Whereas in actual practice a large number of aided schools have enhanced their school fees, are in fact getting more than they are spending, though they won't be technically 'profit schools'. I would suggest a change in the definition of 'profit school' so as to cover these cases and from this point of view, make the calculation which the district has been asked to do.

The necessary amendment from the above point of view may be made in the Draft.

TSA
23-5-46.

Please see rule 32(i) of the Grant-in-Aid Code. Under this rule, institutions whose income from tuition fees reckoned at standard rates is in excess of the approved recurring expenditure are treated as 'Profit Schools' and they do not earn any teaching grant. Such institutions do not also get

b

any grant towards the expenditure incurred on payment of dearness or war allowance as this is treated as an item of approved expenditure for purposes of assessment of teaching grant under the rule cited above. It is presumed that it is the intention of the Govt that the rule should be amended as suggested. From sub-rule (iii) of the above rule, it will be seen that the managements are allowed to make a profit as otherwise the managements will not be in a position to meet the managements share in cases in which the Govt give a half-grant only for non-recurring items such as buildings & equipments.

A paragraph has been added to the draft memo submitted below for approval

27-5-46

27/5/46

28/5/46.

Memo No 16731 B1/46-2 Edn dated 28-5-46

C.No 36133/46 From the D.P.I. R.C. 631-D/46 dated 29-6-46.

Please see the Director's reply on pp 14-17 C.F. He is not in favour of amending rule 32(i) of the Grant-in-Aid Code so that the actual income from tuition fees instead of the income reckoned at standard rates may be taken into account for determining whether a school worked at a profit or at a deficit for purposes of payment of teaching grant. The reasons given are:-

(1) That the number of so called 'Profit' schools is small, the margin of profit is narrow and such institutions will become deficit institutions if expenditure on payment of dearness allowance at Govt rates is incurred and is taken into account for assessment of of grant.

(2) That it will involve the appropriation practically of all the balances left with the management and will cripple them leaving them little or no scope for making improvements

(3) If the resources of managements are fully utilised, they will

come up to Government for full grants for buildings, equipment, etc. and the Government will have to undertake more financial responsibility than now.

2. There seems to be considerable force in the Director's objections to introducing any change in the present system. The teaching grant paid to aided schools and colleges is limited to one half of the approved net cost for the preceding financial year and the management has to meet the other half from its resources. Even in respect of non-recurring grants for buildings and equipment, the Government grant is limited to one half only. Unless the management is allowed to appropriate the income derived from school fees levied in excess of the standard rates, it will not be in a position to meet its share of the cost of running the school. Attention is solicited to para.6 on page 49 n.f. of G.O.No.1157 Edn., dated 12-6-30, where this is considered to be logically a sound position. In the circumstances, it is for consideration whether the question of amending the rule may be dropped.

3. The D.P.I. suggests that the payment of dearness allowance may be made compulsory on the part of the managements by Government undertaking to pay a full grant towards this item of expenditure and it may be treated as a separate unit. He apparently considers that this need not be mixed up with the teaching grant and may be paid outright as in the case of elementary school teachers. Attention is solicited to the estimate of cost on pp.22-23 of the notes to G.O.No.1854 Edn., dated 10-11-45. The Government's liability is now limited to one half of the actual expenditure incurred on payment of the allowance at rates not exceeding Govt. rates. If as proposed the managements are compelled to pay the allowance at Govt. rates and a full grant is made towards that expenditure, the cost will be doubled. It has all along been considered that the managements should meet a portion of the cost. Instead of the managements being required to meet the expenditure on the payment of the entire allowance in the first instance and then receive

a grant

a grant equivalent to one half of the expenditure by way of teaching grant after the year is over, the Govt. may sanction a grant towards dearness or war allowance to teachers in aided educational institutions at one half of the maximum rates admissible, irrespective of whether the managements pay the other half or not and take care to see that the allowance is ~~paid~~ disbursed to the teachers regularly. This will not increase the existing liability of Govt. In the case of elementary school teachers, the Govt. grant for payment of dearness allowance is disbursed once in a quarter to the managements. Similarly, the Government grant towards the payment of dearness or war allowance to teachers in aided secondary schools may be disbursed to the managements once in a quarter and they may be required to pay the amounts to the teachers direct. It will be open to managements to pay in addition dearness or war allowance out of their funds, along with the pay so far as funds permit.

4. The D.P.I. has not yet submitted his recommendations in regard to special schools and colleges.

5. The D.P.I. may be consulted with reference to A above. A draft memo. is submitted for approval.

It may be circulated to Hrs (Edn) before issue.

Finance (Exp.B).

(Previous Finance note on pp.4-6 above.)

The E.P.H.Dept. originally proposed to consider favourably the request of the S.I.T.Union, viz. that the Govt. should undertake to make good the entire loss which the managements of aided secondary schools may be put to by the payment of dearness allowance at Govt. rates. They asked the D.P.I. to report the additional cost to Govt. if they were to meet that portion of the expenditure on payment of dearness allowance

to the staff in aided secondary schools at full Government rates which cannot be met by the management from their own resources. The information has not yet been furnished by the D.P.I. He has, however, ~~incidentally~~ suggested that dearness allowance may be treated as a separate unit, that a full grant may be made by Government towards dearness allowance, its payment being made compulsory on the part of the management. In view of the large extra expenditure involved in paying a full grant towards dearness allowance as suggested by the D.P.I., E.& P.H. do not support his recommendation. They, however, propose to invite the remarks of the D.P.I., on the following proposals:-

(1) that the Government may sanction a grant towards dearness or war allowance to teachers in aided institutions at one half of the rates admissible to Govt. servants, leaving it to the managements to pay dearness or war allowance, in addition, so far as their funds permit;

(2) that the above grant may be disbursed to the managements once in a quarter and the managements required to pay the amounts to teachers direct.

2. Proposal (1) above:- E.& P.H. have stated that this proposal will not increase the existing liability of Government This statement is not quite correct. It is true that, under the existing orders, the Government have agreed to take into account for purposes of assessing teaching grant, to deficit institutions the expenditure incurred by the managements on the payment of dearness allowance to teachers at rates applicable to Government servants. But only a very few managements are now paying dearness allowance at the full rates applicable to Government servants. No grant is paid to 'profit' schools. Consequently, the actual expenditure to the Government is now much less than what it will be if grants, equal to one half of the cost at full Government rates, are paid as is now proposed by E.& P.H. in respect of all aided secondary schools Their present proposal will involve additional expenditure to the Government.

If the Government undertake to pay dearness allowance at half the Government rates in all cases whether the managements

contribute a share or not, there will be no inducement for the managements to supplement the Government grant from their own funds. They (especially 'profit' schools) may be tempted to stop or reduce the grants now given by them.

In regard to aided schools (other than Elementary schools) it is a ~~the~~ principle ~~adopted so~~ of long ~~has been~~ standing that the net cost* of such schools should be shared equally between the Government and the managements. The present proposal is a departure from this principle. There is no reason why the Government alone should be called upon to undertake the liability (one half of the cost at Government rates) without imposing a corresponding liability on the managements. Finance may accordingly advise against the proposal. / DWS

* Half the excess of the approved recurring expenditure over the income from tuition fees reckoned at standard rates.

If, however, E.& P.H. ~~want to~~ press their proposal, they may be requested to obtain orders in circulation including H.P.M. The managements should be made to continue their present payments. ~~Before doing so~~ E.& P.H. may be requested to obtain a fairly reliable estimate of the additional cost to Government before the case is Od.

3. Proposal (2) above:- Quarterly disbursement of the grant:

There is no indication that the managements are now unable to incur the expenditure in the first instance and then recoup it in the subsequent year. Finance need not, however, object to the D.P.I. being consulted on their proposal for the quarterly disbursement of the Government grants. / DWS

31.7.46 31.7.46 31.7.46 DWS 1.8.46 F.P.H.

E&PH (B1).

Please see the Finance Departments' note above. They are not in favour of the proposal to make a grant towards dearness or war allowance to teachers in aided educational institutions at one half of the rates admissible to Govt servants leaving it to managements to pay dearness or war allowance in addition so far as funds permit as it will involve additional expenditure to Govt and there will be

Fin No 40280 EB1
2-8-46

ASST. SECRETARY TO GOVERNMENT
42817
2 AUG 1946
EDUCATION AND PUBLIC HEALTH DEPT.

no inducement to managements to supplement the Govt grant from their own funds. In the case of deficit schools the Govt have already undertaken to meet the expenditure incurred by them on the payment of dearness or war allowance at Govt rates in assessing the teaching grants payable them under the Grant-in-Aid Code. If the managements of all the aided institutions pay the allowance at Govt rates, many of the so called 'Profit Schools' will become 'Deficit Schools' and will be eligible for a grant towards the expenditure incurred on payment of dearness or war allowance at full Govt rates. The fact that the managements are not in a position to avail themselves of the Concession and the actual expenditure to Govt on this account is therefore much less than the anticipated ultimate expenditure should not be made to stand in the way of the teachers getting atleast one half of the Govt rates of dearness or war allowance from Govt. It is not the intention to relieve the managements of their obligation to pay the other half from their funds. It will not however be possible to compel them if their financial position does not permit the expenditure. The DPI may be asked to issue necessary instructions to the managements in this regard & to see that they also pay the allowance from their funds. This Deptt. may therefore press the proposal; the DPI may be asked to furnish an accurate estimate of the extra cost involved in the proposal.

3.8.46 3.8.46

The draft memo below is for approval. It may (perhaps) be circulated to HM (Edn) before issue.

2/8/46 2/8/46 3.8.46

C 3-8-46.

TSA 3-8-46 H.M. (Edn)

SECRETARY, EDN. AND P.H. DEPT.
5 AUG 1946
GOVERNMENT OF MADRAS

(Memo No. 16731-B1/46- 4 Edn., dated 5--8--46).

From the Director of Public Instruction, D.O. dated 5--8--46.

Please see the D.O. from the D.P.I. to H.M. (Education) in

regard to the grant of dearness allowance to teachers in aided educational institutions other than elementary schools on pp23-29 c.f. The Director has emphasised the need for ~~granting~~ paying grants towards dearness allowance to all aided schools, ~~irrespective of~~ whether they are working at a deficit or at a profit and also the necessity for Government assuming the entire responsibility to pay the full dearness allowance to the staff in these institutions. The cost to ~~Government~~ managements on account of the payment of dearness allowance at full rates is estimated at Rs.23,64,000/-.// Attention is solicited to the notes on pp12-13 ante. The intention is to restrict the Government's liability for payment of dearness and war allowances only to one half of the rates admissible to Government servants. The Director's recommendation that the Government should pay the entire dearness and war allowances does not seem to be acceptable in view of the additional expenditure involved and in view of the fact that only a moiety of the net cost of maintenance is paid as teaching grant.

2. The Director has furnished an estimate of the additional expenditure that will have to be incurred on payment of dearness or war allowance equal to half of the difference between the maximum admissible and the amount actually paid by the managements which will be taken into account in assessing the teaching grant payable for 1945-46. This is estimated at Rs.4.87 lakhs. It is for consideration whether Government may undertake to pay the difference as special grant in the current year in addition to the teaching grant for 1945-46 payable in the current year. In that event it is considered necessary to make an additional provision of Rs.8/- lakhs (roundly) in the current year's Estimate of Expenditure. Presumably the amount actually provided is insufficient to meet the grant assessed according to the existing rules orders.

3. The proposal contained in Memo No.16731-B1-46-4 Edn., dated the 5th August 1946 is that Government grant towards dearness or war allowance may be calculated at one half of the rates admissible to Government servants may be paid to the teachers direct once in a quarter from the current year. This is different from the pro-

cedure outlined in the Director's D.O. on p.23 c.f. The Director's reply to the memo may be awaited.

4. The file may be sent to Finance U.O. for remarks with reference to para 2 above.

8/8/46 S/Finance

Finance (Exp.B).

(Previous Finance note on pp.10-12 above.)

The file has been remitted to this Department for remarks only with reference to para 2 of E.P.H. note on p.14 above. E.P.H. propose to sanction as a special ~~xxx~~ grant in the current year, in addition to the usual teaching grant for 1945-6, the payment of half the difference between the maximum amount of dearness allowance or war allowance admissible to teachers in aided secondary schools and the amount actually paid by the management. The extra cost involved is estimated at Rs 4.87 lakhs. The proposal, in effect, is to meet half the expenditure on dearness allowance or war allowance from provincial funds irrespective of whether the managements pay the other half in full or not. Finance have already advised against such proposal - vide para 2 on pp.11-12 above.

E.P.H. may be requested to obtain orders in circulation including H.P.M.

In case the proposal is approved in circulation, E.P.H. may be requested to follow the "new service" procedure and obtain the vote of the Legislature for a supplementary grant.

Special.

E.& P.H.(B-1).

Under the existing orders (G.O. No. 1854, Education, dated 10-11-45 and No.57, Education, dated 8-1-46) the expenditure incurred by managements of educational institutions other than elementary schools aided under the Grant-in-Aid Code and the Code of Regulations for European Schools on payment of dearness or war allowance to members of their staff at rates not exceeding those admissible to Government servants should be treated as approved expenditure and be taken into account in assessing the teaching grants payable to them under the provisions of the Codes. The ~~principle~~ Government's liability in this regard is restricted ~~only~~ to those schools which work at a deficit as ~~only~~ such schools are eligible for teaching grant. The principle underlying the decision is that Govt. aid towards the expenditure in respect of institutions aided under the Grant-in-Aid code should be limited to a moiety of the cost as the teaching grant payable to those institutions is normally based on half the approved net cost. In the case of European and Anglo-Indian Schools, teaching grants equal to the full net cost is admissible under the Code of Regulations for European and Anglo-Indian Schools and so Government aid is given towards the entire expenditure incurred on payment of dearness or War allowance to the staff in such schools.

2. The South Indian Teachers' Union has pointed out that the present system of aid towards the expenditure on payment of dearness or war allowance does not help most of the managements as their finances do not permit the payment of the allowance at full Government rates and has requested that Government should undertake to make good the loss which managements of aided educational institutions may be put to by the payment of dearness allowance at Govt. rates. The D.P.I., has emphasised the need for paying grants towards the allowance to all aided instiiutions whetner they are working at a deficit or at ~~'profit'~~ apparent profit and also the necessity for Govt. assuming the entire responsibility to pay the full dearness or war allowance to the staff in aided educational institutions as otherwise there will be no real benefit to teachers. It is not proposed to accept this suggestion in view of the additional expenditure involved and in view of the fact that only a moiety of the net cost of maintenance is paid as teaching grant.

3. The expenditure incurred by the managements on payment of dearness or war allowance during 1945-46 will be taken into account for assessing the teaching grant payable for that year in the current year. It is now proposed to sanction as a special grant in the current year, in addition to the teaching grant for 1945-46, towards ~~the payment of~~ half the difference between the maximum amount of dearness or war allowance admissible to teachers in aided secondary schools and the amount actually paid by the managements. The extra cost involved is estimated at Rs.4.87 lakhs. The proposal in effect is to meet half the expenditure on dearness or war allowance at Government rates from provincial funds irrespective of whether the managements pay the other half in full or not. Finance are not in favour of the proposal as it is against the long standing principle that the net cost of aided educational institutions should be shared equally between the Government and the managements. The payment of dearness or war allowance is a temporary feature and the Director of Public Instruction has emphasised that this should be treated as a separate item. Even though it is not possible for the Govt. to make a grant towards the entire expenditure, it is necessary that they should pay at least one half of the Govt. dearness or war allowance rates, by way of grant. This Department may, therefore, press the proposal.

4. In regard to the future, a suggestion has been made that the Government grant towards dearness or war allowance may be paid once in a quarter to the teachers direct and that the managements may be required to pay the other moiety of dearness or war allowance from their own funds along with the pay of teachers. The D.P.I., has been consulted in the matter and the question may be considered separately on receipt of the Director's remarks.

The file may be circulated to all the Ministers and H.E. as ~~it is a new service~~ expre: is as a new service.

The recommendation made above is but less than justice. Justice would demand that in view of the increase of prices to more than 200 per cent that large scale increases in the pay would be necessary to these poor paid men, but that has not been ~~paid.~~ asked for. What they claim is very moderate, that they should get at least the 16 or 18 rupees of dearness allowance which the Government and the District Board School teachers are getting. Many managements are not able to pay it. The Government promised to pay half when the managements agreed to pay half. When the managements are unable to pay, it was accepted that the Government would come forward to their help so that the teachers will get the full benefit of the Rs16. I can understand the objections of Finance to this proposal, but when it is recommended that the Government ~~can~~ Rao pay off their portion of the dearness allowance even though the management may not be able to pay that, is asking for less than justice and Finance cannot legitimately object to that. I would therefore very strongly recommend that the Government should pay at least that portion of the grant which we have promised to pay, unconditionally. In view of the discontent ~~of~~ among the teachers, this may be a sort of interim relief till the Sub-Committee of the Cabinet comes to a conclusion over the matter. The matter may be treated as urgent.

TSA
16-8-46

I agree
30/8/46

I agree for the Govt paying their share as proposed above.
4-9-46. (3)

yes
4-9-46 (4)

M B 4-9-46 (5)

4/9/46 (8)

I take it the recommendation means that we pay Rs 8/- in some cases Rs 9/- in others i.e. 50% of the full rate.
4-9-46

V.K.
4-9-46 (6)

4/9/46 (7)

(9)

SECRETARY, EDN. AND P.H. DEPT. 9 - SEP 1946 GOVERNMENT OF MADRAS

6 Sep. 46 (10)

1134
6-9-46

A draft order and a press note are submitted before for approval. May be sent to Finance

EA 19 32

no. for acceptance
9-9-46

10/9/46
Ro-9-46

Finance

10/9/46

E&PH U.O. No. 16731-B1/46-6 Edn 10/9/46

ASSISTANT SECRETARY 10 SEP 1946 FINANCE DEPARTMENT

10.9.46
10.9.46

48539

Fin. (Exp. A)

(Please see the previous Fin. notes on p. 15 above with the summarising notes and the orders in circulation on pp. 16-18 above. The draft order may be accepted.

10.9.46
10.9.46

ASST. SECRETARY TO GOVERNMENT 10 SEP 1946 EDUCATION AND PUBLIC HEALTH DEPT.

The file may be sent to the Public Information Officer for approval of the draft Press Note.

10/9/46

Public Information Officer
10.9.46