3. To examine the suitability of the present situation and constitution of the University and make such suggestions as may be necessary for their modification;

4. To make recommendations as to the qualifications to be demanded of students on their admission to the University, as to the value to be attached outside the University to the degrees conferred by it and as to the relations which should exist between the University and its colleges or Departments and between the University and the Government.

5. To recommend any changes of constitution, administration and educational policy which may appear desirable.

The **Report of the Calcutta University Commission** did not indicate the source from which the financial liabilities would be met. The Report merely stated, "If Bengal is to have better system of education, Bengal must pay for it, and only Bengal can pay for it." The Report further said, "What Government has to show is not generosity but encouragement in levying the necessary taxation." ³

When the **Report** was placed before the Senate of the University of Calcutta, Herambachandra Maitra, raised several important questions concerning the **Report**. He urged that an immediate scrutiny of the financial aspects of the proposed scheme of reconstruction of the University and secondary education should be made. This would involve an accurate ascertainment of the sums initial and recurring as well as the definite assurance that such funds would be available for at least a decade. Maitra suggested that the details

should be worked out by a small committee appointed by the Government of India. He rightly pointed out that unless one is "told how much is to be paid, and in what precise manner the money is to be spent" one cannot pay.

J.R. Banerjea, while seconding the motion, added if the reform scheme was to be carried out, the school and the intermediate examinations would have to be dissociated from the University. This would imply a substantial financial loss for the University. Moreover, colleges would require large grants which would be an additional strain on the University. Hiralal Haldar, too, emphasised, "Finance was the pivot on which the carrying out of the recommendations of the Commission entirely turned." He felt that unless the Government made large grants to existing colleges, they would simply perish.

Brajendranath Seal drew the attention of the Senate to the chapter of the Report which dealt with careful planning and surveying of the financial aspects of the proposals. But he criticised its suggestion that major financial burden would have to be borne by the tax-payers either in the form of fees or in the form of gifts or taxes. Seal suggested that the Provincial Budget would have to find funds and devise means to carry out the reforms in conjunction with the Central Government. In this matter, they would have to seek advice of the Senate which was "the real centre of educational legislation and administration in Bengal." The Calcutta

4 Minutes of the Senate, 1920, No.5, p. 246.
University Commission recommended that an additional annual grant of \( \text{Rs.} \ 65,16,200 \) including rupees forty lakhs for the improvement in Secondary and Intermediate education would be required.\(^5\) The proposed educational reconstruction would entail an additional expenditure of rupees seventy or seventy-five lakhs per annum. This estimate, however, was a preliminary forecast.

On 27 March 1920, H. Wheeler presented the Budget for the Government of Bengal for 1920-21 in the Bengal Legislative Council.\(^6\) The total expenditure on Education was to be \( \text{Rs.} \ 1,21,42,000 \) in 1920-21 while receipts under the same head amounted to \( \text{Rs.} \ 11,00,000 \). It was stated in the Budget proposals that the University would incur an expenditure of \( \text{Rs.} \ 1,15,000 \) out of the total expenditure of \( \text{Rs.} \ 1,21,42,000 \) on education for the year 1920-21. This estimate included the usual recurring Imperial grants, namely, \( \text{Rs.} \ 30,000 \) for administration, \( \text{Rs.} \ 20,000 \) for Law Colleges and \( \text{Rs.} \ 65,000 \) for administration as well as a lump provision of \( \text{Rs.} \ 5,45,000 \) for the recurring expenditure that might have to be incurred in connection with the establishment of the University at Dacca.

The distribution of the various recurring and non-recurring grants made by the Government of India to the Bengal Presidency for the development of education under the several heads for the year under consideration was as follows:\(^7\)

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\(^5\) Ibid., pp. 234-43.

\(^6\) Proc. of Bengal Legislative Council, 1920, No.52, January-December, pp. 332-35.

<table>
<thead>
<tr>
<th></th>
<th>1919-20 Rs.</th>
<th>1920-21 Rs.</th>
</tr>
</thead>
<tbody>
<tr>
<td>University</td>
<td>3,65,000</td>
<td>6,10,000</td>
</tr>
<tr>
<td>Inspection</td>
<td>46,849</td>
<td>47,159</td>
</tr>
<tr>
<td>Government Colleges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>6,960</td>
<td>6,960</td>
</tr>
<tr>
<td>Government College</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Professional</td>
<td>4,020</td>
<td>4,020</td>
</tr>
<tr>
<td>Government Schools</td>
<td></td>
<td></td>
</tr>
<tr>
<td>General</td>
<td>14,55,038</td>
<td>23,72,342</td>
</tr>
<tr>
<td>Special</td>
<td>5,60,150</td>
<td>13,31,582</td>
</tr>
<tr>
<td>Grants-in-aid</td>
<td>16,52,733</td>
<td>9,32,787</td>
</tr>
<tr>
<td>Scholarships</td>
<td>27,132</td>
<td>27,132</td>
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<tr>
<td>Miscellaneous</td>
<td>2,76,664</td>
<td>2,31,188</td>
</tr>
<tr>
<td>Lumpsum unallotted</td>
<td>23,158</td>
<td>5,830</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>44,17,704</strong></td>
<td><strong>55,79,000</strong></td>
</tr>
</tbody>
</table>

While discussing the Budget proposals for the year 1920-21, Nilratan Sarkar congratulated the Government for having provided grants towards improvement of technical education. He pointed out that two technological institutes of Kanchrapara and Calcutta were the results of this constructive attitude. Moreover, additional grants for the Sibpur Engineering College showed that the Government was determined to wipe out the charges levelled against them that they were neglecting this... 

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8 Ibid., p. 431.
important branch of education. Sarkar regretted, however, that the sum of Rs. 50,000 advanced for the improvement of the Bethune College and female education was too inadequate for the purpose.

The Registrar of the University of Calcutta wrote a letter to the Education Secretary, the Government of Bengal on 5 February 1921 asking for financial assistance from the Government. This was necessary for the development of higher teaching in the University, especially in technological and agricultural instructions. The University pointed out that according to the Report of the Calcutta University Commission, the Post-Graduate scheme was to be implemented at a cost of more than five lakhs of rupees of which Rs. 1,25,000 was to be derived from lecture fees. The Government of India had contributed this cost, by founding three Chairs and two Readerships at an annual cost of Rs. 40,000 and also by issuing a grant of Rs. 15,000 for the Post-Graduate classes in general. The balance of more than half of the total was to be taken from the general funds, of which fees on examinations constituted a major share. In that case, fees at the Matriculation, Intermediate and B.A. Examinations would be increased. Though this was done, the funds failed to provide for the salary increments of the teachers on their superannuation. The University apprehended that these teachers would migrate to some other institution, which would offer them better remuneration. In these circumstances,

the University would require a grant of rupees one and a quarter lakhs to meet the salaries of the Post-Graduate staff alone during the session 1921-22. In addition to this, the University requested the Government to sanction a capital grant of rupees ten lakhs for the extension of technological studies as recommended by the Calcutta University Commission.

On 4 July 1921 Kishori Mohan Chaudhuri, a member of the Bengal Legislative Council, raised several questions regarding the grants made by the Government of India which was mentioned in the Budget Estimates for 1921-22. He wanted to know whether the earmarked grants were utilised or not. What expenditure was actually incurred, and on what specific purposes upto 31 March 1921? Finally, what were the unspent balances on these heads and what were the specific purposes for which such unspent balances were to be utilised or reserved in 1921-22?

While answering these questions, the Finance Minister, the Government of Bengal, laid on the table a statement of the unspent balances of the earmarked grants upto 31 March 1921.

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11 Ibid., p. 108.
The Finance Minister gave an indication as to how these unspent balances were to be utilised in 1921-22. He suggested that these amounts would be utilised for providing grants to the Dacca University, to the Dacca Intermediate Board and for construction of Dacca University buildings as well as bungalows for civil officers in Dacca. It would also make provisions for new...
buildings for the Education Department, and fund buildings of the Education Department already under progress. Technical Education, Agricultural Education and Sanitation would also get a share of these unspent balances.

On 8 July 1921 Hemchandra Naskar, another member of the Legislative Council, raised a question on the alleged mismanagement of finances and Trust Funds of the Calcutta University. P.C. Mitter, Minister of Education, informed the House that the accounts of the University were annually audited by the Accountant-General, Bengal, and that the reports were then handed over to the Bengal Government. Subsequently, these were submitted to the Government of India. Mitter, however, agreed that no audit reports for 1919-20 or 1920-21 had been received from the University till that date.

The Government of Bengal explained that since the Government was facing acute financial constraints, it could not provide financial relief for the University until fresh sources of revenue could be harnessed. Till then, they advised the University not to expand its activities any more. Although fully apprised from time to time of the critical financial position of the University, the Government of India failed to make any suitable arrangements, which would enable the Government of Bengal to meet the financial liabilities of the University. These were linked up with the still more vital

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12 Proc. of Bengal Legislative Council, 1921, Third Session, Vol.3, p. 188.
13 Ibid., p. 353.
14 Minutes of the Syndicate, 1921, Part 4, pp. 136-37. Letter dated 15 November 1921 from the Government of Bengal to the University of Calcutta.
question of University's reconstruction and growth. The Minister of Education acknowledged the fact that the University was running at a deficit of Rs. 1,48,000, and that it was likely to incur a deficit of Rs. 5,35,000 by the end of 1921. As the Government was unable to provide substantial relief to the University, he suggested that the University could increase its registration fees from rupees two to rupees five which would provide for an increased revenue of something between Rs. 21,000 and Rs. 27,000. This amount, though insufficient, would nevertheless help the University to pull on.  

Some prominent members of the Legislative Council like Husayn Shaheed Suhrawardy, Nirode Behary Mullick and Jogendra Chunder Ghose, however, felt that this increase would be a drop in the ocean of deficit. This measure would definitely affect the interests of the poor students. They urged that the Government should offer some subsidies to the University and enable this premier institution to carry on its work smoothly. By 1922 the financial stringency of the University had become acute. In a letter to the Government, the Calcutta University explained that the Budget Estimates for 1921-22 commenced with a debit opening balance of Rs. 1,48,055 which could be partly attributed to the unexpected fall in the number of candidates for some of the University examinations during 1920-21. As examination fees constituted

16 Ibid., pp. 568-70.
a major source of University's income, this factor could not be ignored. Moreover, the establishment of the Rangoon University, the Dacca Intermediate Board and the University of Dacca, over which the Calcutta University had no control, had definitely accentuated the financial crisis. A considerable number of students of the Calcutta University were provided with options for migration to the new institutions.

Certain other matters like the question of vocational education, particularly technological and agricultural education could no longer be deferred. For this purpose, the University would require an initial grant of Rs. 1,00,000. The construction of the building on the Fish Market site had to be financed as well. Finally, the Students Welfare Committee would also require a special grant of Rs. 25,000 in order to carry on their work. In order to meet the liabilities already incurred, the University was badly in need of financial assistance from the Government.

The Government of Bengal, in reply, pointed out certain anomalies that were present in the University's financial administration. It brought to the notice of the University the Accountant General's report where the latter had complained that the financial administration of the University was "anything but satisfactory". The Government of Bengal, however, assured the University of a payment of Rs. 2,50,000 as soon as the

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Government would receive an intimation from the Accountant-General that the latter’s recommendations had been complied with. This amount would defray a part of University’s deficit. It was suggested that the remaining part of the deficit could be covered if the University could divert rupees one lakh out of the balance of funds amounting to Rs.289,169 or to pledge any of the properties or funds at their disposal, namely the Fish Market Fund, the Khaira Fund or any immovable property to enable them to open a cash credit account with a Bank for monthly overdrafts. These measures would enable them to tide over their difficulties till their financial position improved.

The conditions that were to be fulfilled by the University were as follows: First, no further expansion involving financial responsibility was to be undertaken by the University till their financial position showed an improvement. Secondly, the Budget Estimates were to be submitted by the first week of May and were to include the actuals for the last three years as well as the revised estimates of that year. The accounts of separate funds should not be mixed up and the actuals of receipts and expenditure under each fund should be prepared and submitted to the Board of Accounts, to the Senate and to the Government of Bengal every month soon after its closure. Thirdly, the Vice-Chancellor under Section 2, Chapter VI of the

19 Ibid., pp. 389-90.
Regulations would have the authority to examine and audit the accounts once in every three months and make recommendations relating to the finances of the University. Fourthly, all arrears of salaries and at least half the amount of the examiner's remuneration, amounting to Rs. 1,75,000 upto 30 June 1922 would have to be paid forthwith.

On 1 March 1922 Pravash Chandra Mitra presented the Education Budget for that year. The Minister was of opinion that the deficit of Calcutta University amounting to nearly five lakhs of rupees was to be attributed to the "thoughtless expansion of the University in the past." He accused, "It was almost criminal thoughtlessness to have ignored the financial aspect of the question in their enthusiasm for expansion." He criticised the financial management of the Calcutta University as a "deplorable one", and alleged that the University had spent a lot in their "enthusiasm to develop Post-Graduate studies."

In the meanwhile two committees were appointed by the Senate under the chairmanship of the Vice-Chancellor, Asutosh Mookerjee to deal with the charges levelled by the Minister of Education and the hostile members of the Bengal Legislative Council. The reports of these two committees published in April and July 1922 proved beyond doubt that the charges were all groundless. Besides Asutosh Mookerjee, the members of these two Senate committees were Nilratan Sirkar, Girishchandra Bose,
Asutoosh Chaudhuri, Hiralal Haldar, J. Watt, George Howells, Bidhan Chandra Roy and Jatindranath Maitra.

The University sought to refute the Accountant-General's charge that its financial administration had hitherto been anything but satisfactory. The Syndicate felt that it was not fair on the part of the Government of Bengal to form and express such an adverse opinion, since neither the Syndicate nor the Senate had been given an opportunity to consider the report of the Accountant-General and meet his criticisms. The University informed the Government that immediate payment of all arrears of salaries, remunerations, etc. amounting to Rs. 1,75,000 upto 30 June 1922 had to be suspended. Several University Lecturers had already left the Calcutta University during the last few days in order to accept appointments elsewhere on better terms. The prospects of the University, they deplored, were quite gloomy.

On 23 August 1922 the Government of Bengal wrote a letter to the University intimating that the Government would grant a financial assistance of Rs. 2,50,000 to the University. The letter assured: "It is not the intention of Government that the University should be left in a state of bankruptcy, and they are as anxious as the University authorities themselves to place their finances on a sound basis. Indeed it is not unlikely that subject to certain contingencies they will be prepared to ask the Legislative Council before long to vote an additional amount to achieve that object." The additional

23 Hundred Years of the University of Calcutta, pp. 197-98.
grant, however, was subjected to certain conditions which were to be fulfilled by the University in accordance with the recommendations of the Accountant-General, Bengal.

The Senate at its meeting on 9 September 1922 appointed a committee to consider and report on the letter from the Government of Bengal. The committee consisted of Asutosh Mookerjee, Nilratan Sircar, Bidhan Chandra Roy, Girish Chandra Bose, Praphulla Chandra Ray, G. Howells, Rev. F. X. Gohan, Kamini Kumar Chanda and Jatindranath Maitra. The committee presented its unanimous report to the Senate on 8 December 1922. Praphulla Chandra Ray pointed out that the Government had contributed Rs. 68,135 for the Departments of Arts and Science for the year 1921-22 out of a total expenditure of Rs. 8,09,793. This was a little over eight per cent. Ray added:

A perusal of Government's letter leads us to the conclusion that the Government desires to utilise the present financial embarrassment of the University to obtain control over its affairs in a manner not contemplated in the Indian Universities Act of 1904. It reveals the attitude adopted by the Imperial Government since the year 1912... The conditions which have been imposed are so humiliating, so gallingly derogatory to our self-respect that we had better close down the concern, lock up the gates of the University and go about the country for support.... A grave crisis is looming large in the horizon for our national intellectual progress. We are threatened with a national disaster.

Principal Howells, while supporting the motion, observed that if they accepted the conditions then it would be "a betrayal of the great trust imposed on them as a University." He declared: "We have no alternative but to refuse the conditions."

25 Ibid., p. 287.
26 Ibid.,
Asutosh Chaudhuri argued, "Was post-graduate teaching established without the sanction and support of the Government? If we have sinned by taking up the work we have sinned at the instigation of the Government." He echoed the words uttered by Herbert Fisher as Minister of Education of Great Britain and said, "No one appreciates more fully than myself the vital importance of preserving the liberty and autonomy of the Universities."

Asutosh Mookerjee, Vice-Chancellor, who presided over the meeting, said in his closing address:

This is the greatest crisis in the history of this University, which I have witnessed during a period of 34 years. I will not participate in the humiliation of this University. This University will not be manufactory of slaves. We want to teach freedom. We shall not be a part of the Secretariat of the Government. What is the offer? Two and a half lacs. And you solemnly propose that we should barter away our independence for it. What will the Post-Graduate teacher say? What will posterity say? Will not future generations cry shame that the Senate of the Calcutta University bartered away their freedom for two and a half lacs of rupees? I call upon you, as members of the Senate to stand up for the rights of your University. Forget the Government of Bengal. Forget the Government of India. Do your duty as Senators of this University, as true sons of your Alma Mater. Freedom first, freedom second, freedom always - nothing else will satisfy me.

He pointed out that there was "a sinister, perfidious campaign against this University which had to be tackled first." Criticising the report of the Accountant-General, he concluded that the conditions imposed by the Government of Bengal, could

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27 Ibid., p. 288.
28 Ibid., p. 288.
29 Ibid., pp. 200, 290.
not be fulfilled. It was unanimously decided that the University would not accept the grants if the humiliating conditions attached to it remained.

This sentiment was also ventilated in the discussions on the Budget in the Legislative Council. S.C. Mukherjee criticised the Minister of Education for making a grant of rupees nine lakhs to the Dacca University and proposing no increase in the grant to the Calcutta University, which had been receiving the sum of Rs. 1,41,000 only a year. "The attitude of the Minister of Education towards the Calcutta University is indifferent and unsympathetic", he retorted. "I know there is a clash between the Calcutta University and this Legislative Council but I am sure a reasonable attitude will be taken up in either side." Tarit Bhusan Roy, Bijoy Prasad Singh Roy, Jatindranath Moitra, and Jogendra Chunder Ghose shared almost similar thoughts.

2. The Accountant-General's Report

Explaining the causes of the University's present financial troubles J.C. Mitra, the Accountant-General, Bengal, made certain observations, a resume of which is mentioned here.

31 Ibid.
32 Ibid., p. 47.
33 Ibid., p. 42.
34 Ibid., p. 55.
35 Ibid., p. 45.
Owing to the general stability of the Fee Fund, the University developed a tendency to expand its activities. It undertook higher education schemes and research work in addition to its ordinary examining functions. The Law and Science colleges were established, the Post-Graduate studies were introduced, and several large buildings started involving a heavy capital outlay. This was partly financed by private donations and Government grants and partly met from its accumulated reserve fund. So long as the University kept its expenditure within its receipts and so long as there was a reserve fund, no difficulties ensued. The fee receipts showed a progressive growth except in 1913-14 and 1918-19. The average annual increase during the ten years from 1911-12 to 1920-21 was about Rs. 70,000, while increase in the normal expenditure did not exceed Rs. 43,000.

The average annual increase of receipts of all the fund heads together was Rs. 1,20,000 against average annual growth of expenditure amounting to Rs. 1,53,000. Thus, on an average, the University over-spent Rs. 33,000 annually. This over-spending was chiefly noticeable since 1917-18, when the Post-Graduate classes were opened. The years 1918-19, 1919-20 and 1920-21 recorded a progressive deficit of Rs. 38,000, Rs. 1,77,000 and Rs. 2,08,000 respectively. One of the chief causes which brought about this financial trouble was definitely a fall in the Fee Fund during 1921-22 over which the University had no control. There was also a shortage of adequate reserve fund. Added to these were the teaching obligations of the
University, that is to say, the founding of Carmichael Professorship of Ancient Indian History and Culture. This was to be financed from the sale proceeds of the Sanskrit Matriculation and Intermediate text books and the Sanskrit grammar published by the University; Law College Fund, Science College Fund and Ramtanu Lahiri Fellowship Fund. The schemes of construction of some of the University Buildings which cost Rs. 2,12,000 from its Fee Funds likewise strained the coffers of the University. The creation of a new post of Controller of Examinations in 1917-18 on a salary of Rs. 1000 a month and a staff costing, about Rs. 2,000, became a necessity after the leakage of question papers in 1917. This involved an extra expenditure of about Rs. 60,000 for a second examination. But there was no corresponding reduction in the cost of Registrar's establishment which used to manage examination work previously. The cost of the supervising staff and the establishment, including the Controller's establishment, rose from Rs. 78,000 in 1917-18 to Rs. 1,26,000 in 1920-21. The University Lecture Fund, too, was an additional burden on the University.

The Accountant-General, Bengal held the view that the main cause of the depletion of University funds was the opening of regular Post-Graduate teaching classes from 1917-18. The University had assured the Government of India that the financial security of the scheme would be attained if the Fee Funds contributed at least two lakhs of rupees annually towards this scheme. The surplus of the Fee Fund during the period from 1917-18 to 1921-22 amounted to Rs. 15,09,000 against which
Rs. 10,75,000 was paid to the Post-Graduate Teaching Fund as one-third share of the stipulated examinations fee and an additional contribution of Rs. 6,76,000. The total expenditure of Rs. 22,99,000 could not be met from the Government grant, students' fees and one-third of the examination fees. So additional contributions aggregating Rs. 6,76,000 had to be given in order to meet the total expenditure.

When the University had applied to the Government in 1919-20 for an additional grant, the Government suggested that the University should increase tuition fees levied on Post-Graduate students. Though the University had a Board of Accounts to prepare the Budget Estimate, examine and audit the University accounts and to make recommendations relating to finance, yet the lack of proper control made this body ineffective. They could have regulated the expenditure on Post-Graduate studies and kept the same within the income of the University. But in November 1921, they noticed an abnormal growth in expenditure and recommended an increase in the examination fees. Among other contributory factors may be mentioned want of an office manual, disregard of Budget rules and untimely preparation of Budget Estimate which had aggravated the financial problems.

The Accountant-General suggested certain remedial measures which were as follows: First, the University should try to wipe out the existing deficit of about rupees five and half lakhs, and restore the balance of several fund heads which had been used up in meeting the excess expenditure under other fund heads and pay off its outstanding liabilities. Secondly,
in order to restore financial equilibrium and to keep sufficient surplus in hand, it would not be safe to count upon any additional contribution from the Fee Fund for Post-Graduate studies beyond the one-third share payable under the Regulations. The first essential step, therefore, would be to curtail the expenditure in the Post-Graduate branch to bring it within its income. Thirdly, the Budget Estimate should be prepared and submitted to the Senate in the month of May every year. In preparing the next Budget Estimate, the entire expenditure on the examiners' fees for the 1923 examinations should have to be provided for. No balance should be left for the following year. No additional expenditure should be allowed without a specific reappropriation of the savings in the sanctioned grants. This was to be specified at the time of application for sanctioning additional expenditure. Fourthly, the University should prepare correct balance sheet. The true financial position could not be known unless the outstanding liabilities were ascertained and correct balance sheet drawn up. Fifthly, a number of funds should be amalgamated. The Hardinge Hostel should form an integral part of the University Law College. The accounts of this hostel, for example, should be amalgamated with the Law College accounts. Sixthly, a monthly account should be prepared with receipts and expenditure under each fund head and submitted to the Board of Accounts at the end of the following month. The progressive total of the figures would give an idea at any time how each fund was standing financially. Finally, the University
should prepare an official manual in which the duties of the different Departments should be underlined and responsibilities fixed.\footnote{37}

In January 1923, J.C. Mitra, Accountant-General, Bengal informed the Education Secretary that he had expressed his views on the points raised by the report of Government Grant Committee.\footnote{38} The Accountant-General pointed out that the financial stringency of the University was due to the expansion of the Post-Graduate branch without any consideration to the resources of the University. The Post-Graduate Teaching Fund was responsible for over three lakhs thirty thousand rupees, out of a total deficit of rupees five and half lakhs. Similarly, depletion of the Fee Fund surplus had taken place as a result of the expansion of the Post-Graduate scheme. He argued that the figures quoted below led "to the irresistible conclusion that the Post-Graduate scheme was being expanded year after year without any consideration of its resources, the Senate contenting itself by passing resolutions sanctioning transfers of funds from the imaginary balance of the Fee Fund."\footnote{39}

\begin{table}[h]
\centering
\begin{tabular}{|l|l|}
\hline
Year & Amount (in lakhs) \\
\hline
1917-18 & Rs. 1.99 lakhs \\
1918-19 & Rs. 2.11 \\
1919-20 & Rs. 2.28 \\
1920-21 & Rs. 2.33 \\
1921-22 & Rs. 2.04 \\
\hline
\end{tabular}
\caption{Table - 3}
\end{table}


\footnote{38} Minutes of the Syndicate, 1923, Parts 1 and 2, pp. 198-208. Letter No. DA 234-54-21 dated 3 January 1923 from J.C. Mitra, Accountant-General of Bengal to the Education Secretary, Government of Bengal.

\footnote{39} Ibid., pp. 198-208.
It will be seen that from the very inception of the Post-Graduate Teaching Fund, the yearly surplus of the Fee Fund was being depleted. It may be noted that the one-third share of the fees alone, as mentioned before, amounting to two lakhs throughout (the minimum amount which was reported by the University) was sufficient to ensure the future of the Post-Graduate scheme. The Budget rules which were passed by the Senate required amplifications by subsidiary instructions, and delay in adopting the next set of regulations could be avoided. It was also necessary to draw up an office manual. The Accountant-General advised the University to follow an overall "economised" policy so that the cost of general administration could be curtailed without impairing its efficiency. The University Press which exhibited considerable laxity in the maintenance of its accounts, could make some savings, if it was properly controlled. Finally, it was necessary to have the monthly accounts compiled, showing the monthly and the progressive totals of receipts and expenditure. It should be submitted to the Board of Accounts for scrutiny which would do so periodically.

To sum up, academic expansion and financial control was to go hand in hand. The University was alone competent to deal with the former. But financial control had been vested in Government under Section XV of the Act of Incorporation. It was this aspect of the question which was the subject matter of discussion. J.C. Mitra categorically pointed out that there was no question of interference with the academic independence of the University. Since the causes of financial
stringency had been duly analysed and remedies suggested, Mitra expressed hope that the University would try to remove the same and adopt proper financial control to guard against any such recurrence in future.

The Accountant-General's report was discussed in the Bengal Legislative Council. Several questions were raised by the members. One of the members, Ajoy Chunder Dutt, while explaining the causes of the University's present financial stringency urged that the Government should immediately release the proposed sum of Rs. 2,50,000 for the University. Without this grant, the University would virtually come to a standstill. In defence of the Calcutta University, he pointed out that this institution was in a fix not because of its "thoughtless expansion", but due to certain extraneous factors over which it had little control. Among these may be mentioned, the Non-Cooperation Movement which had depleted its Fee Fund by about three lakhs of rupees. Similarly, leakage of question papers in 1917 had involved an additional expenditure of Rs. 60,000. On top of this, the establishment of certain new Universities like Dacca, Rangoon and Patna must have increased the deficit to a considerable amount. Strangely enough, when the University proposed an increase in the examination fees for the Matriculation and the Intermediate Examinations, the Government of India turned a deaf ear to it. Naturally, its deficit now reached rupees five lakhs and half. At this juncture, the University was informed by the Government that the

41 Ibid., pp. 164-70.
latter would sanction a grant of Rs. 2,50,000 for the University subject to certain conditions. The most important condition was that no further expansion involving financial obligation should be undertaken till their financial position showed any improvement. Dutt, however, affirmed that the University was not undertaking any new scheme of expansion, rather it was trying to set its house in order and meet the liabilities already incurred. For example, it had to pay the salaries of the teaching departments which involved a legal obligation. With regard to the Accountant-General's Report, Dutt said that the University had agreed to submit its Budget Estimate by the first week of May. Since the University would have to take into account the number of candidates for the three preceding years while calculating the estimates for 1921-22, very likely they would commit mistakes, as it would not be possible to anticipate the probable number of candidates for the principal examinations to be held in the early months of 1922. Moreover, the University was also confused, whether to accept the recommendations of the Accountant-General, or the local Government regarding the presentation of accounts under separate fund heads. Dutt added if this doubt was cleared, then the University would certainly follow the course recommended by the Government. As examination fees constituted the bulk of University's income, their funds would be exhausted by March. After this, financial assistance from the Government would become indispensable for the survival of this great institution.
S.C. Mukherjee recommended that the Government should at once grant a sum of Rs. 5,39,480 for the Calcutta University which would enable the latter to wipe off its deficits. In support of his argument, he referred to the Accountant-General's report where the financial stringency of the University had been mentioned. Though it was true that the University had acquired a part of its deficit by opening up a regular Post-Graduate teaching department, yet Mukherjee pointed out that the Government's contribution to the Science Department was only seven per cent, and seventeen per cent to the Arts Department. Barendranath Chaudhuri urged that the Government should immediately grant the sanctioned amount of Rs. 2,50,000 unconditionally for the Calcutta University, as the latter was facing deficit and had not even paid the examiner's remunerations amounting to Rs. 1,75,000.

P.C. Mitter, Minister for Education, agreed with the Accountant-General's report that the Calcutta University would face a deficit of rupees seven lakhs in that year. He admitted that a part of this was due to the "unfortunate and mischievous movement, the non-cooperation movement amongst the students." But at the same time, owing to the general financial stringency of the Government, he advised the University not to embark upon any fresh expansion involving financial responsibilities.

42 Ibid., pp. 171-72.
43 Ibid., pp. 177-78.
44 Ibid., pp. 187-97.
On 10 May 1923 the Government of Bengal informed the University that it had started functioning after the reforms of 1919 with a deficit of about two crores and twelve lakhs of rupees. Three taxation bills had been passed and the net amount retrenched was one crore and fifty lakhs of rupees. In view of the general financial stringency, the Government could not give any definite assurance to the University in financial matters. The University should not carry out recommendations proposed by the University Commission as there was no financial guarantee forthcoming from the Government.

Mitter, however, assured the University that he would consider two important issues raised by the Vice-Chancellor, namely, 1) that the Syndicate should be placed in possession of information of the financial position of the Government in relation to the University, and 2) that the Government was prepared to consider the Bill de novo. The Minister for Education proposed to appoint immediately a Committee of twelve persons consisting of five members recommended by the Syndicate, the Vice-Chancellor being the President and seven other members. This Committee would advise the Government on the following matters:

a) the framing of the constitution of the University in the light of present financial situation and the Report of the Sadler Commission, and

b) the best possible relations that should exist between the Government and the University based on cooperation between the University, the Ministry of Education and the Legislative Council.
c) Finally, the nature of financial safeguards that could be provided in their mutual relationship.

The Budget of the Government of Bengal for the year 1924–25 revealed that the expenditure on education had shown steady increase from Rs. 1,07,59,000 in 1920–21 to Rs. 1,24,21,000 in 1922–23. The provision for the next year would be Rs.1,22,36,000. This decrease was due to the following reasons: First, non-repetition of the grant of Rs. 3 lakhs to the Calcutta University, and secondly, the retrenchments effected in Government Secondary and Primary Schools.

Several members in the Legislative Council expressed concern over this matter. S.C. Mukherjee once again spoke on behalf of the Calcutta University. He pointed out that the Dacca University had been granted a sum of Rs.9,00,000 whereas Calcutta University had not received its share. This was definitely unfortunate as the latter was a developing body and had not the resources to develop on its own. Benoy Krishna Bose condemned this measure in the same breath and said: "The grant to the Calcutta University has been reduced from Rs. 4,31,000 to Rs. 1,47,000. I do not grudge the good fortunes of the Dacca University; but the niggardly way in which the Calcutta University has been treated in the budget calls for the strongest possible protest." Akhil Chandra Datta's speech

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45 Proc. of the Bengal Legislative Council, 1924, Vol.14, No.2, 18-20 Feb., p. 44.


47 Ibid., pp. 75-76.
also echoed a similar feeling, "You have no money for Calcutta University, but you have unlimited resources for police schemes and police buildings. The police grants amount to over 6 lakhs while 3 lakhs have been taken away from University." Bidhan Chandra Roy criticised the Government in the same vein and explained that the University was established as a constituted authority to act on behalf of the Government for providing higher education for the people. As the University was acting as the agent of the Government, the Government would not be able to absolve itself from all its liabilities if the University was found wanting in funds. He pointed out that the Imperial Government had given a certain contribution to the Calcutta University in 1912. The same grant had been maintained by the Bengal Government and also by the Government of India. What was interesting was that since 1912, rupees forty-five lakhs had been donated to the University by private benefactors. The most inevitable question which came up was, "What had the Government done in response to it?" Roy observed that if the Government failed to provide relief to the University, they would be charged with want of statesmanship.

In the face of such criticism, the Government of Bengal regretted their inability to meet a sum of Rs. 1,45,000 as demanded by the University, primarily for the purpose of the University College of Science. The Government in a letter to the University explained that they had been compelled to adopt the most rigorous measures in economy. Though the Government

48 Ibid., p. 80.
50 Ibid., pp. 101-102.
was aware of its duty to provide grants to the University for
wiping out "its chronic deficit", but "their ability to come
to the rescue of the University in its financial difficulties
was strictly limited." The Government requested the University
to direct attention to the possibilities of retrenchment. In
this matter, they suggested, the University Law College could
give some assistance either directly to the Post-Graduate
Teaching Fund or to the Science College Fund or in an indirect
manner by contributing to the Fee Fund. The Government, however,
forgot that the University Law College could not offer this
assistance as it was an affiliated college. The Government of
Bengal proposed a conference between the University and the
Government in order to settle the questions of financial
assistance with special reference to the possibilities of
retrenchment by March 1924.

3. Recommendation of the Post-Graduate
Reorganisation Committee, 1924

The Senate of the Calcutta University appointed a
committee of twenty members on 27 September 1924 to enquire into
the working of the Post-Graduate Departments of the University
with a view to formulating a definite scheme for the stabilisation
and development of Post-Graduate studies in the University of
Calcutta. The committee submitted its report on 9 May 1925.
Though the report was not unanimous on all points, yet the
financial and academic aspects of higher education under the
University received fullest consideration in this report.

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51 Minutes of the Syndicate, 1925, Parts 1 and 2, pp. 1120-24.
Letter No.A2113 dated 30 May 1925 from the Registrar, Calcutta
University to the Government of Bengal.
Hundred Years of the University of Calcutta, p. 321.
According to the observations of this committee, the probable income of the Post-Graduate Department and the contribution of Rs. 15,000 from the Government (exclusive of the amounts paid for endowed Chair) were considered to be fixed, but the figures on expenditure were variable. On the expenditure side, the bulk constituted of salaries of the teachers under the University (excluding the holders of endowed Chairs). For example, in the year 1925-26, the pay of teachers would amount to Rs. 4,02,180 in the Department of Arts and to Rs. 80,960 in the Department of Science. The Provident Fund contributions of the University would be estimated at Rs. 39,220 in the year 1925-26. Moreover, the expenditure on such items as the establishment of officers of the Departments concerned, the Library, contingencies and repairs would amount to Rs. 96,400. Thus the total probable expenditure in each of the five following years would be Rs. 6,28,760, Rs. 6,48,570, Rs. 6,64,680, Rs. 6,91,590 and Rs. 7,18,500 respectively. But as the general funds of the University were unable to contribute anything beyond the statutory figure of one third of the examination fees to the Post-Graduate Department, the deficit in that sphere could only be met from contributions of the public funds.

The Registrar explained that although the ensuing year would require an amount of Rs. 250,260, the University would ask for a financial assistance of rupees three lakhs. It would be impossible to meet the excess expenditure which was likely to accrue during the next five years without the desired sum. The grant of rupees three lakhs would be
accepted as a non-votable item in the Budget so that the University could be sure of the contribution every year. This amount would stabilise the Post-Graduate studies of the University and would allow it to develop its teaching as well.

Several members of the Bengal Legislative Council supported this demand of the Calcutta University. Khagendra Nath Ganguli recommended that the Government should sanction an annual recurring grant of rupees three lakhs for the Calcutta University in order to facilitate Post-Graduate studies and research. Naliniranjan Sarkar, too, supported this view. Pramatha Nath Banerjea pointed out that the income of the Post-Graduate Department alone for the current year was Rs. 3,78,000 while the expenditure was Rs. 6,34,000. Thus the amount of Rs. 2,94,000 would be the average deficit of the University on this Department. The Senate felt that the University would require a sum of rupees three lakhs annually to meet this deficit. In this connection, Banerjea informed that the Lucknow University had obtained a sum of Rs. 7,87,000 and the Allahabad University a sum of Rs. 6,94,000 from the provincial coffers. What was more significant was the fact that these Universities got two-thirds of their share from public funds. The Government should sanction a desirable amount for the University which "given suitable opportunity will do greater work in the future."

Manmatha Roy urged that the Government should recommend a recurring grant of rupees three lakhs for the Calcutta University.

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52 Proc. of Bengal Legislative Assembly, Vol.18, August 12-14, 17-21, p. 234.
53 Ibid., pp. 235-36.
and enable it to continue Post-Graduate studies and research. Bidhan Chandra Roy proposed that an annual grant of three lakhs of rupees would enable the University to meet its recurring deficits, as this would ensure an atmosphere of certainty as regards the permanency of tenure of the teachers and the staff.

Bijoy Kirshna Bose agreed with Bidhan Chandra Roy and said, "If the Post-Graduate department is to run and to be maintained it cannot be done with the Rs. 3,33,000 at the disposal of the Senate. Something not less than another three lakhs are necessary." H.W.B. Moreno shared this common concern for the Calcutta University, specially the financial crunch that had occurred in the Post-Graduate Department. In the same year, the University made yet another appeal to the Government for financial assistance.

4. Quinquennial Arrangement

In the meantime, a number of resolutions were passed in the conference held at Darjeeling where the representatives of both the Government and the University participated. There the Government agreed to give financial assistance to the University on the basis of the recommendations of the Post-Graduate Reorganisation Committee as adopted by the Senate in

55 Ibid., p. 267.
56 Ibid., pp. 268-73.
57 Ibid., p. 279.
58 Ibid., p. 276.
May 1925. The Government agreed to meet such deficits as might occur during the next five years. The University applied to the Government for financial aid on the basis of the income and expenditure of the Post-Graduate Department alone as on 30 May 1925. It requested the Government to allow it a sum of rupees three lakhs annually, earmarked for the Post-Graduate Department.

The Government, however, was anxious to find out the actual difference between income and expenditure in each of the five succeeding years on the basis of the Budget Estimate of 1925-26. For the purpose of calculation, the Government, therefore, asked the representatives of the University present at Darjeeling Conference to inform them which of the items would be regarded as recurring and which of them as non-recurring. In reply, the University stated that on account of various reasons this was difficult to ascertain. In the first place, the University had no separate capital and revenue accounts owing to the uncertainty and insufficiency of income. Secondly, with the growth of Departments for teaching and research, it would be difficult for the University in each case to indicate whether a particular item of expenditure would be recurring or not. Thirdly, the University had accepted large endowments and appointed Professors under them primarily for the purpose of research. Moreover, they had to make provisions for those Professors who were engaged in research. But no separate research funds existed. Though the recurring expenditure on teaching arrangements could be drawn up, the
the amount of money required every year on research could not be so easily estimated. Fourthly, nor was it easy to anticipate the probable requirements during the next five years taking the Budget Estimate of 1925-26 as the base year. This might lead to miscalculation. For example, a sum of Rs. 5,500 was put down in the Budget Estimate of 1925-26 under the head, "Honorarium for editing selections." This figure had been estimated on an assumption of the probable sale of text books, the stocks held and the need for re-editing some of the text-books during the year. But this figure would definitely lead to error if estimated for the next five years. Fifthly, the total amount of non-recurring items in the Budget Estimate figures for 1925-26 was likely to be Rs. 22,750 (Rs. 51,000 - Rs. 28,250 = Rs. 22,750). The sum of Rs. 51,000 was taken to be the approximate amount of non-recurring expenditure, while the sum of Rs. 28,250 was anticipated as the recurring expenditure. It was expected that the expenditure of the University would increase in various directions in the coming years. Sixthly, the very meagre remuneration offered to the University examiners would have to be increased which would mean an additional amount of Rs. 80,000. The recurring grant for the item "Expenses of Examinations at Centres" would have to be enhanced by at least Rs. 6,000 to attract the right type of invigilators. The establishment of a Commercial Museum in connection with the Commerce classes, as pointed out by the Post-Graduate Reorganisation Committee, would incur an annual expenditure of sum of at least Rs. 2,500. Seventhly, these items involving additional
recurring expenditure immediately were not the only items that caused worry for the University. It would require additional source of income to meet various other liabilities. For example, the University would have to pay gratuity to the Registrar who was supposed to retire by March 1926, or to pay gratuity to other officers like the Inspector of Colleges at the expiry of his term, or the Controller of Examinations, if he chose to retire. The expenditure on this head was thus likely to amount Rs. 45,000. In these circumstances, it would neither be feasible nor desirable to mix up the accounts of the different funds. The University proposed to put together the different fund heads, just for the knowledge of the Government, though ordinarily this was not advisable. The University hoped that the Government would appreciate their difficulties and sanction the necessary grants.

On 10 March 1926 the Government addressed a letter to the University regarding the sanction of a recurring grant to the Post-Graduate Department for five years with effect from that year. The Government explained that while the University authorities had calculated the average annual deficit of the Post-Graduate studies to Rs. 300,000 the Government of Bengal assessed this to Rs. 2,43,000. This difference of opinion was due to the fact that the Government estimate of the receipts from the Fee Fund and of the Law College Fees were in excess

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60 Minutes of the Syndicate, 1926, Part 1, pp. 786-88. Letter dated 10 March 1926 from G.H. Lindsay, Education Secretary, Government of Bengal, to the Registrar, Calcutta University.
of the University's calculation of the same. The University had estimated Rs. 47,000 for Fee Fund and Rs. 10,000 for the Law College Fees. The Government decided to grant a recurring grant during the first five years according to their calculation. They, however, assured the University that if the fees referred to above fell below the figures adopted by the Government to the extent of Rs. 47,000 in the Fee Fund and Rs. 10,000 in the Law College Fees, then the Government would be liable for the amount of such deficits. At the end of the period, the matter would come under revision and backed with the experience of five years, the Government would be able to arrive at a more accurate and definite conclusion regarding the figures of recurring grants that the University could expect to receive from the Government.

The Government sanctioned a recurring grant of Rs. 2,43,000 a year to the Calcutta University with a contingent liability for Rs. 57,000 for a period of five years. The Government further specified that this grant was sanctioned on the clear understanding that no demands would be submitted or entertained for additional grants concerning the ordinary administration of the University. This matter was discussed in the Bengal Legislative Council. J. Donald concurred with the University and suggested that the Government would sanction an annual grant of Rs. 2,43,000 for a period of five years and a contingent liability for Rs. 57,000. When this period would come to an end, the Government would be able to arrive at a more accurate and definite figure of the recurring grant which the University
would receive from the Government. Some of the members like Bejoy Krishna Bose, however, proposed that the Government should introduce a Bill like the Dacca University Bill, making the grant a statutory one. This would help the University financially.

5. Pramatha Nath Banerjea's formula

On 10 June 1926 Pramatha Nath Banerjea wrote a letter to the Vice-Chancellor of the Calcutta University regarding the Budget Estimate of the University for 1926-27 as he was absent from the Syndicate meeting discussing the same issue.

Banerjea made certain important observations on the Budget Estimate for 1926-27. From a perusal of the abstract of statement, which was circulated by the Board of Accounts, it appeared that the estimated total income for the year 1926-27 would be Rs. 12,06,745 and the total estimated expenditure, on the other hand, would amount to Rs. 12,78,991. Therefore, there would be a deficit closing balance of Rs. 10,882. In other words, the University would be spending Rs. 72,000 more than their estimated income for the year, so that the opening balance of Rs. 61,364 would be entirely swept away.

As the Syndicate had further amended the Board of Account's figures, there would be a deficit in the Fee Fund roughly amounting to Rs. 20,000. Therefore, the Syndicate

63 Minutes of the Syndicate, 1926, Part 2, pp. 1615-23.
proposed to spend £. 81,000 more than its estimated income in the Fee Fund for the next year. Deducting the non-recurring items of expenditure, the deficit for the year 1927-28 (from the figure sanctioned) would roughly amount to £. 53,000. The non-recurring items would be: 1) The Provident Fund Account - provision for past liabilities totalling upto £. 22,000; 2) Fans - £. 2,000; 3) Rewiring - £. 4,000. These three items taken together would mean £. 28,000. Adding to this, the sum of £. 53,000, the annual increment which the University would have to provide for its clerical staff would imply a further sum of at least £.10,000 including the proposed Provident Fund contribution. Banerjea calculated that the deficit on the Fee Fund alone for the year 1927-28 would go up roughly to £. 63,000 for the year 1928-29, at the same rate, the deficit would amount to £. 73,000 and for the year 1929-30, it would step up to £. 83,000. Therefore, the total amount of deficit for the next four years would likely to go up to £. 2,39,000.

He did not overlook the fact that the University might have made incorrect forecasts regarding its income. He conjectured that it might so happen that two of the most important sources of the University's income, namely, receipts from the sale of University Publications which they had calculated at a modest figure of £. 1,50,000 for the coming year, would show a steady rise during the next three years. Secondly, the Matriculation Examination Fees, which were estimated at £. 2,85,000 and which had dropped to £. 2,46,000 in view of
the large number of failures that year, might possibly increase. Nor did he discard the possibility of keeping down the University's expenditure by way of progressive retrenchment. However, he stated that these possibilities could be seldom realised in a public institution.

As regards the Post-Graduate Teaching Fund, Pramathananath Banerjea stated that the income for the year could be set down at Rs. 6,79,800. But the expenditure for the coming year would roughly be Rs. 6,95,900. This would imply spending Rs. 16,000 more than the available income. If the non-recurring items of expenditure of the Post-Graduate Budget were deducted, then there would be a relief of Rs. 6,000. He reminded that a sum of Rs. 3,500 had been set apart for the construction of an Anthropological Laboratory and a sum of Rs. 2,500 for the establishment of a Commercial Museum. Therefore, for the next four years, the University would be likely to face a deficit in the Post-Graduate Budget itself to the extent of Rs. 1,86,000. This was how he arrived at this figure:

<table>
<thead>
<tr>
<th>Year</th>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926-27</td>
<td>Deficit</td>
<td>Rs. 10,000</td>
</tr>
<tr>
<td>1927-28</td>
<td>Additional increment of salary to teaching staff and increased consequent contribution to Provident Fund</td>
<td>Rs. 26,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rs. 36,000</td>
</tr>
<tr>
<td>1928-29</td>
<td>The deficit would likely to be</td>
<td>Rs. 62,000</td>
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<tr>
<td>1929-30</td>
<td>-Do-</td>
<td>Rs. 88,000</td>
</tr>
<tr>
<td></td>
<td>So, the total deficit for the next four years would be</td>
<td>Rs. 1,86,000</td>
</tr>
</tbody>
</table>
He reminded that the University had asked for a recurring grant of Rs. 3,00,000 as the expenditure of the Post-Graduate Department for a period of five years. But the Government had considered the income side of the whole of the Fee Fund without taking into account the ever-expanding expenditure of the Department which had to be met from the floating fee income. As a result, the Government miscalculated the recurring grant to Rs. 2,43,000 a year taking upon itself the duty to discharge a contingent liability for Rs. 57,000 for a period of five years. He accepted this bitter pill as there was no option open for him.

The University would not relish the idea of perpetual Government interference in their finances. Consequently, he apprehended that for the next four years, the Government would not extend the desired amount of Rs. 3,00,000. The maximum amount of grant would vary, according to him, between Rs. 2,43,000 and Rs. 2,68,000 which would imply that the University would certainly lose a sum of Rs. 30,000 to Rs. 40,000 every year. Banerjea calculated that the deficit for the next four years would roughly amount to Rs. 4,35,000. He suggested the following remedial measures to tide over the crisis.

The opening balance in the Post-Graduate Teaching Fund was like to be roughly about Rs. 1,18,000. If the University could invest the sum of Rs. 1,00,000 which constituted the closing balance for the Post-Graduate Teaching Fund, then they would get a net yield of roughly Rs. 20,000. Therefore, the Post-Graduate Teaching Fund would have to make a provision for an estimated deficit of roughly about Rs. 58,000.
He proposed to take away from the Law College Fund a sum of Rs. 30,000 every year and a further contribution of Rs. 10,000 more from the Law College Fund since the opening balance to the credit of the Law College Fund for the year 1926-27 would likely be about Rs. 2,30,000. The Government sanctioned a grant of Rs. 30,000 for the Law College at a time when the infant institution was struggling for its existence. But it no longer required this subsidy which could, therefore, be utilised otherwise. Moreover, if the Provident Fund scheme for teachers became acceptable then the Law College would not have to discharge any future financial liability of the type of Pension liability and the Part-Time Professors and Vice-Principal of the Law College who would be placed with generous Provident Fund contributions. In that case, the large revenue surplus which might be maintained in the Law College Fund for the next four years could be utilised. He proposed that the accumulated reserve of the Law College amounting to a sum of Rs. 2,37,000 could be invested to yield at least Rs. 30,000. The bulk of the fees for the different examinations realised between the months of January and February which lie idle till July and August could be invested to yield an amount of roughly Rs. 15,000. Adding these figures, the University could wipe out their deficit of Rs. 1,35,000.

In spite of all these, the University would have to make arrangements for meeting a possible deficit of Rs. 1,62,000 for the next few years or in other words, Rs. 40,000 annually. This would have to be met through additional taxation. In this
connection, Banerjea's proposals were as follows:

1. Admission Fee for the Post-Graduate Departments could yield an annual income of Rs. 6,500.

2. The fee for non-collegiate students who had not been regular students at a college could be raised to rupees fifteen only which would yield an annual income of about Rs. 12,500.

3. Migration fees could be raised to rupees fifteen per head which would yield an annual income of Rs. 5,000.

4. The fee for obtaining Mark Sheet may be raised to rupees three which would yield annually a sum of about Rs. 6,500.

The above-mentioned suggestions, he claimed, would not require Government sanction. But the net yield from these proposals would not cover the estimated deficit of Rs. 40,000 a year. This could be negated if the Science College which spent Rs. 10,000 more than the Budget allotment every year, could restrict their expenditure.

5. Finally, Banerjea proposed an increase in the Examination fees for Matriculation and Intermediate. This would give the University an additional income of Rs. 1,20,000. Out of this, if the sum of Rs. 55,000 could be remitted in order to meet the enhanced remuneration for Examiners, it would still provide the University with a surplus of Rs. 65,000 a year. This would enable the University to secure financial autonomy in all its affairs.
The Syndicate discussed the proposals of Pramathanath Banerjea and resolved that in view of the financial condition of the Post-Graduate Teaching Fund, the Executive Committees of the Councils of the Post-Graduate Teaching in Arts and Science be requested to consider the desirability of charging one month's tuition fee as admission fee in all cases of new admissions to the Post-Graduate classes with effect from the beginning of the next session. The fee from non-collegiate students was raised to rupees fifteen with effect from 1 July 1926. Migration fee was raised to rupees fifteen and fee for copy of mark sheets to rupees three per copy.

6. The Aftermath of Contingent Liability Arrangement

On 10 March 1926, the Government of Bengal sanctioned a grant of Rs. 2,43,000 per annum along with a contingent liability for Rs. 57,000 for the University. The Government made it clear that the University would not be able to ask for any increased recurring grants within the quinquennium. It followed thus that if the University desired to initiate any new plan involving recurring expenditure, they would have to do so on the strength of their own provisions.

On May 2 1928 the Government of Bengal reiterated that they were reluctant to revise the terms of the quinquennial arrangement under which a contingent liability arrangement had been offered to the University. Meanwhile, the University

64 Minutes of the Syndicate, 1927, Part 4, pp. 3030-21.
65 Minutes of the Syndicate, 1928, Part 2, pp. 1376-77. Letter No.328T Edn. dated 2 May 1928 from J.H. Lindsay, Education Secretary to the Government of Bengal, to the Registrar, Calcutta University.
communicated to the Government their financial worries. They had been unable to make payments to the examiners in the year in which the fees for the examination had been realised under the contingent liability arrangement. The University was thus operating under a handicap having accepted this arrangement. In 1929, the Government of Bengal conveyed to the University the sanction of the Government grant of Rs. 57,000 during the current financial year. This amount was due to the University under the contingent liability arrangement. On March 15, 1929 the Registrar of the University of Calcutta informed the Government of Bengal that the University was still under financial pressure. The University had applied for a recurring grant of rupees three lakhs for a period of five years in May 1925 in order to stabilise its Post-Graduate Department. The Government of Bengal had sanctioned an annual grant of Rs. 2,43,000 and had also promised a sum of Rs. 57,000 or any lesser amount that might be demanded by the University in case their expected Fee Fund would be reduced by some unexpected circumstances. The promised sum would also be paid to the University if the Law College Fee Fund fell below Rs. 2,55,000 in any year during the next five years.

As the University received a lesser amount (Rs. 2,43,000) than the sum demanded (rupees three lakhs) it would incur deficits and the conditions of the quinquennial arrangement

66 Minutes of the Syndicate, 1929, Part 1, p. 325.
would thus be a great strain on the resources of the Fee Fund. Moreover, it would be impossible for the University to avoid deficit, especially because it had introduced the incremental scale of pay for the ministerial staff as well as the provision of a Provident Fund scheme for them. The Syndicate had already taken steps to augment the resources of the University by increasing the charges for migration and introducing admission charges from the Post-Graduate students with effect from the session of 1926-28.

The University invited the attention of the Government to the calculations of the Post-Graduate Department. The figures of deficit from the years 1925-26 to 1929-30 showed an increase by arithmetical progression each year. This might be attributed to the incremental scale of pay. The figure Rs. 3,00,00 was the annual average, based on which the fixed grant per year was demanded for the Post-Graduate Department. The Post-Graduate Departments were getting a contribution of rupees three lakhs from the beginning of the quinquennium partly from the Government grant and partly from the Fee and Law College Funds. If the receipts of the Post-Graduate Departments were compared with the expenditure for a year, there would be a surplus in the first part of the quinquennium which would be set off against the higher expenditure of the latter half of the period. The inevitable result would be that the expenditure for the last year would exceed the income of the running year. This would not have been the case if a variable grant had been sanctioned by the Government increasing
year by year, sufficient to cover the excess for each year. The surplus in the first part of the quinquennium was to be invested in six per cent Bonds of 1930 carrying the face value of Rs. 90,000 which would be utilised for meeting the excess expenditure in later years.

Turning to the Fee Fund, it would be deduced that the excess of expenditure over income in the year 1925-26 was due to the fact that the University had no idea that a contribution of Rs. 47,000 would have to be paid from the Fee Fund to the Post-Graduate Department under the arrangements sanctioned by the Government in March 1926 while passing the Budget Estimate for the year in June 1926. The expenditure for the year 1926-27 would thus exceed the income by Rs. 22,000. This excess expenditure would be more than that covered by the additional revenue realised from the increased rates of fees and interests on investments for the year. The excess of Rs. 27,000 for the year 1927-28 similarly would come within the additional revenue for the year credited in the Temporary Reserve Fund. The excess of expenditure over income in the year 1928-29 would also be met by the accumulated savings, standing to the credit of the Budget Estimates. Even after meeting such excesses, sufficient balance would be left in the fund which would be calculated to meet at the end of the next year any deficit in the Fee Fund.

The Law College Fund would indicate a deficit of Rs. 5000 only for the year 1928-29. It could be anticipated that this deficiency would disappear during the year on account of
curtailment of expenditure and no special action in that respect
would, therefore, be required. Armed with these facts, the
Registrar refuted the argument of the Government of Bengal that
"expenditure in excess of income was sanctioned for several
years with the result that all closing balances were shown in
deficit." 68

On 10 June 1929 the University requested the Government
to make a grant of Rs. 5,25,000 to the University. 69 This sum
would be required for meeting the deficit that would accrue
during the year 1930-31. The Government was willing to consider
this amount as the University had ceased to remain self-
supporting. But the Government of Bengal apprehended that
the deficit for the years following 1930-31 would be even
larger as the incremental scales of salary had already been
sanctioned. The Government wanted to know how the University
was planning to meet the same without depending on Government
grants entirely. The University had on different occasions
proposed to enhance fees in order to increase income. But
since this was rarely carried out, the extra income required to
meet the considerable deficit since 1920 had to be met by
Government grants.

The Government, however, was reluctant to consider any
proposal for an increase of fees from Matriculation students
until fees for students of Intermediate, Graduate and Post-
Graduate classes had been increased. The Government, in short,

68 Ibid., p. 771.

69 Minutes of the Syndicate, 1929, Part 4, pp. 3694-97. Letter
No. A 1405 dated 10 June 1929 from Registrar, Calcutta
University of the Government of Bengal.
was bent on the point that attempts should be made to enhance tuition fees for Post-Graduate students first.

The Government, however, had not yet fulfilled their terms for the contingent liability arrangement which was an important clause of the quinquennial settlement. The University failed to secure Rs. 57,000 by way of this arrangement. It was forced to take larger amount of overdraft from the Imperial Bank in order to meet their liabilities during the deficit months from July to November. 70

On March 1930, the University informed the Government that they had considered the proposals for increasing the fees for the Intermediate and Degree examinations. It was considered by some members that an increase in Degree Examination fee from Rs. 45 to Rs. 48 would yield an income of Rs. 17,000. A similar increase in the Intermediate Examination fee would also yield an income of Rs. 13,000. They also proposed to increase the fees for the first, second, third and final M.B. Examination which would approximately add Rs. 24,000 to the income of the University.

The University authorities, however, pointed out that the income obtained from increased examination and registration fees would have to be spent in improving the conduct of University examinations. This would imply that the proposals for raising the Post-Matriculation fees would hardly yield any net income to the University as it would have to be spent in conducting examinations more efficiently. The University further argued that raising of examination fees would deprive the poor but capable students from pursuing their studies. Moreover, in such a case, the Dacca University would have to levy similar

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70 Minutes of the Syndicate, 1930, Part 1, pp. 269-70.
fees from their Post-Graduate students as the Calcutta University's tuition fees were at par with those of other Indian universities.

Finally, the Officiating Registrar of the Calcutta University enclosed a statement of University's income and expenditure in order to justify its present claim for a grant of Rs. 5,25,000 for the year 1930-31 from the Government.

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<th>TABLE - 5</th>
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<tbody>
<tr>
<td>Increased income</td>
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<tr>
<td>Increased expenditure</td>
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<th>Increased income:</th>
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<tbody>
<tr>
<td>- Intermediate Examination fees</td>
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<tr>
<td>- Medical</td>
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<td>- Registration fees</td>
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<th>Increased expenditure:</th>
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<tbody>
<tr>
<td>- Invigilation</td>
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<tr>
<td>- Matriculation Examination fees</td>
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</tbody>
</table>

He concluded that the provisional grant asked for by the University did not cover items which were not known to the Government and to which the Government might be unwilling to lend support.71

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71 Minutes of the Syndicate, 1930, Part 1, pp. 684-95. A draft letter unnumbered and undated from J. Chakravorty, Offg. Registrar, Calcutta University, to the Education Secretary, Government of Bengal.