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Educational (1904) Department.

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G.O., No. 766

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N. P.

INDEXED

ORIGINAL

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[Despatch Abstract.]

Building grant.

*Declining to sanction a grant towards the purchase
by the Madras Lian College, of the Home Hotel
belonging to Dr. Miller.*

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Government {1904} of Madras. EDUCATIONAL.

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Spare copies

ORIGINAL

G.O., No. 766, 26th December 1904.

N. P.

DECEMBER.

Building Grant.

Declining to sanction a grant towards the purchase by the Madras Christian College of the Fenn Hostel belonging to Dr. Miller.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

READ—the following paper :—

From the Hon'ble Mr. A. G. BOURNE, D.Sc., F.R.S., Director of Public Instruction, Madras, to the Secretary to Government, Educational Department, dated 5th November 1904, Ref. on Cur. No. 386.

I have the honour to submit, for the orders of Government, an application from the Bursar, Madras Christian College, for a grant-in-aid towards the purchase by the College Council of the range of buildings near the college extending from Lingi Chetti Street to Thumboo Chetty Street known as the Fenn Hostel.

2. The buildings which are the private property of the Rev. Dr. Miller were erected by him in 1887 for the purpose of providing residential accommodation for Native Christian students studying in the college and they came into use in 1888. The Bursar reports that the use of the rooms for students and of the Manager's house has hitherto been given free of charge, but that the college has been paying Dr. Miller a rent of Rs. 77-8-0 for the tiffin-rooms and halls which are in daily use. The College Council is thinking of purchasing the buildings from Dr. Miller, and hence this application for a third grant of Rs. 24,500 on the purchase value of the buildings which has been estimated at Rs. 73,500.

3. Rule 118 of the Grant-in-Aid Code under which the application is made contemplates grants being given for the erection, enlargement or purchase of building only in cases where fresh expenditure has been incurred on the part of the managers. It is not stated in the application how the College Council is going to meet its share of the cost of the buildings. This is perhaps irrelevant so long as the purchase proposed is a *bonâ fide* purchase. The buildings are the property of Dr. Miller and the title-deeds are in his name and they will, I understand, by means of a *bonâ fide* transaction in the usual legal form become the property of the College Council; and hence the application may be treated as coming within the scope of the Code. In fact, Government have already sanctioned a grant to one of the hostels attached to the Madras Christian College under similar conditions in G.O., No. 630, dated 13th October 1902; and the application therefore may be considered as being in order.

4. The following extract from the Bursar's letter refers to the need for additional hostel accommodation for the students of the college being provided by the college :—

“Of the 808 students at present on the rolls of the college, 460 at the most moderate computation are so circumstanced that the college ought to provide such accommodation for them if it were only in its power to do so. The proportion of this number however for which it has as yet been able to provide is extremely small. The college now possesses three hostels of its own. One in which 36 students may reside was presented to it by Dr. Miller in 1896. Another with room for 46 students, for the construction of which a grant of Rs. 14,200 was obtained from Government, was handed over to the college by Dr. Miller in 1902. A third which also accommodates 46 students was bought from Dr. Miller in 1902 with the help of a grant of Rs. 10,000 from Government. Thus the college now supplies hostel accommodation for 128 students. The purchase if it be effected of the Fenn Hostel (which has room for about 45 inmates and is always full) will raise to 173, the number of students for whom the college will be able to provide residence under proper supervision. This will still be less than 38 per cent. of the 460 for whom it would be desirable to make such provision.”

5. It is true the college has been treated liberally in the matter of building grants, for during the past twenty years it has received building grants amounting to Rs. 52,858 against an expenditure by the College Council of Rs. 2,34,000 exclusive of the two hostel grants of Rs. 10,000 sanctioned in G.O., No. 630, dated 13th October 1902, and of Rs. 14,200 in G.O., No. 127, dated 19th March of 1903; but considering that the grant to one of the four hostels was refused in 1900 owing to want of funds and considering also that the college has spent a very large amount already in providing hostel accommodation for its students, a grant towards the Fenn Hostel will, I trust, meet with the approval of Government. There are funds available to meet this charge during the year, for out of a budget allotment of Rs. 70,000 under building grants, owing mainly to the difficulties of getting the deeds of trust executed a sum of Rs. 4,183 only has been paid. The College authorities are prepared to execute the deed of trust required under the new rules.

6. If the grant is sanctioned all the hostels should work under rules to be approved by the department and credit should be taken in the accounts for a definite rent charge.

7. The following enclosures are herewith submitted besides the formal application :—

- (1) The plans of the buildings.
- (2) A valuation statement.
- (3) The copy of a letter from the Consulting Architect certifying as to the suitability of the buildings and the rate at which the valuation should be made.

ORDER—No. 766, Educational, dated 26th December 1904.

The Governor in Council is not prepared to sanction the grant applied for by the Madras Christian College towards the purchase of the Fenn Hostel.

(True Extract.)

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

To the Director of Public Instruction.

Exd. K. Murugasam.

NOTES CONNECTED WITH G.O., No. 766, EDUCATIONAL, DATED
26TH DECEMBER 1904.

[SUBJECT.—*Grant towards the cost of a building proposed to be purchased for use as a hostel for the Christian College Students.*]

From the Director of Public Instruction, dated 5th November 1904, R.C. No. 386.

Demi-official from the Rev. J. M. Russell, Bursar, Madras Christian College, to the Hon'ble Mr. G. S. Forbes, C.S.I., dated 14th November 1904.

On behalf of the College I submitted to the Director of Public Instruction on the 16th December 1903 an application for a one-third grant in aid of the cost of the proposed purchase of the building known as the Fenn Hostel. I am informed that the application has been submitted to Government by the Director for favourable consideration. I shall be glad if you will be pleased to grant me an interview with you on the subject at such time and place as may be convenient to you.

Please send me the file about this claim.

G. S. F[ORBES]—15-11-04.

The building known as the Fenn Hostel proposed to be purchased from Dr. Miller by the Madras Christian College Council is valued at Rs. 73,500. The Director recommends the payment of a grant towards the purchase especially as funds are available to meet this charge during the year. Out of a budget allotment of Rs. 70,000 under building grants, a sum of Rs. 4,183 only has been paid. It is however for consideration whether one-third grant amounting to Rs. 24,500 is to be sanctioned.

A draft is submitted below for approval.

K. KUPPUSWAMI MUDALIYAR—12-11-04.

On page 15 of the current file the Consulting Architect gives it as his opinion that "the rate taken should only average As. 2-6 per cubic foot throughout, which is a proper rate". Calculated at this rate the valuation of the whole building would come to Rs. 65,238. A one-third grant on this sum will be Rs. 21,746 against Rs. 24,500 recommended by the Director of Public Instruction.

V. KRISHNASWAMI—15-11-04

It is observed that in other Presidencies building grants are limited to a maximum of Rs. 10,000. There is no limit in Madras.

H. D. TAYLOR—15-11-04.

I have written to Mr. Russell in reply to his demi-official that I will see him on Friday 18th.

G. S. F[ORBES]—16-11-04.

Demi-official from the Rev. J. M. Russell, Bursar, Madras Christian College, to the Hon'ble Mr. G. S. Forbes, C.S.I., dated 18th November 1904.

Will you pardon me for a further trespass on your time and allow me to explain with regard to a point on which in our conversation this morning we did not appear to be quite in agreement, the point, namely, as to the genuineness of the transaction between the College and Dr. Miller, in the event of Government sanctioning the purchase of the hostel and promising a one-third grant. Should Government be pleased to promise the grant, the Bursar of the College would require in the first instance to

pay to Dr. Miller the full purchase price on his executing a deed conveying the property to the College. Then, and only then, on presentation of this deed, accompanied I presume by an indenture mortgaging the property for a period of 20 years to the Secretary of State, would the grant be paid by Government.

2. If Government desired any further assurance of the genuineness of the transaction, the Bursar could, though it would give some additional trouble, instruct the College Bankers (Binny & Co.) to pay into the *Bank of Madras* the full amount to Dr. Miller's credit, and the receipt from that Bank could be submitted to Government for inspection. Further than that I don't think the Bursar can reasonably be expected to go, for the full purchase price will have then become Dr. Miller's private property, the College having received the *quid pro quo*. I do not imagine that Government would make it a condition of the grant that, because Dr. Miller is the private person from whom the purchase would be made, the College is to be precluded from receiving any gift he may wish to make to it in the future!

3. Rs. 73,500 is, as you have noted, a large sum for the College to pay down, though, if it does so, it will have the prospect of recovering Rs. 24,500 from Government shortly afterwards. The Council of the College, however, controls and can pay the required amount, though if the College were never from any quarter to recover part at least of the Rs. 49,000, its resources would be very seriously impaired, and we should not be able to carry on all that meantime we are doing. This, however, is a risk which the College Council believes itself justified in taking in this case. Thanking you again, and with apologies for this further intrusion, etc.

There is a preliminary observation which I would like to make, and that is with regard to the extreme liberality of our Building grant rules, the want of any maximum limit as imposed in other

* I have not burdened this file with the codes of the other Provinces. The question is being taken up as a general question.

G. S. F[ORBES].

parties warrants. This last defect is due in part at least, so far as I have looked into the matter, to Government's paying on Public Works Department rates instead of exacting a strict account of what the parties have actually spent out of pocket. This point attracted my attention some time ago, and it is being looked up in the office.

A separate note will be put up on this point.

H. D. TAYLOR—19-12-04.

with the Financial Department so that less educational money may be spent in bricks and mortar and more devoted to actual teaching. However this is all for separate consideration.

2. Coming now to the application of the Madras Christian College I had a long interview with the Bursar of the College, and heard all the arguments he could adduce in favour of the grant the College asks for this hostel.

3. The Fenn Hostel was built in 1887 by Dr. Miller, Principal of the College, and the use of it has for the last 16 years been his free gift to the College (a trifling rent was charged for certain portions not used as a students' hostel proper, but with this exception Dr. Miller has all these years provided the hostel for the gratuitous use of the students).

4. It is now said that the College is to purchase the building and with this object the College has had the buildings and site valued and on this valuation fix the purchase money at Rs. 73,500, of which it asks Government to give the *maximum* contribution allowed by the Code of Rs. 24,500.

5. At first the Bursar spoke as if the College had a sort of *claim* to such a grant; but on this being objected to he freely admitted that the question of any grant at all as well as of the amount was entirely in the discretion of Government.

6. The College has already *three* other hostels, one was presented by Dr. Miller, but the other two were constructed or purchased with the aid of grants, amounting to Rs. 24,200, while the total building grants received in the last 20 years is Rs. 53,000. The tax-payers have thus already been most liberal towards the College.

7. Two important questions arise in this case—first whether the transaction in which Dr. Miller appears as the vendor is strictly a *bona fide* one, and secondly whether the Government have not, having regard to other claims, done enough in the way of providing hostel accommodation at the Christian College at the expense of the tax-payer.

8. With regard to the nature of the transactions, the Director of Public Instruction writes: "It is not stated in the application how the College Council is going to meet its share of the cost of the building. This is perhaps irrelevant so long as the purchase proposed is a *bona fide* purchase. The buildings are the property of Dr. Miller and the title deeds are in his name, and they will, I understand, by means of a *bona fide* transaction in the usual legal form, become the property of the College Council".

9. My principal discussion with the Bursar was as to the *bona fides* of the transaction. To meet Dr. Bourne's reference in his letter (a copy of which had been communicated direct to the College Council) to the omission from the application of any explanation how the College was to pay its share of the cost, the Bursar stated that they were going to pay the whole Rs. 73,500 into Dr. Miller's account at the Bank and were prepared to produce (if the grant were passed) the Bank's receipt: he added that it would be with great difficulty they could pay in so large a sum, but said they could manage to do so. (There are few educational institutions which could find Rs. 73,500 or even $\frac{1}{2}$ a lakh in cash?)

10. I then inquired whether this payment was *benami*, i.e., whether it had not been arranged that the payment in was merely for the purpose of securing the Rs. 24,500 out of the public treasury, Dr. Miller immediately thereafter to hand back the money to the College.

11. At first the Bursar took the line that it was a matter of no moment to Government whether any such arrangement existed or not, that it was enough if there is a transaction resulting in the proprietary right of the building being transferred from Dr. Miller to the Council. I admitted that in itself the transfer did not concern any one but the Council and Dr. Miller; but I pointed out that as the grant of public money for the purpose in view was purely a matter in the discretion of Government, they were in no way bound to make any contribution unless satisfied that they were not expending money needlessly when primary education and other educational objects were calling so loudly for assistance. He was not bound to satisfy Government of the real nature of the transaction unless he chose, but equally Government could take their own line. At a later stage of the discussion, the Bursar admitted that Dr. Miller had written virtually promising to present the hostel as a gift to the College; and in case the present transaction is not concluded before his death it is apparently also the fact, so far as I could gather, that Dr. Miller has so provided in his will. It is important to bear in mind that for 16 years Dr. Miller has gratuitously given the use of this hostel to the College.

12. If I were a jurymen in a Court of law required to give an opinion as to the transaction, I should feel bound to find that no money is ultimately meant to pass from the College to Dr. Miller, and that the Government contribution asked for is not a proportion of any actual expenditure incurred by the College. Whether there is also an arrangement that the College will benefit by the actual hard cash, if any obtained from Government as such contribution, I do not know. But I have no doubt whatever that the College will not pay over, except *benami*, the half lakh of rupees or more which is the remainder of the nominal purchase money in the event of Government's proving liberal.

13. Of course the College takes its stand on the fact that Government should not have regard to any other fact than that the property will become the property of the College. In my opinion since these grants are purely in the discretion of Government, and as Government are bound to see to the most advantageous distribution of the educational allotments, it is the duty of Government to see that money is not spent where it need not be, and to satisfy themselves on the point in such manner as they see fit.

14. I am therefore of the opinion that the grant asked for should be refused: it is not necessary to assign any reasons: grant or no grant is in the discretion of Government and the Bursar admitted this.

15. On other grounds, the forcing Government into a corner in regard to the purchase of a building respecting the construction of which they had no voice is not satisfactory. If there had been an original proposition for the construction of a hostel, *before* the work was undertaken, it would have been open to Government to object to the design or site as being too costly and declare that in any case they would give a grant of, say, Rs. 5,000 only, leaving the applicants either to adapt their plans to that contribution or to launch out into greater expenditure with their eyes open.

In other provinces of India generally Government limit the maximum grant to Rs. 10,000 in any circumstances; and I see the Lieutenant-Governor of Bengal in a recent tour made a great show of the Government's liberality in promising a grant of Rs. 5,000 towards the construction of a new Madrassa, at a very important city, Dacca, I think. In other Provinces too, they seem more particular in confining a grant to a proportion, where a proportion is given, of the money actually expended out of pocket by the applicants.

16. The Christian College has already in the last twenty years received from the tax-payer Rs. 52,000 in building grants, which I think might well be the limit of Government liberality in fairness to other institutions less clamorous and as well deserving. Nor is the Christian College a poor institution; not only does it receive evidently large resources from Great Britain—(I will not bring against it the fact of its being able to pay in Rs. 73,000 to the Bank or at any rate half a lakh for the present purchase)—but the students attending it or rather a very large proportion of them are the sons of well-to-do and wealthy parents, who should be able to afford hostel accommodation at their own expense, leaving the three hostels already provided for the poorer students.

17. So far as this case is concerned I would, as stated in paragraph 14 *supra*, refuse the grant. Please circulate.

G. S. F[ORBES]—8-12-04.

I think the grant should be refused.

G. S[TOKES]—12-12-04.

The Hon'ble Sir J. Thomson.

L. M. WYNCH—14-12-04.

The paper could not be dealt with by me on 15th and it is now for His Excellency to deal with it.

2. Hon'ble Mr. Forbes's note omits to give prominence to the fact that the Christian College is saving Government a large expenditure on education in Southern India or to put it more properly is providing means and funds for education which Government would either have to provide or leave alone or leave to others. But there is no warrant on that account for Government joining in this Jesuitical procedure for I have no doubt that it simply means a grant professedly for buildings but really to go into the general College fund.

3. And to give a grant for building what was built long ago and has long been in use is contrary to any principle that must govern building grants.

J. T[HOMSON]—18-12-04.

His Excellency the Governor.

H. D. TAYLOR—19-12-04.

I agree.

A[MPHILL]—20-12-04.

Please draft accordingly refusing the grant.

H. D. TAYLOR—21-12-04.

A draft is placed below for approval.

K. KUPPUSWAMI MUDALIYAR—21-12-04.

V. KRISHNASWAMI.

A. GALLETTI—21-12-04.

H. D. TAYLOR—22-12-04.

Approved.

J. T[HOMSON]—23-12-04.

Issue.

H. D. TAYLOR—23-12-04.

[G.O., No. 766, Educational, dated 26th December 1904.]

Educational (190⁴) Department.

CURRENT No. 1969.

From

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



[Designation] Director of Public Instruction,

[Station] Madras

Ref No. Cur No. 386 of 04

Received 190 .

Dated 5th November 190⁴.

Enclosures 4

Registered 11. 190⁴

SUBJECT.

Submitting for the orders of Government an application for a grant-in-Aid towards the purchase by the Madras Christian College Council of the range of buildings known as the Fern Hostel.

BACK PAPERS.

80 no 6304/13-10-00 ms ✓
80 no 127 of 03 ms ✓
1000 529 of 1905 ms ✓
80 no 644 of 03 ms ✓

578/02
66/03

FURTHER PAPERS.

14 R.
11/11

1,200-7-15-03

Educational Department.

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

READ ALSO:—

C. No. 1969, From the S. P. J. R. C., No. 386, dated 5. 11. 1904.

ORDER

P. S.

No. 766, dated 26. 12. 1904.

The Governor in Council is not prepared to sanction the ~~building~~ grant applied for by the Madras Christian College towards the purchase of the French Hostel.

K.K.M.
21.12.80

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21-12-04

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22 Nov

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The D.P. I. (with plan
of other enclosures in original rets)

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