

Ed (1915) Department.

Inis SERIES.

C.O. No. 1419881

DATED 14-12-15

[Despatch Abstract.]

CN: 3959
C.F.—29.
DEPARTMENT.

Received



Registered

12/11/1915

Subject.

SUBMITTING PROPOSALS FOR THE WORKING OF THE
PUNALUR MILLS.

ENCLOS RES.

No.

Spare copies

No. E 9

Station Madras. , Dated the 10th November, 1915.

From (Name) K. T. B. Tressler, Esq.,
(Designation) Director of Industries.

To The Secretary to the Government of Madras,
EDUCATIONAL Department.

Sir,

In reply to G.O. 1158. ¹¹⁵⁸Ed., dated 25th October, I have the honour to state that I have been in communication with Mr. Ramanadha Chettiar, regarding the working of his mills.

2. In accordance with the terms mentioned in his letter of the 5th of February Mr. Ramanadha Chettiar is prepared to meet the charges for raw material and labour.

In accordance with that letter he also requests that Government will be pleased to provide him with the necessary Technical Supervision, and to defray the cost of their pay.

In the G.O. it is suggested that the mills should be run at the expense of the proprietor on the understanding that I

Put this through
at once

8
12.11.15

page 1 of 4. 154
12.2.15

81

2
should be allowed to carry on such experiments as I desire. It is presumed that the word expense merely refers to the cost of material and labour. If the proprietor is expected to meet the whole cost there is scarcely any reason for his applying to Government for assistance. There would also be still less reason for him to permit me to carry on experiments regarding the data of production, which from their character must be commercially remunerative. I take it therefore that Government will be prepared to furnish the technical supervision required and have suggested that 1 Engineer on Rs. 100/-
1 Pulp-maker on Rs. 80/-

might be provided by Government for a period of one year. 3 The proprietor is also anxious to attempt the manufacture of paper. My arrangements with him applies purely to pulp, and unless some very good reason for attempting the manufacture of finished paper arises, I should not be prepared to undertake such manufacture. If however events should prove that the manufacture of paper is likely to prove advantageous I have told the proprietors that I would address Government on the question of engaging an expert for a short time. This matter does not however fall within my present scheme and Government will be separately addressed, when and if I consider the time is right for definite proposals on this point.

4 The whole of my proposal is based on the fact that I happened to have in the department an officer (Dr. Marsden) who has a considerable knowledge of the chemistry of pulp manufacture and could exercise general supervision for the work. I have discussed the question of pulp making with the general manager of the Tittagarh paper mills, and he informs me that he would be prepared to permit Dr. Marsden to go over his works and make himself acquainted with the latest methods of pulp manufacture. Dr. Marsden will have to stay in Calcutta for about a week. After that he will require to proceed to Punalur

and inaugurate the experiments after which time his presence there will only be required when difficulties arise or for an occasional visit to see how things are going on.

5. The proprietors have agreed to maintain a clerk under ^{my} orders, who will maintain all accounts for the purpose of arriving at the fundamental data of production.

6. It is possible that experience will indicate the necessity for the use of a higher digestion pressure, than that for which the mills are designed. In this eventuality the Tittagarh mills have offered to lend me a special digester free of charge, provided we bear the rail freight from Calcutta. This may amount to about Rs. 1200/- and I have mentioned the fact as a possible eventuality.

7. My proposal therefore consists of the following

- (a) To provide for a period of one year one engineer on Rs. 100/-
- (b) One pulp maker on Rs. 80/-
- (c) To send Dr. Marsden to Calcutta for a week and give the mills the use of his services if found necessary.
- (d) If the proprietor is prepared to buy a new steam engine, to arrange for the loan of a digester for experimental purposes on the terms mentioned.
- (e) To Apply to Government, when and if found desirable, for the services of a paper maker.

8. In conclusion it seems to be scarcely necessary to point out that the arrangement proposed is a very economical one ^{which} ~~that~~ will furnish a large indirect return to Government. As Government are aware there are large resources of bamboo in this Presidency regarding which schemes of utilization have been put forward several times. These have all fallen through because no one knows exactly what the data of production are. Forest Officers state that bamboos can be purchased for say Rs. 20/- a hundred, but they can only estimate what the equivalent cost per ton is. One estimate of this kind prepared by a forest

officer has been partially tested, and appears to be 20% under—sufficient to make all the difference between profit and loss. The only way in which reasonably accurate figures can be obtained is by actual manufacture and this point the proposed experiment is intended to test.

9. The next vital point in manufacture is the quantity of alkali required. This also is a point regarding which no accurate data are available.

10. The third point is the utility of the pulp. Experimental samples have been made, but bamboo pulp has not hitherto been used on a large scale, and the market value can only be determined when it is produced in reasonable quantities. I have arranged with the Tittagarh mills to take over such pulp as is made, and from the sums allowed a reasonably accurate estimate of value may be prepared. The experiment will also furnish information regarding the cost of handling and transport.

11. The experiment is not absolutely complete as no figures of capacity can be obtained, seeing that with the plant available it will not be possible to keep the mill going at full pressure. On this point, ^{however,} ~~an~~ estimate based on experimental actuals will furnish reasonably accurate results and the cost of supervision may be equally approximately estimated.

12. As the question of pulp manufacture now stands we know that the minimum commercial size for a factory will cost about 5 lakhs. We know that in certain districts adequate ^{information} supplies of raw material are available. We have ~~informed them~~ regarding the price of bamboos per 100. The only further information we have is that in normal times bamboo pulp is probably worth from Rs.100/- to Rs.120/- a ton, delivered dry. But we do not know the last figure ^{within which} ~~in this~~ 20% makes all the difference between profit and loss. We have no information whatever regarding costs, yield of pulp, and the proportion of alkali, and so long as the question remains in this

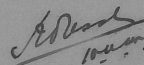
position neither Government or anybody else would be prepared to invest 5 lakhs on a manufacturing plant. So the bamboos will remain where they are.

13. The experiments to be made will indicate what the selling price can be expected to be, and will give the cost of manufacture on a small scale from which figure working costs can be deduced with an accuracy of within say 5%. Greater accuracy can only be obtained by large scale manufacture, but the figures furnished by the experiment will make it pretty clear what the difficulties of manufacture are and whether large scale manufacture is likely to prove remunerative or not.

I have the honour to be,

Sir,

Your most obedient servant,



Director of Industries.

6
C No 3961 & 8
12. 11. 15
T. M. SRINIVASA RAGHAVAN, B. A.

Address CAMP Alleppy,

10th November 1915.

To

Judicial Secretary to the
Government of Madras, M a d r a s.

Sir,

In spite of my registered notice to you and several notices personally and by letter to the Director of Industries I find that negotiations are in progress between yourself and certain unauthorised persons regarding the working of the Paper Mills at Punalur, Travancore.

This is to give you notice that you shall not hold any one responsible in the future for the consequences of the risks that you are running in this connection; for I will see that you shall not misconstrue my sufferance in allowing your ^{representative} to visit the Mills as impotence on my part to prevent you from doing it.

A reference to the Swadeshmitran dated 7th August 1915 will show that the Lakshmi Paper Mills Co., have not been wound up and have not ceased to exist and no others can have any title to the Mills until - even assuming the winding up to be legal - the final meeting declaring the Company to be wound up has assembled and resolution passed thereon.

Yours faithfully,

T. M. Srinivasa Raghavan
Managing Director,
Lakshmi Paper Mills Co., Ltd.,
Punalur, Travancore.



58



CN^o 423183
30-11-15

Devakota.

28/Nov/1915.

From,

M.A.R.N. Ramanathan Chettiar,

Proprietor, Punnalur Mills, Gullon.

To,

The Judicial Secretary to the Government of Madras.

Dear Sir,

I have the honour to state that I am the owner of the Punnalur paper Mills in Travancore State. Last year, an application was submitted to the Government to have the work of manufacturing Pulp and Paper as regards the Mills, carried out through the Industrial department. The Government has accordingly instructed the Director of Industries to look after the matter.

It now transpires that one Sreenivasaragavan took advantage of the said old company, not having been wound up to be writing nonsensical letters.

The fact that the ^{old} company has not yet been wound up is in no way prejudicial to my title to the above Mills which I have obtained by auction and is in my enjoyment ever since. My title to the mills can be indisputably established by the very fact that the Advocate General who perused all the records held that I have an unquestionable right to the said mills.

8/ 1
Having no grounds to substantiate his right by a Civil court is simply beating the air by way of writing letters, which sad interferes with the spread of industry in these parts.

There can be not doubt that he is prompted by a motive to knock out something from me in interposing obstacles in this way. All further indirect attempts on his part may be laid on the shelf, so long as he does not maintain his right by a Civil Court.

It is therefore prayed that his pretences be no longer paid regard to and that early instructions be given to the Director of Industries to commence the work.

I have the Honour, ^{to be}
Sir,

Your most obedient servant,

Ram Mahan Singh

OFFICE NOTE.

SUBJECT. *Punalur paper mills*

From *the D. I. M. E. 9, d. 10. 11. 15-*

Register No. *3959.*

Please see G.O. No. 1158 E. 2, dated
 (H) the 20th October 1915. The Director
 of Industries now submit the
 terms on which the Punalur
 paper mills should be worked.
~~The terms~~ According to these the
 Govt are to provide for a period
 of one year an engineer on Rs. 1000
~~per mensem~~ and a pulp-maker
 on Rs. 80 per mensem, while the
 owner is to meet the cost of
 materials & labour. As Mr. [unclear]
 hopes to gather much valuable
 information from the ~~expens~~
 working of the mills this expense
 may perhaps be sanctioned.
 The scale of pay of the engineer
~~is the~~ now proposed is the same

para 2, page 102 of.

by Mr. 1267 ^{and} (abstract)
11-11-14 (K)

In his letter asking for
a separate staff for
the industrial section
of his Dept.

that sanctioned for ^(the former temporary) ~~other~~ supervisors, whose employ-
ment was sanctioned last year in connection
with industrial experiments undertaken by
the Department. Mr. Dreescher stated ~~it~~ in
another connection that one of the temporary
supervisors was employed in ~~the~~ working
of the Punalur mills. It is not clear from
his present letter whether a new ~~supervisor~~
engineer should be employed or one
of the temporary men already sanctioned
will work at Punalur. ~~Apparently he~~
~~cannot now~~ ~~be decided to~~ adopt the latter
course.

As regards the pulp-maker, it is not
~~known~~ known wherefrom ^(Mr. Dreescher) ~~he~~ is going to
recruit him & whether a competent
man will be secured for the pay-off
proposed by him. The scale of pay
may however, be accepted for the present.
2. Mr. Dreescher also proposes to ~~send~~ ^{send} Mr.
D. Narayan to Calcutta to get himself
acquainted with the latest methods
of pulp manufacture. It is submitted
that D. Narayan, who has been in charge
of the Leather School, Madras. Has never
been permitted to go & work at the
Indian Institute of Science, Bangalore
on vegetable dyes till the end of December.

para 4, pages 2 & 3 of

He may therefore be able to go to Calcutta only in January next. This proposal ~~may be accepted~~ also may be accepted.

3. Mr. Tressle also makes a proposal para 6, page 3 of C.P. that in case it becomes necessary to obtain the loan of a digester from the Fittagarth mills, Govt should meet the cost of transit of the machine which might amount to Rs 1200. It is not known why this charge should not be met by the ~~owner~~ ^{owner} himself. It is for orders whether this ~~suggestion~~ ^{suggestion} may ~~be made to~~ ^{be made to} Mr. Tressle. In any case this need not be ~~immediately~~ ^{immediately} decided upon.

page 6 of C.P.

4. The current file also contains a ~~letter~~ letter from one Srinivasa Raghavan, Managing Director of the ¹⁰⁰Thakshmi Paper Mills Company, Ltd., Punnah, ~~acting~~ ^{acting} ~~threatening~~ ^{threatening} action against Govt interference in the working of the mill.

Mr. Tressle has already obtained legal opinion, which is to the effect that ~~the~~ Mr. Srinivasa Raghavan has no cause of action against the present owner of the mills, Mr. R. R. Ramasethu Chettigar. In his letter of the 11th September 1915, he (Mr. Tressle) proposed to take the mills on lease at a nominal rental of rupee one per annum. But ~~the~~ ^{according}

para 10, page 4 of C.P. ^{ibid} (H)

according to his present scheme it appears that the lease will not be necessary. It will be worked by the owner ~~that~~ assisted by the officers of the Department. ~~For~~
~~the purpose of the proposed lease the~~
~~opinion of the committee is that the~~
~~proposed lease is not a necessary~~
~~part of the proposed scheme.~~ In this connection attention is solicited to the Secretary's note on page 19 of

④ ~~proposed~~ by N. 1158 25th, dated the 25th of

October 1915. Under present arrangements, where there will be no lease, the responsibility may be shifted on the part of the owner.
 5. Mr. Dwyer has surrendered the

savings that are anticipated in his budget allotments for the current year. In case the experiment is to be allowed, an allotment to meet the current year's expenditure may have to be ~~reserved~~ reserved.

SK CR
 16-11-15. 15/11/15

Mr. Finlay's proposals may be accepted. I hope that Financial will be able to find the money if required as the opportunity is not one to be lost and the present proposals are the outcome of prolonged negotiations.

(Separate letter received from Mr. Dwyer is under scrutiny in this)

In view of the Advocate General's opinion and as we are not now preparing to leave the mill, the notice from Mr. Srinivasan Dasgupta may be ignored.

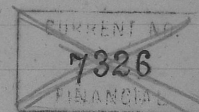
H. E. the Governor would see

cgf
16.11.15

Finl. u. o.

Colno 396

16.11.15



Regd: 17-11-15

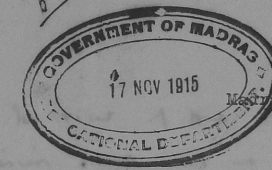
Since the above was written the d.o. overleaf from Sir Frederic Nicholson has come in. As I see from the paper that he is staying at Gnd House till Monday and as H. E. the Governor may wish to discuss the matter with him, I submit the file now, postponing the reference to financial meanwhile. Sir Frederic does not know all the circumstances and perhaps his objections will not apply to the action which Mr. Tucker proposes to take.

cgf
16.11.15

H. E. the Governor.

Chd. in B. 12-1-15.





CM 4063 E2

18/11/15
Madras, 17-11-1915.

My dear Todhunter,

A paragraph in the "Occasional Notes" of the Madras Mail" of the 6th instant states that the Government of Madras have resolved to work the paper mills at Punalûr in Travancore and that the Assistant to the Director of Industries, Madras, was recently at Punalûr to study the local condition.

I hope it is not true that Government have so resolved. I inspected the mill and went into all the papers etc. relating to its failure when I was Resident in 1898 or 1899 and I am convinced that any money spent on the mill will be thrown away unless, possibly, the mill undertakes to make only brown or coloured coarse papers or paste board, or half stuff for export. I do not, however, know the history of the mill subsequent to my inspection, but I judge that it has not been successfully worked (1) because I should have heard of its success, (2) because there would, in that case, be no need or opportunity for this Government to take it up. Probably the statement in the paper is incorrect; ~~but if correct I should like in the public interests to ask a large number of questions.~~

Yours sincerely,

F. A. Nicolson

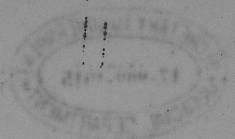
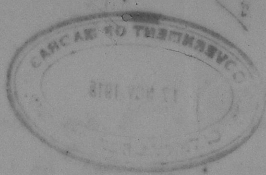
The Hon'ble Mr. C.G. Todhunter, I.C.S.,
Acting Secretary to Government,
Educational Department,
Madras.

Send me the 1st please

17.11.15

The file which had gone to him has been obtained & is submitted.

18.11.15
19/11/15



FOR HIS EXCELLENCY

I have discussed this file with Sir Frederick Nicholson as suggested by Mr. Todhunter and have explained to him what Mr. Tressler's proposals are. He is of opinion that the data to be ascertained may be of value and that they will be worth ^{to} ~~£~~ few thousand rupees which Mr. Tressler proposes to spend. One or two ^{points} ~~are~~ not very clear as regards the arrangement between the Department and the owner of the mill: (for instance, whom ^{is} ~~the~~ the pulp ^{to} belong to? is it the property of the Department or the mill?) and a very careful agreement will be necessary which should be submitted to Government for approval. It seems therefore that Mr. Tressler's proposals may be approved subject to these remarks.

H. R. 23/11
H. R. notes left
26.4.15

See Mr. Stokes' note of conversation with Sir J. Nicholson: with whom I also discussed the subject generally; not in such detail. He was to me rather more sceptical of success. But if money is available, in view of what has already been spent in this matter: and subject to the observations in Mr. Stokes' note, I agree.

£
26.11.

21/11/15
Paid a consigned
draft for one
hundred by Financial

A draft order is submitted for approval. It may be sent to the Financial Dept. for acceptance.

29.11.15 *CR* *29.11.15*

u. 12.15

Fm - u.o.

CURRENT NO.
7911
FINANCIAL

Regd: 6-12-15



For the Asst. Secy.

The cost involved in the proposals, which the Edl. Dept. now propose to sanction, for carrying on Experiments in pulp-making at the Paper mills, Punalur, Travancore State, is shown below:-

I. Establishment for 1 year.

	Cost
1 Engineer (100)	1200
1 pulp maker (80)	960
	2160

pp 2-3 CF.

II. Travelling allowance to Dr. Marsden in connection with his journey to Calcutta and back and also for his journeys to Punalur occasionally.

(not known)

pp 2-3 CF.

The proposals may be accepted.

2. The cost during the current year is to be met from the balance available of the lump provision of 1 lakh provided on page 215 of C.B.E. 1915-16 for Miscellaneous experiments; and the cost during 1916-17 will be met from the lump provision which will be made in the next year's budget for similar Experiments.

Met
8.12.15

Have we made the

provision in next year budget?

AS
8.12.15

Submitted that in the next year's budget, the Director of Industries has entered a provision of .75 lakhs for 'Miscellaneous experiments'. It has been suggested that a provision of .25 lakhs on account of miscellaneous experiments will suffice.

CS *AS*
10.12.15

MS
9.12.15
AS
10.12.15

MS
11/12

File no 7911-1
11-12-15



Noted in CN
13.12.15

SK

FO *Col no.*

Educational Department

Submitted for orders whether the Draft may issue.

SK
13.12.15 *CA*
13.12.15

The draft may issue. The sufficiency
of the allotment of only a quarter of a
billion for industrial experiments should
be further examined

SK
14/12/15
14.12.15

[Ex. No. 1419 Est. of 14.12.15]

” ” ” ” ” 191

C. No. 3959 From the S. I., No. E9, dated 20. 11. 1915

" " " "" " " " " 191

” ” ” ” ” ” ” ” 191

No. 141985 dated 14-12-1918.

The proposals of the Director of Industries in regard to the making of experiments in pulp ~~and paper~~ making at the paper mills at Punalur in the Travancore state are approved as follows:— I am the understanding that the proprietor, M. R. Jay M. A. R. IV. Perumalathra Chettiar, undertakes to bear all charges except those ^{referred to him} ^{of a supervisor} _{of a supervisor}, the Director may undertake on behalf of Govt the cost of supplying

expert supervision over the experiments made. These will include (a) the appointment of D. Marden for a period of not more than ten days to Calcutta to study up-to-date processes and thereafter to Punalu to institute the experiments and the supervisor from time to time, and (b) the employment for one year of an Engineer at Rs. 100 and a pulp maker at Rs. 80.

ii The sale proceeds of the experimental manufacture will be retained by the proprietor, but he will maintain a clerk under the orders of the Director who will keep such accounts for the purpose of arriving at the fundamental data of production as the latter may desire.

iii The proprietor must undertake to carry on experimental production for

such period not exceeding
 one year as may be necessary
 for ascertaining true value
 14. The Govt do not undertake
 any responsibility for the
 management of the mill
 and the proprietor must
 undertake to indemnify
 Govt against any loss through
 litigation in connection ther-
 with.

2. An agreement in these
 lines should be drawn
 up in consultation with
 the Govt. Director and
 entered into between the
 proprietor and the Director
 on behalf of Govt

3. The questions of borrowing
 expenditure in paper making
 a defector, and employing
 an expert ^{for that purpose} should form the
 subject of separate references
 if and ^{when} necessity arises. For
 the present the expenditure
 on the whole of Govt should
 be limited to the items
 mentioned above and should
 be met from the bank loan

allotment for miscellaneous
expenses.

8
4.12.15

Page 215 C.P.E.

To the Dir. of Industries ✓
To the Hq. of the Financial Dept. ✓
By the Dir. Dept. ✓

CO
15/12/15

agreed
AO
15/12/15

When given for copying

When copied

When examined

When signed

191

MEAN AGAIN G.O. No.
191

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO

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

F.E.—

A = Copy in full.

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