

Edd (1916) Department.

M's SERIES.

G.O. No. 346

DATED 29. 3-16

35

[Despatch Abstract.]

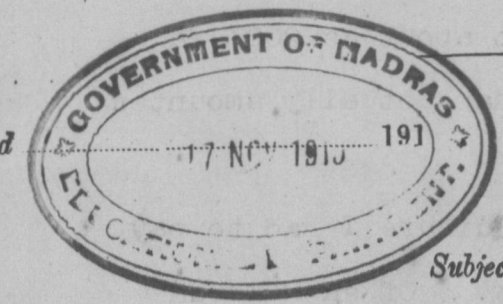
Pencil Experiments Raising the limit of expenditure on from Rs 10,000 to Rs 20,000 & requesting the Director of Industries to complete the experiments & to report the results to the Govt. ~~as~~

CN 404886
G.F.-29

DEPARTMENT.

2

Received



Registered

17.11.1915

Subject.

PENCIL FACTORY.

SUBMITTING EXPLANATION REGARDING EXPENDITURE ON----

ENCLOSURES.

No.

No. E 11

Spare copies

Station Madras, Dated the 15th November, 1915
76

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

Encl 11

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

Sir,

2.11.15

(G)

1. In reply to G.O. 1186 Educational I have the honour to state ^{that} a part of the pencil machinery was obtained on loan from Messrs. Innes & Co, ^{Cocanada} a copy of their letter being enclosed for information. The other part has been given me as a personal loan by Brother Emile of Vizagapatam. As this loan is a personal one I have no documents bearing ^{thereon} there. As I have explained in my letter No.87 dated 25th February 1915, the plant was originally worth Rs.40,000/-

2. As regards the cost of the experiment, I regret that I am unable to confine expenditure to the limit stated, because I have already exceeded this amount. As I informed Government in my letter No.81 dated 27th April, expenditure

think

Page 6
C.F.

on this letter
in another file.

page 194
No 54521
22.5.15 (1)

up to the end of last year was Rs.5,800/- This in-
cluded Mr. Luber's pay. As I then told Government the
current expenditure was estimated at about Rs.200/- a
month, and in the last 7 months it has actually amounted
to Rs.1,800/-

3. In addition to this expenditure I had to pay
a good deal for sample woods to test. Of such woods
about 30 varieties have been carefully investigated and
3 selected. The selected timbers have then had to be
purchased in bulk in order to ascertain what the actual
cost delivered would be and also to see whether they
would prove satisfactory on a large scale. It will be
evident that although one peice of timber gives good
results it does not follow that bulk consignments will
be equally satisfactory. The wood item amounts to
about Rs.1,000/- of which it may be hoped that a pro-
portion will be recoverable in the form of finished
pencils.

4. The next item is one about Rs.5,000/- for the
construction of a shed in which to locate the factory.
On this matter of location I had several discussions with
Mr. Chatterton, as the result of which it was decided to
remove the machinery to Madras. Here it became necessary
to provide accommodation. Government will remember that
9 or 10 months ago I submitted proposals for the establish-
ment of a branch school at Washermanpet and these proposals
were generally approved. One part of the proposed build-
ings consists of a detached foundry and Black Smith's
shop, and I accordingly constructed this in advance of the
rest of the school so that it might serve to accommodate
my pencil factory for the time being. I am informed
that this action was irregular, and I ought to have applied
for Government sanction in the first instance. If this
is correct I regret the mistake and can only explain that
as I have 3 men's work to do at present, the matter escaped
my notice. I was moreover under the impression that
Government wished me to see this experiment through and to
do this the construction of a properly arranged shed to turn

out decent pencils is indispensable.

5. As matters now stand the factory is practically
complete and the expenditure stands roughly as follows:-

1914-15.	Rs.5,800/-
1915-16. Current expenditure (7 months)	Rs.1,800/-
Capital (forshed)	Rs.5,000/-
Timber.	Rs.1,000/-
Incidental Liabilities.	Rs. 900/-
Total.	Rs14,500/-

of which Rs.5,000/- represents a permanent asset.

6. In the light of the G.O. I request to be informed
what is to be done next. The position is that I now
have a factory at command in which I can make pencils
of what I hope will be reasonable quality: but in order to
turn them out I shall require a certain amount of working
capital, and I request to be informed what I am to do.
Pending orders from Government I shall pay off liabilities
(included in the above estimate) and shall retain the fore-
man for the time being: otherwise expenditure will be
stopped.

7. As I have explained future expenditure will be of
the character of working expenses and I would ordinarily
expect that after Christmas the experiment should pay its
way. If Government are prepared to go on I shall have to
ask for funds proportionate to my receipts. I can only
roughly estimate what these would be. To begin with I
should think about Rs.5,000/- might be allotted.

8. If Government do not wish to take up the venture..
I request to be informed whether I may be permitted either
in my public or private capacity to form a company to deal
with it. In either case the company can reasonably expect
the following concessions from Government.

(a) To be allowed the use of the existing building for
a period of one year, or as long as convenient to Government,
Government being at liberty at any time after 6 months to
give the company 6 months notice to quit.

(b) That for a period of 5 years, or such period as
Government may fix, the company may be allowed to secure
timber from the Government forests free of seignorage

charges up to a maximum as follows:-

2 years 10,000 *cf*
3rd, 4th & 5th Year 15,000

This will cause no inconvenience to Government since the existing building is of no practical use until the Trade School is built. It will take about 6 months to get up the superstructure and to equip the main building after the foundations have been dug and until they are dug the company may be allowed to remain in possession of the building

It has been decided that a new building should not now be built for the Trade School.
foot-note to (a)

(c) That Government in the forest department will give all assistance possible in the matter of obtaining the wood supply.

(d) That the company be allowed to mine graphite in the abandoned Idikappa (Godaveri) mines and be permitted to remove up to a maximum of 30 tons at their own expense, but without paying seigniorage.

(e) That Government will for 2 years permit the company to utilize free of charge the services of M.R.Ry. C.S. Ramachandra Iyer supervisor in this department: the services of this officer being subsequently placed at the disposal of the company (if desired) on payment of the salary he draws in Government service. These concessions will be applied for by the company whether formed by me officially or privately: the only difference between the two proposals is that if it is to be a company started in my official capacity, it will have to be a public one and be advertised for subscription, whereas in the second case I would make my own arrangements to take in whoever I liked. I have offers of capital to continue the work from private parties.

9. I have roughly outlined the possible alternatives in order to ascertain the views of Government on the subject. On receipt of a reply I will draft a prospectus in accordance with the lines suggested by Government and submit this for approval.

10. Finally I venture to point out that if it is the intention of Government to confine ~~industries to~~ expenditure on the investigation ^{of industries to} sums of the order stated in the G.O. it seems scarcely worth while continuing such investigations.

In the Chrome Tanning experiment (regarding the disposal of which I received some credit from Government) the net cost was about half a lakh and the total amount spent was over 5½ lakhs of rupees. Within the limits stated in the G.O. no practical results can possibly be expected.

I have the honour to be,

Sir,

Your most obedient servant,

R.M.
15/11/19

Director of Industries.

6/ 5

Copy of Messrs. Innes & Co's letter dated 25th February, '15.

- (1) The machinery shall be placed at your disposal for one year on a rent of Rs.250/- for the plant and building.
- (2) The machinery apart from building and Engine & boiler may be put at Rs.4000/- cash value and Rs.8000/- share value. If the experiments prove a success and if a company is to be formed the company to retain the machinery in toto giving us the option of asking for Rs.4000/- cash or shares to the value of Rs.8000/- if the experiments prove a failure we agree to take back the machinery.
- (3) You may shift the machinery wherever you please provided at the end of the year if a company is not to be formed it is replaced in the original place.
- (4) We are given the preferential treatment of buying shares up to Rs.15000/- in any pencilfactory that may be started which receives help from Government.

True copy

A. D. M.

Director of Industries.

Rs. 15,000.

Est. Department.

CME 4048. From the S. I., No. 11, 8/15-1-15.

Memo 4048-2 Sol 7/15-1-16

In connection with the proposal made by the Director of Industries in his letter read above to form a company to continue the pencil making industry, ~~that~~ he recommends that the company, if formed, should, among other things, be allowed to secure timber from Govt forests free of seigniorage up to a certain extent. The Director is requested to report what wood he proposes to use for the industry & from ~~where~~ what locality he would obtain it so that an estimate may be framed of the amount of seigniorage charge.

Ab
15/1/16

para 8(b), pag 3 of Cf.

charges that would have
to be foregone by the Forest Dept.

SA 11.1.16. If the proposal were accepted.

12.1.16.

13.1.16

To

The D.I.

Notes in CB

17.1.16

18.1.16

Alue

9/ CN. 202 Ed 8

G.F.—29.

DEPARTMENT.



Received

19 JAN 1916

191

Registered

19.1.

1916.

Subject.

PENCIL FACTORY.

Requesting early orders regarding the future
of the -----.

ENCLOSURES

No.

No.

E II

Spare copies

Station Madras, Dated the 18th January, 1916.

From (Name) K.T.B. Tressler, Esq.,

(Designation) Director of Industries.

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

Sir,

I have the honor to invite attention to my letter
of No. E II dated 15 Nov. '15 regarding the future of the Pencil
Factory. In that letter I said that I would stop ex-
penditure as far as possible pending orders. The work
is, however, suffering severely in consequence and I have
to request that very early orders may be passed. Mean-
time, in order to avoid stagnation, I find it necessary
to do at least a certain amount of work but expenditure
will be limited to about Rs.250 a month until orders are
received.

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

[Signature]
Director of Industries.



Received 21 JAN 1916 Registered 21-1-1916

Subject.

Regarding the woods to be used for Pencils.

ENCLOS RES.
No.
Spare copies.....

No. E 11

Station Madras, Dated the 20th January, 1916

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

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

Sir,

pages 7+8 supra

In reply to Government Memo No.4048-2 Md1. dated 15th instant, I have the honor to state that I propose to use Givotia Rottleriformis.

2. There appear to be adequate supplies of this variety. I am offered a permanent minimum of 5000 c.ft. from Coimbatore and about 25,000 c.ft. from Kurnool. If the Kurnool supply does not come up to expectations, I will supplement with Odina Wediar.

3. The supply now arranged for is for a full sized factory. This year and possibly next, I shall not be able to use more than 10-15,000 c.ft.

SK

4. Givotia costs 4-5 annas per cubic foot delivered at rail station. Of this sum the seigniorage is 2 annas. Odina is much about the same in price. The maximum seigniorage Government would forego is therefore $2 \times 30,000$ annas or nearly Rs.4,000 annually. This year and next the value of seigniorage charges will be about half.

I have the honor to be,

Sir,

Your most obedient servant,

R. D. S.
Director of Industries.

NOTES.

Again G.O. No. , dated 191 .
 Current No. from the , No. , dated 191 .
 Current No. 4028 from the D.I. , No. E11 , dated 15. 11. 1915 .

SUBJECT.

Pencil experiment

④ Phase see G.O. No. 1186 ES, dated the 2nd November 1915. The Director of Industries has already incurred an expenditure of Rs. 14,500 on the pencil experiment. He anticipates a considerably large further expenditure if the experiment should be brought to a success, though to begin with he requires only Rs. 5,000. If, however, Govt. would not continue the business, he asks for permission to form a company & offer favourable ^(terms) to it for carrying on the industry. It is submitted that before Govt. can decide whether the experiment should be further proceeded with ^(or not) it appears to be desirable to have an approximate estimate of the ^{total} cost involved in the way of capital expenditure and of working expenses. Mr. Treasurer does not furnish any such estimate.

para 5, page 3 of G.O.

para 7, page 3 of G.O.

para 8, page 3 of G.O.

He apparently expects to have lump allotments placed at his disposal every year for the experiment. With regard to this, it is submitted that in the case of chrome-tanning, which was carried on for a few years in a Govt tannery near Penambur under the control of Mr. Chatterton, the latter used to apply for sanction of Govt for specific items of expenditure such as plant, buildings, establishment, ~~and~~ ~~the Govt~~ while for such items as materials, & wages of workmen, lump allotments were provided every year in the budget. Mr. Bressler however, does not follow this procedure. The building for the pencil-making machinery has been erected without the knowledge of Govt. Though in his present letter he states that, to begin with, an allotment of Rs. 5,000 would be required, he has not stated for what specific object this is

Gov. No. 1188 Rev (E)
3.12.66
Gov. No. 627 Rev (attracted)
17.5.66 (J)

verified from the budget estimates of 1904-07 & 1907-08.

para 7, page 3 of rep.

is required, whether for the purchase of materials or for payment for the establishment &c. ~~for whether this amount is all that is required in the current year.~~
 His for orders whether he may be asked to submit a rough estimate of ~~the ultimate liability~~ the ultimate liability involved, if Govt should carry on the experiment. If it is likely to amount to a large sum, it may not be possible ~~to find funds at the present time.~~ to find funds at the present time. In the budget for next year it has been proposed to provide ^(only) a sum of Rs 25,000 for miscellaneous experiments such as glass, pencils, & paper. ~~Mr. J. has been requested to make the budget more elastic.~~

2. If, however, Mr. Dresser's proposal to form a company should be entertained, the question for consideration is whether all the concessions recommended by him should be allowed to the company. The first proposal that the Govt building should be lent to it ~~between the company~~ may be accepted. The second, third & fourth proposals regard

Rs 25,000 have been provided in the budget for 1916-17 for his experiments.
 p. 195. C. N. E.

para 8, page 3 of report.

para 8(a), — do —

paras 8(b), (c), & (d)
 pages 3 & 4 of report.

para 8(e). page 4 of 4.

regarding the free supply of wood + graphite should be considered by the Revenue Dept. The last proposal regarding the loan ^{the services of} of a supervisor of the Dept. may also perhaps be accepted.

If a company should be formed, it does not appear that the Director should form it in his official capacity. SK or in his private capacity. The question of aiding a company ~~when~~ formed is quite different from actively canvassing in the formation of it.

CR
2.12.15

M^r Trevor has launched out in this experiment on a factory scale without consulting us, but now that he has got to the stage of commencing manufacture, we can hardly throw him over.

Of ~~the four~~ ^{three} alternatives ^{made}, we may, I think, at once reject ~~that~~ ^{that} of a company promoted by Govt. or ~~by~~ privately by a Govt. officer. To establish a Government factory would probably bring the Secretary

of State down upon us for disbursement
of his stores; it would involve us
in large and indefinite expense;
difficulties would certainly arise
in respect of the ownership of the
machinery, for which Govt would
probably ultimately have more than
it was worth; and we have so far
no grounds satisfactory grounds for
believing that the experiment was
reasonable prospects of success.

Then as difficulties about a
private company, especially when
the factory is part of the proposed
Trades School and the machinery
has been transferred by an officer of
Govt. We could meet the point
to some extent by a short lease
and would have to make it
a condition that the company
took over our liabilities in respect
of the machinery. If a company
could establish this industry, it
would be well worth the liberal con-
cessions proposed, provided they were
limited to a term of years. It
would be desirable to make it
a condition that a proportion of

The money would be placed on the open market.

The question of the remission of designations is for the same. Will they please advise?

With reference to his last paragraph it may be explained to Mr. Trevelyan that what we wish to limit is expenditure on experiments which have never been formally sanctioned and as to the prospects of success of which we have no material for forming a judgment.

8

6.12.15

Revenue a.o.

SGH no. 4048-1
6.12.15

Sp. 6/12

Recd from 7.12.15
12/12
SECRETARY TO GOVERNMENT
7. DEC. 1915
REVENUE DEPT.

REVENUE - C
3052

Recd. 7.12.15

Recd from C Section
16/12

Revenue Department

To Special Officer

The Educational Dept. enquire whether any of the following concessions, recommended by Mr. Trevelyan, may be granted to a private company formed for the manufacture of pencils: -

(1) That the company should be allowed ^(to secure)

6.304-1

timber from Govt forests free of seigniorage charges up to a maximum as follows:-

For two years — — — — 10,000 cft

In the 3rd, 4th & 5th year — — — 15,000 cft.

(2) That the Govt in the forest dept will give all assistance possible in the matter of obtaining the wood supply, and

(3) That the Company be allowed to mine graphite in the abandoned Tidikappa mines (Kodavari) and be permitted to remove up to a maximum of 30 tons at their own expense but without paying seigniorage.

2. It is subd that there can be no objection ~~to~~ to accept concession No. (2). As regards No. (1), it is not stated what kind of wood is required and from what locality. It is ~~not~~ not therefore possible to estimate the ^{loss} ~~amount~~ of revenue involved in the proposal. It is true that in L.O. No 677 Rev. dated 2.3.1910, the Govt sanctioned the free grant to the now extinct Kodavari Glass Works (d2) of half the wood used in the Company's furnaces during the first two years of its working, subject to a maximum of 7,200 tons; but quite recently in L.O. No 2424 Rev., dated 20.8.1914, the Govt only concession promised to Messrs Nelson & Co

for the manufacture of paper pulp in the west coast was to sell the bamboos to the company at cost price for a period of two years. It is unlikely that in the present case the Govt. will agree to grant to the proposed pencil company any concession beyond what was promised to Messrs. Nelson and Co.

Through A Section

About royalty on graphite 16.12.15
Recd. 14/12/15

3. ~~Concession~~ ^{is} Concession No. (3) that the company may be allowed to mine graphite in the abandoned Tidikapa mines in the Godavari district & to remove 30 tons of graphite without payment of requisitage (royalty.) The value of graphite (as given at p. 9 of G.O. No. 254 of 19-3-06) ⁴⁰⁰ Rs. 400 per ton. and the royalty is $2\frac{1}{2}$ p.c. on the sale value at the pit's mouth. Roughly the royalty on the 30 tons amounts to Rs. 300.

Under para 5-B(iv) of S.O. No. 25 at p. 70 of B.S.O. Vol. I., Dept. of Govt. may be allowed to quarry free in Govt. lands provided that the minerals removed are used for bona fide public purposes & not for sale or commercial profit. ^{87.1. Resolution} vide also G.O. No. 669 Rev., of 3-8-97. but these orders apparently apply only to minor minerals such as stone

gravel, laterite etc. Even if they are held to apply to graphite, they do not provide for the grant of the concession to a private company. With these remarks the file may be

M/M returned to Educational.
24.12.15

6th
25.12.15

Rev. no. 30520/15-1

3.1.1916



Noted in C.R.
4.1.16

paras 8 (b) + (d), para 4
of C.F.

Educational Department

Please see the Revenue Department's note above. It is doubtful whether a private company will come forward to take up the pencil manufacturing business unless the concessions recommended by Mr. Dresser in regard to the free grant of wood + graphite are allowed. It is for orders whether Mr. Dresser may be asked to ^{suggest} ~~state~~ if a company would take up the business without those two concessions.

S.R.
7.1.16.

8
10/1/16

Recd 8/1

Discussed with
Mr. Smith.

As pointed out in the office
note no estimate has been prepared
of the value of the timber to be used.
as to graphite the estimate
amounts to 200/. or 30 tons &
this could no doubt be granted by
Govt.

A company working on a rent per
building & out. ear materials per
can hardly be claimed as a private
company within the usual meaning
of the term.
12.1.16

Returned
to Educ^l

Ask Mr. Tucker what wood he
proposes to use and from what locality
he would obtain it so that an
estimate may be framed of the
amount of signage charges that
would have to be foregone.

12.1.16.

A draft memo is submitted
for approval.

12.1.16
12.1.16

13.1.16.

[Memo No. 4048-29 15-1-16]

CN- 202. From the D.I., M-E 11, 8, 18.1.16.
CN- 227. From — do — „ 20.1.16.

pages 10 & 11 of C.F.

Please see Rev. Dept.
note on pages 2 & 10 *supra*.

Mr Tressler furnishes the information called for in regard to the wood that will be required for the pencil factory. As this information was desired by the Revenue Dept. the file may, it is submitted, be sent to that Dept. for remarks.

Edl no 227-1
26-1-16
8/1
26/1

OK
22.1.16. 3
24/1/16
J. W. L. B. 16.

Revenue Dept

To Under Secy

It is noted that the correspondence maybe referred to the Board of Rev. for remarks whether the concessions suggested in clauses (b), (c) and (d), paragraph 8 of Mr Tressler's letter, dated 15-11.1915, can be sanctioned. A draft O.R. is noted for approval.

SECRETARY TO GOVERNMENT
27. JAN 11 16
REVENUE DEPARTMENT

245C

REVENUE - E
245

Regd 27.1.16

Through A. Linton

REVENUE - E
0198

Regd 27-1-16

28.1.16.

Think the reply may be, at least a regard the timber. he don't know whether it can really be supplied, a where it is to come from. Of.
To Special Officer. See 21.2.16.

The forest section proposes to make a reference as regards concessions (b) and (c) recommended by Mr. Tressler to be granted to the proposed

NOTES.

Page 21

pencil company. As regards concession (d) regarding free mining for graphite attention is invited to the office note at pages 8-9 of notes and to special Officer's note at page 10 and it is for orders whether this point also need be referred to the Board. If considered unnecessary it will be struck out from the draft endorsement put up below and the file sent to Under Secretary.

M.V.M.
28-1-16.

V.A.A.
28-1-16.

The reference as to graphite is not necessary. As the seignorage will amount to only 2000 this year and as Mr. Tressler wants orders it might be as well to sanction this pending the Board's reply if the reference is considered necessary.

H.A.B.V.
31-1-16.

To Under Secy.

It is presumed that the Secretary's intention is that a reference to the Board of Rev. is unnecessary and that Mr. Tressler's proposals in clauses (b), (c) and (d) of paragraph 8 of his letter dated 15.11.15, may be sanctioned ^{at once.} ~~It is~~ ~~subd~~ that the Educational Dept may be requested to embody this sanction in the final orders on this file and to circulate the draft to

the H.M. (Revenue).

I am not sure if he desires
a ref^d the H^d a ref^d. We
do not know who promised him.
Trinder was from Coimbatore &
Kernool. (see his letter p 10 of.)

See

7.2.16

Educational (1001)

I am inclined to think that the Government
are not at present in possession of sufficient materials
to say anything. Mr Trinder's proposals are for the
formation of a company of which he is to be the moving
spirit himself. As Educational Secy, this proposal
remains out of the question. The question now under
consideration is therefore a private company, into
which Government would have no administrative
concern and over which, as I understand it,
they would have no authority, other than that
which they possess by law in regard to all
companies.

We do not yet know whether such a company
is likely to be formed and started: still less
whether a company is likely to be formed on such
an encouraging basis that it may be worth the
while of Government to have recourse for the sake
of fostering it. We do not, as far as I can see,

know whether pencil-making is likely to be a success at all or is the kind of industry for which this country is suitable.

We have doubtless Mr. Truett's offer to take shares in such a company in his private capacity; this offer (which Mr. Truett can hardly have expected the Government to accept) seems an improper substitute for facts and arguments pointing clearly to success.

Moreover, even conceding nothing on its merits, it is only an offer to commence the trade with state-protection to the extent of 4,000 papers for timber and 300 papers for graphite. Spreading on this scale, however, as it does a disproportionate burden on the general tax-payer, seems to involve for its justification more evidence of possible eventual commercial benefit than we now have. The record precedent in regard to Mr. Nelson and Co. seems to mark a limit to such concessions, even on the assumption of an ultimate probability of success.

A small concession may be stimulating, but a large concession may be demoralizing.

It then needs a possible alternative — namely, to close down the concern and dispose of the plant to the best advantage, either by sale or (if feasible) by utilization in another manner?

*p 11. CF

* para 3. p 8. aut.

*RafA

p. p. 7. 8. also

24

On the evidence, I do not think that, speaking for Revenue, I am justified in accepting any concessions as desirable. HM (Revenue) should be before disposal.

8000 up

It is to be noted that Mr. Tressler has not himself made the proposal now under discussion. He perhaps considers (and perhaps rightly considers) that his inclusion in the company would be an important element in favour of its success.

8000 up

11/2 Educational No.

Educational Department.

From the Revenue Department notes above

it will be seen that that Department are not

inclined to grant any concessions to a private

company in regard to the supply of wood from

Government forests or the quarrying of graphite

from the Godavari Mines. The proposal of Mr.

Tressler that a company should be formed by him

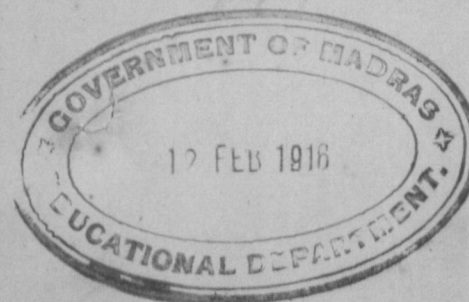
in his public or private capacity seems to be

out of the question. He must have no financial

interests in that company. All that he can do

Noted in CR
12/2/16

Rev no 198 E/167
12. 2. 16



SK
10/2

in connection with the pencil factory to be financed and run by the private company is only to give his expert advice and supervision occasionally. It is for orders whether Mr. Tressler may be asked ^{to report} ~~whether~~ if a private company can be formed subject to these conditions and without expecting any concessions from Government ~~†~~ in regard to wood supply or quarrying of graphite.

2. If it is considered that the chances of forming a private company subject to the above ~~limit~~ limitations ~~are~~ very remote, then the only alternative is for the Government to continue to work the factory at their expense. In this case it would be desirable to lay down some specific limits as to the amount ~~†~~ within which Mr. Tressler should confine his expenditure upon further experiments. The papers before Government do not show that the business had advanced beyond the experimental stage so as to justify the starting of a factory on a large commercial scale. We have no information as to the quantity and quality of the pencils so far manufactured by the department and their commercial value in the market. Until we have some definite information on these points and

an assurance ~~however~~ that the industry can be successfully launched on a commercial scale, it does not appear to be expedient to start ~~with~~ the factory. It is therefore for orders whether Mr. Tressler may be asked to confine his expenditure up to, say, Rs. 5,000/- and submit a report on the financial results of the work conducted with that amount.

15/2/16

His Excellency.

(a)

In G.O.No.1186 Edl, dated the 2nd November 1915, Mr. Tressler was told, among other things, that the total expenditure ~~on his~~ ^{on his} pencial experiments should be limited to Rs.10,000. In reply he has written in his letters dated ^{the} 15th November 1915 and the 18th January 1916. In his first letter he mentions (para: 5) that the expenditure till ~~then~~ ^{then} incurred and liabilities undertaken amount to Rs.14,500 and he wants an allotment (para 7) of Rs.5,000 for going on with the experiments. In other words, he wants in all Rs.20,000, as against the Rs.10,000 prescribed by the Government. In the alternative, he wants ^{to} permission (para 8) to promote a company in his public or private capacity and suggests a number of conces-

pages 2 + 9 of cf.

page 3 of cf.

do

pages 3 + 4 of cf.

page 9 of cf.

sions to be granted to the company. In his second letter he complains that work is suffering severely on account of the delay in passing orders, and to avoid stagnation, he reports ^{that} he is incurring an expenditure of Rs.250 per mensem.

2. As pointed out by Mr. Todhunter at page 4 ante we can hardly throw ~~Mr. Tressler~~ ^{overboard} Mr. ~~Mr.~~ Tressler just now, whatever may be the view taken of his conduct in acting in anticipation of sanction. Mr. Tressler has got to the stage of manufacture and I would allow him to proceed with and complete the experiments and report thereon so that we may ~~know~~ ^{know} whether pencil manufacture will or will not be a ^{com}mercial success. In modification, therefore, of the limit of Rs.10,000 fixed for the pencil experiments, I would fix Rs.20,000 and would ask Mr. Tressler ^{to} complete his experiments and report thereon as expeditiously as possible.

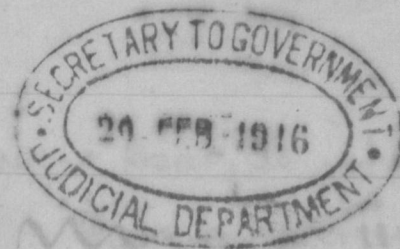
3. The notes from page 5 to page 16 deal with the question of forming — a private company etc. It seems to me that this proposal should be ~~approved~~ ^{immediately} vetoed. It is the surest way of bringing on us the wrath of the Secretary of State — I mean the active participation of the Director of Industries in

promoting companies. ~~I should therefore vote~~
~~on the proposal entirely.~~ The question of
 concessions to a company which may or may not
 be formed need not ~~now~~ be now considered.
 Should the result of Mr. Tressler's experiments
 be so encouraging that private people form a
 company (without active intervention by the
 Director of Industries) and should a company
 so formed ask for concessions, the question
 whether any concessions should be granted and
 if so, what they should be, may be considered.
 In the meantime we must insist upon Mr. Tress-
 ler concentrating his attention upon the experi-
 -ments in hand and bringing ^{them} to a conclusion
 within a reasonable period of time and re-
 porting thereon; and to enable him to do so,
 we may give ~~him~~ him some elasticity in the
 matter of expenditure. I do not think that the
 sum of Rs. 20,000 can be considered excessive
 for ~~these~~ experiments

for m. 27
 22. 2. 16

P
 28. 2.

22/2/16.



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

SK
29.2.16. 8
1/3/16

File No

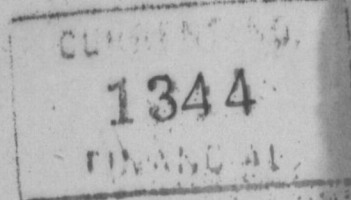
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1.3.16

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1/3

Col no 4048-3

1.3.16



Regd. 3.3.16



P.T.O.

Vide para 317
on page 30 F.

Financial Dept.

For the Asst. Secretary,

In G.O. No. 1186 Educ. 3 2. 11. 15, the Educational Dept. have laid down Rs 10,000 as the aggregate limit up to which Mr. Tressler may incur expenditure on experiments connected with the manufacture of pencils. This limit applies to the charges incurred on the experiments since 1914-15. The circumstances under which Govt. found it necessary to impose the above limit are set out in the notes to the above G.O.; and it will be seen that this restriction had to be imposed as Mr. Tressler was committing Govt. to expenditure on experiments without taking their previous approval and as in many cases he acted irregularly without obtaining the sanction of competent authority.

2. The Educational Dept. now propose to raise this limit of Rs 10,000 to Rs 20,000. Please see paras: 1-7 of Mr. Tressler's letter on pages 1-3 C.F. Educational Dept. office note on 18/11/17 aut

* charges in 1914-15 - Rs. 5800. (para 5. ap. 3 G.O.F)

G. the Educational Secretary's note on 16-18 17 80 1186 Educ. 3 2. 11. 15 G.O.

Vide Educ. Dept. note on 19/11/17 aut 1/11/17 order.

and the Educational Secretary's note on pages 17-19 ante, which fully explain why the enhancement of the limit to Rs 20,000 is necessary. Submitted that this Dept. need not object to ~~the~~ raising of the limit of ^(expenditure) non pencil experiments to Rs 20,000.

Leaving out Rs 5,800 (charges incurred in 1914-15), the expenditure in 1915-16 so far reported is Rs 8,700. It is presumed that any additional expenditure in 1915-16 or in 1916-17 which Mr. Tressler may incur, with reference to the enhanced limit of Rs 20,000 will be met by him from the budget grants. The raising of the limit need not, it is submitted, be objected to.

3. With reference to the irregularity ~~referred to~~ at portion 2 at page 2 c. F., attention is solicited to p. 10.

B 1303 Educ. B 29.11.15, in which the Govt. ^(have taken notice of & passed orders on some of) ~~pointed out~~ the irregularities in the transactions made by the Director of Industries in connection with the purchase of oil machinery. Since the Director of Industries frequently commits these irregularities, Educational, may it be submitted, be requested

vide para: 5,
page 3 c. F.

Page 195 of 224 for 1915-16-17
(2nd & 3rd years)

No provision made for
can find the
money. add

I don't think we need notice - *SK*

to notice in the draft the irregularity referred to above, and ask him to avoid such irregularities in future. The draft may, it is submitted, be otherwise accepted in Financial.

SK
8.3.16.

CS

SK
13.3.16

SK
11.3.16

We can accept on the understanding that the Est. sum will be met from budget grants. It would have been better had this been sent to Fin? before going to H.C.
It is Fin? must see as he saw the papers whereon the limit was put at Rs 10000.

I quite agree and suppress the mistake *SK*
23.3.16

Final n.o. 1344-1
16-3-16

SK

F.D.

Edna no.



Noted in C1

18/3/16

Box No. 12

23.3.16

SK
12.3.16

20/3/16

Draft for approval

H.R. and H. (H)

SK
23.3.16

25.3.16

I accept the draft but I hope the
Educ^l dept. will ascertain in some
detail how Mr Trenler has spent
the money and what he has got to
show for it. I saw this so-called
pencil factory some time ago and
it appeared to me to be ~~very~~ lacking
in methodical ways of work &
organization.

Has
27.3.16 (int)

I have and
note further on this
not yet 29.3.16.



(G)

Read again. G.O.No.1186, dated 2-11-1915

Read also:-

C.No.454, From the D.I. No.E.11 dated 15th November 1915.

202 .. 19th January 1916.

227 .. 20th January 1916.

Order:- 346 Col Ms 29-3-16
Mis:

*2/3 then
take further
action
29/3*

In view of the large expenditure already incurred on the pencil-making experiments and of the desirability of determining the prospect of the industry as a commercial concern, the Government ~~recognize~~ ^{consider} that the experiments which have been started by the Director of Industries should be ~~continued to completion~~ ^{continued to completion}. The limit of expenditure on this account fixed in G.O.No.1186 Edl, dated the 2nd November 1915, will ~~be raised~~ ^{be raised} from Rs.10,000 to Rs.20,000. The Director will be requested to complete the experiments and to report the results to the Government as early as possible.

(G)

*Done
20/3/16*

1/3/16

The D.I.
.. A.G.

20/3/16

Alal

1-3-16

When given for copying
 When copied
 When examined
 When signed

191

READ 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 WANT FOR DESPATCH
 IN ORIGINAL.

N.B.—

A = Copy in full.
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