

Educational (1916) Department.

Mis SERIES.

G.O. No. 526 - *Ed*

DATED 15 - 5 - 16

[Despatch Abstract.]

Recording letter from the D.R.I. reporting
the expenditure incurred on pencil
experiment

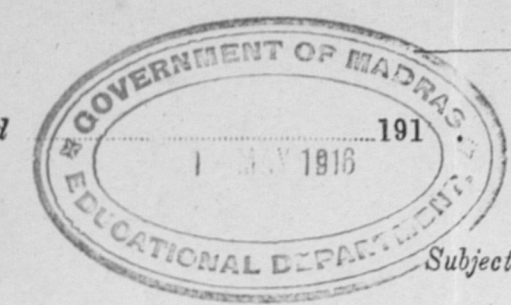
C.No 1566 Edl

C.F.-29.

DEPARTMENT.

2

Received



Registered

15

1916.

Subject.

Submitting report on the expenditure incurred on the Pencil making experiments.

ENCLOS. RES.
No. 1
Spare copies

No. E 11.

Station COIMBATORE, Dated the 19th April 1916.
29.

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

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

Sir,

With reference to D.O. No. 1339-1 Edl., I have the honour to enclose herewith a report on the expenditure on the pencil making experiments.

I have the honour to be,

Sir,

Your most obedient servant,

K. T. B. Tressler
19th April

Director of Industries.

page 3 of 4.

SK

Sp. No. 317 Est (B)
 Sp. No. 541-25 (F)
 22.5.15
 Sp. No. 1186 Est (G)
 2.11.15

Previous notes on the pencil making experiments were submitted in my letters dated 26th February 1915, 27th April and 25th September. The reports explain in detail the general line of the experiments and also the expenditure up to date. Since the last report the expenditure has been confined to keeping things going pending orders from Government on the future of the industry. The expenditure up to date is about Rs.16,000 divided as follows

Expenditure in 14 - 15	Experimental	5,800
" " 15 - 16	"	4,200
" " "	Capital	6,400

The capital cost is the expenditure incurred in purchasing a shed (for Rs. 4,200) which forms part of the Madras Technical School. This amount therefore is completely recoverable. The other item viz., Rs.2,200 represents the cost of erecting and putting up machinery.

During 14 - 15 the object of the experiments conducted was to see if a staff could be trained to make pencils of reasonable finish. To secure this object an expert had to be appointed and materials had to be provided for working. The total cost of the expert was about Rs.2,000 and of the materials and labour Rs.3,800. The experiment was successful in that pencils of reasonable finish were turned out by the supervisor and Mechanic in charge of the experiments. But the graphite was of such bad quality and the supply of timber was so uncertain that it was no good continuing the experiments on these lines. This preliminary work having been completed, experiments in 15 - 16 were made with a view.

(a) to investigate the value of local timber for pencil purposes.

(b) to investigate the preparation of graphite. At the same time

-2- 4

At the same time arrangements were made to transfer the machinery from Cocanada to Madras so that when the timber and graphite investigations were complete the final test of figures could be applied viz. manufacture in bulk. During 1915 the ~~timber~~ expenditure on timber etc., was about Rs.2,000 and wages, petty stores, cooly charges etc., amounted to Rs.2,200, which sum however included a book debit of Rs.400 from the workshop.

So far, I have made no attempt to manufacture with a view to sale or profit because I have not been sufficiently certain of my fundamental data. I am however now satisfied that I know how I stand and expect that in future all expenditure (excluding the cost of management) will be covered by receipts.

Whether I can cover the cost of management also, as well as ^{allow a} ~~work on~~ proper allowance for interest and depreciation, I do not know. This is exactly the point on which the whole question ^{of manufacture} turns and the one that I am now trying to investigate. To put it in a concrete way, I know now that I can obtain suitable supplies of timber and graphite and I have ascertained prices within about 10%. I have further estimated on these prices the cost of cheap grade pencils on a manufacturing scale will work out at $6\frac{1}{2}$ as. a gross. This figure makes no allowance for wastage in manufacture, or variations in price that may appear when work is started on a large scale.

This margin of uncertainty may amount to 10%: it may amount to 50%. All I can say now therefore is that the precise cost of cheap pencils will probably be anything between $6.5 + 10\%$ or 7.15 & $6.5 + 50\%$ or $7.9.75$ annas.

Fixed charges may be estimated at 50% on above figures.

Similar to

The sale price of pencils of the kind made is between 8 and 14 annas. I should think that half of my

4 5

production ought to be worth 14 annas and half 10
averaging 12. But on this point I have no certainty ^{knowledge} at
~~all~~ and can only ascertain the market value by putting lar
lots on the market. The total costs may be anything be-
tween 10.7 and 14.55 and what I am doing now is to find
out whether I can establish a balance between costs and
selling prices. This is being done by actual trial.

Went
12.4
Director of Industries

Educational Department.

(I) Extract from the notes to G.O. 346 Edl., dated the 29th March 1916, regarding pencil experiments:-

I accept the draft but I hope the Educational department will ascertain in some detail how Mr. Tressler has spent the money and what he has got to show for it. I saw this so-called pencil factory sometime ago and it appeared to me to be sadly lacking in methodical ways of work and organization.

H.A.S.

26.3.16.

Issue and note further on H.M's (Financial) note.

P.R.

29.3.16.

The order has issued. (G.O. No. 346 Edl., dated the 29th March 1916.) In his letter of the 15th November 1915, Mr. Tressler stated that Rs 14,500 had been spent up till that date as shown below:-

		Rs
	Staff + general charges including about Rs 1,800- total payo bonus to Mr. Tressler	2,200.
1914-15	Stores	1,800.
	Capital (recoverable)	900.
	Labour	700.
	Freight + contingencies	200.
		<u>5,800.</u>

paras. 37 (I)

page 1 of G.O. No. 545-Edl. 22.5.15

NOTES.

Page 2

para 5. page 3 of p. ①

		Rs
1915-16	{ Current expenditure (7 months)	1,800.
	{ Capital (for shed)	5,000.
	{ Timber	1,000.
	{ Incidental liabilities	2,000.
	Total	<u>8,700.</u>
	Grand Total	<u>14,500.</u>

Beyond the above, there is no further detailed information available here. Apparently the Honourable Member desires to have more details. A draft do. to Mr. Treasurer is submitted for approval.

1/4/16 Please refer to the
for and make the
draft do. clearer

4/4/16

A revised draft is submitted.

8/4/16
4/4/16

5/4/16

8

D.O. 1339-104

6.4.16

Dear Tressler,

With reference to G.O.No.346

(1) Educational, dated the 29th March 1916, passing orders on your proposals for the continuance of the pencil experiments contained in your letter No.E.11, dated the 15th November 1915,

I am to ask you to submit a detailed report

for the information of the Government on the several

items of expenditure incurred on the experi-

ments and the actual out-turn ^{therefrom} with a clear

indication of the financial results and the

conclusions reached with a view to determining

the future possibilities of the industry.

Page 1 to 5 of 40 (1)

To

K.T.B. Tressler Esquire,
Director of Industries.

Done - Notes in 103
6/4/16 7/4/16

SK
4-4-16

8
4/4/16

5/4/16

CN 1546. from the S. J. N. E. H. 19. 4. 16.

page 2 to 4 of 4.

Please see H.E. the Governor's
note on page 3 of 4. 4. 3. 16. (v)

The Director submits a note on the expenditure till now incurred ~~by the~~ ~~on the~~ on the pencil experiment. He does not give clearly all details relating to the expenditure. When Mr. Conchman joins the department he will ^{naturally} examine the position of the various experiments carried on by the Director and submit reports to the Govt. When ~~this~~ ^{his} report regarding the pencil experiment is received, it may show clearly how the money has been spent. The report now forwarded by the Director may perhaps be circulated to H.E. the Governor + H.H. (Dir.).

SK
2. 5. 16. 21/5/16

H.E. and H.H. (Dir.) for
pencil. Fin?!

Mr.
3/5/16.

Box NO 23
4-5-16

Mr Touchman will I hope be able to long
to examine and report.

P
5.5.16.

Intended for the Hon Sir H Stuart, I think?

Agf
6 5 16

As
8.5.16

[Signature]

[Signature]



A draft order recording the papers is
submitted for approval.

Sa CR
10.5.16 11.5.16

[Signature]
13/5/16

This was sent by
mistake by the
Civil Clerk who has
been warned to
be more careful.

CR
9.5.16

” ” ” ” ” 191

C. No. 1566 Sol, From the D. J., No. E. 11., dated 19. 4. 1916

" " " " " " " " 191.

191

No. 526 ~~1566~~ Edl mis of 10-5-66, dated 191

Musé

Recorded:

10-5-16

CR
11-5-76

~~13/5~~

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

LETTER OF GOVERNMENT.

STATEMENT WITH DITTO.

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

N.B.—

A = Copy in full.
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