

Educational (1916) Department.

ORDINARY MS.

G.O., No. 537

DATED 16.5.16.

14
[Despatch Abstract.]Dyes

Requesting the Accountant General to arrange for the payment to Messrs Gordon Woodroffe & Co., Madras, of the storage & clearance charges in respect of the consignment of dyes ex S.S. "Barenfels".

PAPERS PUT UP WITH CURRENT No. _____

Papers of the department to which the current belongs.

Number.	Date.	Original (=O) or spare copy (= S.O.)	Remarks. (In this column such of the papers as have been removed for copying, printing, etc., should be marked with a cross.)	Initials of Referencer with date in token of return to Reference department.

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CN^o. 1714 &c

C.F.—29.

DEPARTMENT.

2

Received



191

Registered

15757 1916

Subject.

Regarding the cargo ex s.s. Barenfels.

RN/LOS RES.

No.

No. K 119

Spare copies

Station Madras, Dated the 12th May, 1916

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 Government Memo. 434 Edl Mis.
dated 19-4-1916 I have the honor to state that Messrs.
Gordon Woodroffe & Co prefer a charge of Rs.4913-10-0 for
the storing and clearance of the Barenfels cargo. The firm's
representative told Dr. Marsden that he would not hand over
the goods until his charges are paid. I accordingly request
very early orders from Government to make this payment. I am
at present unable to indicate any source of meeting this ex-
penditure in the current year's budget for this Department.

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

Director of Industries.

SK no allotment is necessary
- vide page 244 of G.O.
434-5 Sd 8 19 4.16 flag B

D.O. 2119.

TELEGRAPHIC ADDRESS:
"CHROMIUM," MADRAS
POST BOX No. 484.

Dear Mr. Rajagopala Ache,

I have been going into the Barenfels case.

As you are aware, this matter has been dealt with direct by the secretariat without reference to me and even Dr. Marsden is only cognisant of a part of the negotiations that have taken place. Possibly Government may be in possession of all the facts but I think it might be advisable for me to explain briefly my views.

So far as I know, Dr. Marsden recommended the acquisition of the Barenfels cargo about a year ago. The consignment ultimately reached Madras - when and how I do not know - and remained for some time in the Port Trust godowns. Messrs. Gordon Woodroffe as the agents of the Prize Court for some reason or other removed the goods to their own godowns and have now sent in a bill for Rs.5000. I believe they had no authority whatever for taking the goods away from the Port Trust ^{where} ~~until~~ ^{could have been} they ~~can be~~ claimed by Government without charge. This is point No.1. I am not in complete possession of the facts and so cannot make out the case but it seems to me that Gordon Woodroffes are not entitled to the money now claimed and that this

should be deducted from the purchase price.

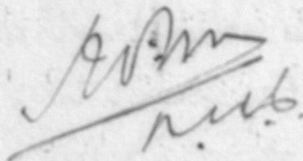
As already explained Dr. Marsden suggested the purchase of the Barenfels cargo about a year ago. Government orders were passed on the matter a good deal later and by that time the price of dyestuffs had advanced. The Government order contemplated the purchase of the cargo at "current market rates". Dr. Marsden pointed out that if current rates were the prices that had recently been paid in auction, he did not think that dyers would be prepared to pay on the same scale and ^{at} unless the dyestuffs ~~could be~~ purchased at about its original valuation, that is 3 or 4 times pre-war rates, he did not think there was any object in purchasing the cargo. On this subject I ~~heard~~ nothing more until orders reached me the other day to take over the cargo from Gordon Woodroffes'. It was also ~~decided~~ ^{stated} that further orders will be passed when the cargo had been acquired. I was under the impression that in the light of Dr. Marsden's remarks Government would either acquire the cargo at 3 or 4 times war rates or abandon the idea of purchase. I do not know what has been decided on but I wish to point out that the auction prices realised in Bombay and Calcutta (on which Gordon Woodroffe base their

estimate and which they maintain to be ordinary market rates) were the result of a gamble and I have it on good authority that many of the people who bought in dyes are now unable to sell them as dyers will not pay the price. ^{further} I am ~~however~~ informed that a good deal of dyeing material in the form of small parcels is at the present moment entering into India at 3 or 4 times pre-war prices. In the circumstances it seems to me that 3 or 4 times pre-war prices is the utmost that Government can offer with the certainty of not losing on the transaction. Dr. Marsden is of opinion that the small dyer would certainly not pay more than the price as above defined: mills would probably pay ^{now}, but even here I doubt if, in view of present imports, they will pay more than 5 or 6 times pre-war rates. If Government purchase at this price they may possibly cover expenses if they well to mills. If Government pay any more it seems to me that they will lose on the transaction heavily. Gordon Woodroffe's valuation is I believe about 15 to 20 times pre-war rates.

As I have explained I have not been officially consulted in this question except in matters of detail and so I do not know how negotiations stand. I simply offer

these observations because I see certain elements of risk in this venture which have not perhaps been adequately appreciated.

Yours sincerely,



The signature is a stylized, cursive script. Below the main signature, the initials 'P.R.A.' are written in a simpler, blocky font.

The Hon'ble Dewan Bahadur

P. Rajagopala Achariar,

Secy. to Govt. Edl. Department,

Est. Department.

Please see Mr. Dressler's ^{official} letter in the current file. The Govt of India have decided to acquire the dyes ex 'Barenfels' & they have laid down the procedure by which payment therefor should be made. Please see pages 96, 243 and 244 of G.O. No. 434 Est., dated the 19th April 1916.

(B)

The A.G. may be informed of the orders of the Govt of India & asked to pay the amount claimed by Messrs Gordon Woodroffe & Co., as storing & clearance charges. This amount may later on be added to the price of the consignment when the latter is reported by the firm. A draft order is submitted for approval. SK 2 As regards the question of 16.5.16 the regularity of the claim for storage charges made by the firm, Mr. Dressler in his do. overleaf points out that the claim is invalid inasmuch as the firm removed the cargo from the Port Trust premises where they were lying at concession rates, to their own godowns, and

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thereby created a liability for such charges. There seems to be ~~no doubt~~ force in this contention. The firm had been made aware of the intention of Govt. to buy up the cargo ^{as early as} August 1915; and the final decision of the Govt. of India, with the prior approval of the Prize Court, was communicated to the firm in October 1915. The goods seemed to have been lying at the Port Trust premises till about November 1915 and to have been cleared by the firm only that month. Thus there seems prima facie to be little justification for subjecting the cargo to heavy storage charges.

On the other hand, the firm, being the accredited agents of the Prize Court, appear to have every right to decide about the disposal ^{of} the cargo in the manner they think best. Though there has been indication of the intention of the Govt. of India to buy up the goods, there have been sufficient grounds for doubting ~~that~~ whether their intention ~~could~~ really be carried out. In

Please see telegrams to the firm on page 151 + 162 of p. 13

page 64 of 81. 13

page 2 of 4. No. 177. 14
7.12.15

pages 130 + 131 of B.

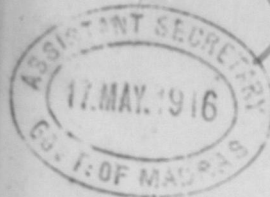
view of these and of the protracted negotiations, the firm wrote to the Govt. so late as March 1916 that they were "strongly opposed to waiting any longer for the disposal of the dyer to be settled" and that they had "cabled to the Alexandria Puze Court asking for their authority to sell the goods at once at public auction." It is ^{also} likely that the firm might plead ignorance of the fact that the Port Trust had agreed to waive demurrage charges.

In these circumstances it appears to be unnecessary to dispute at this stage the claim of the firm.

3. As regards ~~the~~ Mr. Tressler's fears about the possibility of the Govt. having to pay heavy prices for the dyer, it has been definitely settled that the speculation prices paid at Bombay & Calcutta should not be adopted and that home market prices with charges for freight &c need alone be paid.

Do. on page 130.

page 107 of 80. (B)



* c. g. pages 43 + 64 of (B)

page 107 + 245 of (B)

x Lined.

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3053 FINANCIAL

Recd 17.5.16

This fact was communicated to the Dy. Exp. through Mr. Treasurer in Memo. No. 95-2, dated the 15th January 1916. His attention may be drawn to this.

4. The matter was under direct correspondence bet. the Govt. of India, the local govt. and the firm. Where consultation with the Dy. Exp. was found necessary, he was consulted and almost invariably through the Director of Industries. Where the matter reached ~~the~~ a decision stage, that decision was communicated to those officers. No notice need therefore be taken of Mr. Treasurer's remarks in this regard.

5. A draft do. to Mr. Treasurer is also submitted for approval

CR 16/5/16 I.D. and said to Lind for approval

P.T.O

Do. No. 1713-1816. 5-16.

My dear Lessee,
With reference to
your Do. of the 12th instant
regarding day stuffs ex S.S.
Bancroft, I am to state
that separate orders are
issuing directing the pay-
ment of the storage &
clearance charges of mem-
fordon Woodroffe & Co. in
respect of the cargo of dyes
as intimated in your
official letter no. K. 119. ~~of~~
~~the~~ of the same date. We
fourt. do not consider
it desirable ^{practically} or expedient
to dispute the claim of
the firm at this stage.

As regards your observa-
tions regarding the price
to be paid for the dyes,
I am to draw your
attention to Memo.
no. 95-2. Ed. dated the
15th January 1916, ~~concerning~~
~~concerning~~ to the Dyeing

page 7 up.

Spence
+ return line
ER

Despatched
CO
16/5/16

or.

page 107 up. (B)

Expert, communicated through ~~the~~ you, in which the final decision of the Govt of India & the Prize Court as to the method of ~~the~~ valuation of the Cargo was explained. Material for assessing the value on ~~the~~ the basis of that decision are being collected by the firm.

Yours sincerely.

[Handwritten signature]

[Handwritten initials]
16-5-16

8K 16/5/16

K. J. B. Dresser Esq.,
Director of Industries.

NOTES.

Page 6

Financial dept

The case may be perused and returned to Educ. with thanks.

8.8.16
17.5.16

Sum and returned with thanks.

J. B. S.

18.5.16

File No. 3053-1
18.5.16



191

C. No. 1714, From the D. I., No. K 119, dated 12. 5. 1916.

191

" " " " " " 191

531 Edlins D/16-5-16

No., dated 191

mis

The Government of India has decided ~~on purchasing~~ to acquire the dyes ex s.s. "Barenfels" ^(which are with) ~~from~~ Messrs Gordon Woodroffe & Co, Madras, and to sell them to bona fide users of dyes, & ~~they for that purpose~~ have also directed that the expenditure on account of the transaction should be shown under a suspense account (Civil Account Code - Vol. II - page 874) and that, when the operations have been completed, the net outstanding should be passed on to the Comptroller

Comptroller, India Treasuries,
for final ~~year~~ adjustment
under the miscellaneous head
xxv or 32 according as there
is a profit or loss on the
transaction. In Lr. No. 434
Bd., dated the 19th April 1916,
the Director of Industries
^(in pursuance of the order of the Govt of India)
was requested to remove
the dyes from the premises
of Messrs Gordon Woodroffe
& Co., immediately pending
settlement of prices. The
Director now reports that
the firm claim a sum of
Rs 4,913-10-0 for the storing
+ clearance charges of
the consignment of dyes.
The Accountant General
is requested to arrange
for the payment of this
amount.

^{Stk} The Director of Industries
^{15.5.16.} will, as already directed,
take charge of the goods im-
mediately the ~~proportion~~
charges are paid.

pages 24, 57 & 246 of 13

Stk
16/5
copy to the Dir. 1 Sept.

[Signature]

Ca
16.5.16

When given for copying _____
 When copied _____
 When examined _____
 When signed _____

191

14

READ AGAIN G.O. No. _____ DATED _____
 191

CURRENT No.

ENCLOSURES TO G. No.

ORDER OF GOVERNMENT.

A A A A A A A

LETTER GOVERNMENT.

STATEMENT WITH DITTO.

PAYERS NOT FILLED UP, BRING MEANT FOR DESPATCH
 IN ORIGINAL.

N.B.—

- A = Copy in full.
- B = Not to be copied.
- P = Copy abstract only.
- Q = Copy Heading only.