

Educational (1916) Department.

ORDINARY MS.

G.O., No. 723

DATED 1-7-16

[Despatch Abstract.]

Dyes

Passing orders in regard to the sale
of dyes ex S.S. "Barenfel".

GORDON, WOODROFFE & CO.

TELEGRAPHIC ADDRESS:
"WOODROFFE."

POST BOX No. 42.

Madras, 14th June 1916

The Secretary to the

Government of Madras,

Educational Dept.,

O O T A C A M U

Sir,

DYESTUFFS EX S/S "BARENFELS".



We have the honor to inform you that the following telegram has been received from the Procurator, H.B.M. Prize Court, Alexandria.

"Barenfels cancelling previous arrangements"

"please auction immediately all dyestuffs"

"arranging with Government India conditions"

"excluding speculations".

As you will recollect, the Dyestuffs landed at Madras were handed over a short time ago to the Director of Industries, conditional upon the price being arranged later, and we now propose to obtain re-delivery, refunding the amount paid to us by Government against charges incurred by us. To this end, we have the honor to request that you will be good enough to issue the necessary instructions by telegraph for the Dyes to be handed back to us. Regarding the latter part of the telegram from the Procurator, we would suggest that, when we auction the Dyes, Government appoint someone to decide whether the bidder is a Dyer, or only a dealer in Dyes who wants the Dyes for

Sp. 434 25^p
17.4.16 (B)

Sp. 531 25^p
16/5/16 (R)

2/

3

-2-

for purposes of speculation.

We shall be glad to have your views on this point.

For your information, we enclose an extract of a letter received from London this mail in connection with our enquiries as to the Home Market Value of the Dyes, from which you will see that it is quite impossible to assess such value. The only method is undoubtedly to auction the Dyes, and the Procurator has evidently realized this.

We have the honor to be,

Sir,

Your obedient servants,

per pro GORDON, WOODBURN & CO

Gordon Woodburn & Co

Agents.

ff.

©

3
C o p y.

W
Royal Bank Buildings,
5, Bishopsgate,
London, E.C.10th May 1916.

Messrs. Grahams & Co.,

C A L C U T T A.

Dear Sirs,

"BARENPELS" DYES.

Referring further to your letter of the 7th April, we tried the Badische Company Limited, and Edward Richards & Co. representing the Society of Mechanical Industry in Basil. We also wrote to the British Dyes, Limited, but they have taken no notice of our letter. Edward Richards & Co. first of all stated that they could not quote or offer anything for export, and in reply to our second application to merely quote they write as follows:-

"We cannot advise you as to the Current Market Prices
"of the Dyes in the list you sent us, as almost any
"price which sellers like to ask are paid to-day".

The Badische Company in the first instance replied that they were not in a position to quote, and in answer to our second application for Current Market Prices, the Manager came along to see us. He told us that it is quite impossible to quote or to give any indication whatever. For small quantities of particular colours absolutely essential to complete a current order, practically any price will be given. For some colours, one trade will pay one price and another trade will pay a much higher price. Altogether, any hope of putting Current Market prices on your list must be abandoned

as

4
-2-

as hopeless. He stated roughly that the advance in the price since before the war might be estimated at from 1000 to 3000% - In other words, that the prices obtained in Bombay may be taken as a fair indication of current rates.

There are no current prices ruling at home, and therefore their idea of basing the values on such prices must fall to the ground. It seems to us that by far the best way is to follow the course adopted by Bombay and auction the dyes for the benefit of the Prize Court.

We are sending a copy of this letter to the Procurator at Alexandria for his information.

We beg to return the list you sent us.

Yours faithfully,

(Sd) Grahams & Co.

Telegram

The Sec. to the Govt of India
Dept. of Com. & Ind.

112050. " Please refer correspondence
ending with) my demiofficial
"twelfth ultimo dyes. Govt.
"Woodroffe Say following
"telegram received from
"Alexandria Prize Court.
"Begis. Barenfel. can-
"celling previous arrange-
"ments please auction
"immediately all dy-
"stuffs arranging with
"Govt India conditions
"excluding speculations
"Ends. Firm request
"return of dyes to them

for sale, ~~this dyest~~

~~for sale, this dyest~~

81K They also forward
15.6.16. letter from Grahams & Co.

London, stating that current
home market prices of dyes
cannot be ascertained as
any price asked by sellers

Procuretor

auction and suggest ap-
pointment of Govt repre-
sentatives to decide whether
bidders are dyers or
merely dealers out for
speculation.

are almost fully paid and
recommending auction sale
as in Bombay. Madras
Government solicit instruction
by wire.

CR
16.6.16

LD.

16.6.16

CR
16/6

Telegram

To

Messrs. Gordon Woodroffe & Co.
Madras.

Your letter 14th instant
[regarding] dyestuffs Ex Baresford
Government of India
wired to for instructions.
shall communicate on
receipt [of] reply.

to
W. B. H.

CA
16.6.16

26.1.16
16.6.16

CA
16/6

DEPARTMENT.

Received



Registered..... 191

Subject.

Submitting report from Dr. Marsden regarding Dyestuffs.

ENCLOS RES.

No. Report one

Spare copies.....

No. K 119Station Madras, Dated the 17th June, 1916.From (Name) K.T.B. Tressler, Esq., B.Sc., A.M.I.C.E.,(Designation) Director of Industries.To The Secretary to the Government of Madras,
Educational Department.

Sir,

I have the honor to submit herewith a report from
Dr. Marsden regarding Dyestuffs.

I desire to observe in this connection that if the
production is so greatly increased as suggested in the
letter, the cargo of dyestuffs ex S.S. Barenfels now in the
hands of Government will probably depreciate very rapidly
in value and I venture to suggest again, therefore, that
very early orders regarding disposal may be passed.

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

K.T.B.
Director of Industries.

TELEGRAPHIC ADDRESS:
"CHROMIUM," MADRAS,
POST BOX 454, MADRAS, N.C.

OFFICE OF THE DIRECTOR OF INDUSTRIES,

No.

Madras Circular 14/6 1916.

From

5806

To

J. Mauden Esq., Esq.,
Dyeing Expert to
the Govt. of Madras.
THE Chief Secretary
Government of Madras.

Through

Sir,

The Director of Industries,
Madras.

I have received among my home paper a cutting from the "Manchester Guardian" relating to Messrs Levinstein Ltd Manchester. It appears from this that the firm has made great progress in the manufacture of dyestuffs since the beginning of the war and the statement is made that they are now producing one half the quantity of aniline dyes formerly imported into England from Germany.

It is difficult to believe that this is possible with a staff of 800 men, but it may be assumed that they have a greatly increased output and as other firms are probably in a similar position, it is possible that the stringency with regard to dyestuffs in England has diminished and it may be that Government could now arrange for a regular supply of the common dyestuffs to meet the pressing needs of

of Indian dyers.

I am aware that certain Mills have obtained some quantity of dyestuffs from Messrs Levinsam Ltd, but there is (so far as I know) no agency in this Country at present through which the Country dyers can purchase, and if a channel could be arranged by which they could be supplied it would be a distinct boon to them.

I have the honour to be,

Sir,

Your most obedient Servant,

F. Marden
Dyeing Expert

GOVERNMENT OF INDIA TELEGRAMS			NOTICE		Charges to pay.		Office Stamp	
This form must accompany every telegram sent by post.			100		Rs.	As.	1900	
Handed in at (Office of Origin)			Date.	Hour.	Minute	Service Instructions.		Words.
Simla			19	17	45	State		133
TO Madras						Recd. here at		H. M.

Education Ootacamund
4713/258/W9 your telegram
sixteenth instant number 2050
stop government of India
approve proposal to auction dyes
ex barenfels if limited

N. D.—The name of the sender, if telegraphed, is written after the text.			Gulab Singh & Sons, Calcutta—No. 268 T.C.—12-13-14—40,000 Bks.		Handed in at (Office of Origin)		Date.	Hour.	Minute	Service Instructions.		Words.
limited			11							Recd. here at		H. M.

to weavers and manufactures
in madras presidency who
are bona fide consumers of
dyes speculators being excluded
stop tenders at auction
should be carefully scrutinised
to exclude dealers stop

Gulab Singh & Sons, Calcutta—No. 268 T.C.—12-13-14—40,000 Bks.

TO

stop

consignment taken over by local government may be returned to Gordon Woodroffe and action taken accordingly stop government of Bengal have reserved part of consignment

No. of the consignment is written at the end.

Gulab Singh & Sons, Calcutta—No. 268 Tel.—12 10 14—40,000 Bha.

TO

consignment

for special distribution to small Indian weavers and are auctioning balance only to larger manufacturers stop government of India would approve similar action in case of Madras Consignment

TO

Consignment

if local government think it desirable to auction separate lots to larger manufacturers and small weavers respectively but leave this to decision of Local govt

Recd. here at

H.

M.

2/22.

TELEGRAM.

To *Case work in "Woodroffe"*
Messrs. Gordon Woodroffe and Company,

MADRAS.

Please refer my telegram 16th instant,
regarding dyes ex Barenfels. Government of
India have approved sale by auction of dyes
if limited to weavers and manufacturers in the
Madras Presidency who are bona fide consumers
~~of dyes~~ *speculators* being carefully excluded. They have
suggested auctioning separate lots to small
dyers and large manufacturers respectively.
Director of Industries has been instructed to
return dyestuffs and to report quantity to be
reserved for auction to small dyers. Shall
communicate again on receipt of reply.

CA
20.6.16

21-6-16

5/21/16
24.6.16
27.6.16
P. C. S. D.
P. C. S. D.
P. C. S. D.

Page 11 & 12 gcf

TELEGRAM.

To

Chromium
The Director of Industries, Madras.

Your letter K.119, 17th instant regarding dyes ~~ex~~ Barenfels. Government of India have sanctioned sale ~~by~~ by auction of dyes if limited to weavers and manufacturers in the Madras Presidency who are bona fide consumers ~~of dyes~~ *speculators* being carefully excluded. Please return consignment to Messrs. Gordon Woodroffe ~~who will return~~ *fund* storage charges already paid.

It is proposed to auction separate lots to small dyers and large ~~manufacturers~~ *manufacturers* respectively.

Please report what portion should be ~~be~~ reserved ~~and~~

~~also~~ also state in consultation with firm ~~what arrangement~~ *one* ~~you propose~~ to exclude

speculators ~~and dealers~~ *and dealers* ~~and to~~

at ~~Confirm~~ *confirm* ~~to~~ *to* ~~benefit~~ *benefit* ~~Consumers.~~

2/6/16

Apr 16
26.6.16
P.O. 26.6.16
4.09.16
11+12 gcf.

for small dyers

2/6/16

GORDON, WOODROFFE & CO.

Telegraphic Address:
"WOODROFFE."

Post Box No. 42.

Madras, 23rd June 1916

191



Secretary to the

Government of Madras,

Educational Department,

OOTACAMUND.

DYESTUFFS EX S/S "BARENTELS".

page imp.
We have the honor to acknowledge receipt of your telegram of 21st, also it's confirmation.

We are making arrangements for the sale of the Dyes, and will refund to Government the amount already paid to us for storage charges &c, when we take over the Dyes from the Director of Industries.

We have the honor to be,

Sir,

Your obedient servants,

W. GORDON, WOODROFFE & CO.

Agents.

TELEGRAM.

To *Woodroffe (Code)*
Messrs Gordon Woodroffe & Co., Madras.

"Your letter 23rd instant regarding dyes
Barenfels. Government *impose their* whole of dyes
included in items 1 to 13, 18, 20 to 30,
32 to 34 and 37 and half of those in items
31 and 36 in list forwarded with your letter
of 14th April last should be reserved for
sale to small dyers and rest sold in auction
to larger manufacturers in this Presidency.
Dr. Marsden will watch at auction sale to
exclude speculators. Government propose to
take over portion reserved for small dyers
on payment of cost to be fixed by you and
Dr. Marsden on basis of relative values
and price realised at auction to larger
manufacturers. Please say if you are
agreeable to these proposals".

SK
28.6.16. CR
28.6.16

29.6.16.

CRS
29/6/16.

24.6.16
29.6.16
29.6.16

page 141 of 80. 4.34.16

29.6.16

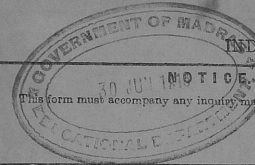
last copy

LOCAL AND MUNICIPAL DEPARTMENT.

Received _____ 190 . Registered 306 1906

Subject.

C.



INDIAN TELEGRAPHS.



30 JUN 1906
This form must accompany any inquiry made respecting this Telegram.

Charges to pay.

Ra.

As.

Transmitted in (Office of Origin).	Date.	Hour.	Minute.	Service Instructions.	Remarks.
Madras R.R.	30	12	20	State X	27
TO Madras Educational				12	35
					M.

Coty
Gordon Woodroffe apply
for delivery of Dyestuff tomorrow
for auction on tenth please.
wire if I can stand over
Chromium =

N.B.—The name of the sender, if telegraphed, is written after the text.
Gulab Singh & Sons, Calcutta—No. 311 Tel.—12 12 14—2,50,000 Bks.

CA 2201
POST COPY OF TELEGRAM.

C.F.-16

No. 2119, dated 30th June, 1916

State or private STATE

Express or ordinary EXPRESS

From station MADRAS

Office DIRECTOR OF INDUSTRIES

To station OOTACAMUND

To officer or person MADRAS EDUCATIONAL.

"GORDON WOODROFFE APPLY FOR DELIVERY OF DYESTUFF

TOMORROW FOR AUCTION ON TENTH. PLEASE WIRE IF I CAN HAND OVER.

CHROMIUM"

(Signature.)

(Designation of the officer,) Director of Industries.

To

The Secretary to Government,

Educational Department, Ootacamund.

25 Sept

Telegram

To

The Director of Industries
Madrid.

Re your telegram
of this date. Dyes
may be returned
immediately to
Messrs Gordon Woodroffe
(+cs.)

8K
20/6/16
30/6/16

acting to assess
dyeing in

20/6/16

20/6
1000
1000
1000

page 17 of 17

20/6
20/6
20/6

8K
20/6

CN^o 2305 2/3
30/6/16

19
20

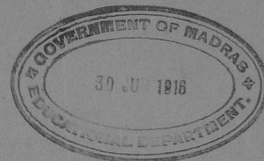
GORDON, WOODROFFE & CO.

TELEGRAPHIC ADDRESS:
"WOODROFFE."

POST BOX No. 42.

Madras, 29th June 1916

The Secretary to Government,
Educational Department,
Stone House Hill.



Sir,

page 16 of 44
We have the honour to acknowledge receipt of your telegram of date in connection with the sale of the Dyes ex ss "Barenfels" and we note your proposals. In the main we agree with them but in one important respect we consider that the course suggested is impracticable. We refer to the proposal that the whole of certain items should be reserved for small Dyers, and Government propose to take over these items on payment of a cost to be fixed by Dr. Marsden and ourselves "on the basis of the relative values and prices realised on". The impracticable part of it we have put in inverted commas. We should like you to realise that the Dye listed under each item is of a different variety to the Dyes listed under the other items, and bears quite a different value. As has been explained before the value of each variety can only be ascertained by auction sale to the consumers of the Dyes, and it would be impracticable to determine a value for any variety in relation to the value fixed for other varieties which are actually sold at auction. In brief the values of the different Dyes can only be fixed by the actual price each Dye fetches. We would therefore propose that Dr. Marsden should buy at the auction such Dyes as Government wishes to reserve and that

Government should then dispose of them to the small Dyers as they think fit. We would remark that if this course is adopted it is unlikely that Government will have to pay any higher for the Dyes than they would have to were an estimated value fixed for them by Dr. Marsden and ourselves. When it is known, as it certainly will be known, that Government intend to secure these Dyes, it is not at all likely that the large Manufacturers will compete against Government, while the small Dyers naturally will not cut their own throats by bidding against Government for them. The proposal to sell half items 31 and 36 by auction and reserve the other half for Government at the price the first half ^{may be} ~~were~~ sold at is feasible, and we readily agree to that. We also quite see the point of Dr. Marsden being present at the auction with the object of excluding speculators. We shall be obliged if you will let us know whether you are prepared to accept this proposal as early as possible, as we intend to hold the auction on 10th prox. and have to get the Dyes listed in their various lots for auction &c.

We have the honor to be,

Sir,

Your most obedient servants,

Gordon & Co



Again G.O., No. , dated 190
Current No. from the , No. , dated 190

Current No. 2050 from the Messrs Gordon, No. - , dated 14. 6. 1916.
Woodroffe & Co., Madras.

SUBJECT.

Regarding the sale of
dyes ex s. s. "Barenfels."

With the sanction of the Alexandria Prize Court, the Govt of India decided to acquire the dyes ex s. s. "Barenfels," which were condemned by that court on payment of ~~their~~ prices which were to be settled with reference to their home market prices plus a percentage for freight insurance &c., and to sell them to bona fide users of dyes in this Presidency. Messrs Gordon Woodroffe & Co., who are the Madras agents of the Prize Court for the sale of the condemned dyes were asked to ascertain the home prices by cable. As the firm

pages 81, 95996, 1024,
137 + 141 of Rs. 4.34.55 (B)
19.4.16

page 139 of Rs. ibid.

page 143 of (13)

pages 245 + 246 of
p. (13)

page 146 of (13)

page 304 of c.f.

page 17 of c.f.

stated that this was not feasible and as the storage charges of the consignment of dyes in the godowns of the firm were ^(in the meanwhile) mounting, the Director of Industries was recently asked to remove the dyes from the premises of the firm pending settlement of their price. At the same time the firm were asked to ascertain home prices by post as early as possible.

2. From the copy of Messrs Graham & Co's letter now forwarded by Messrs Gordon Woodroffe & Co., it will be seen that it is difficult to ascertain ^(current) home prices. The Procurator of the Alexandria Prize Court has telegraphed to the firm to sell the dyes by auction making arrangements with the Govt of India to avoid speculations. It is submitted that no instructions from the Govt of India on this matter have been received and it seems desirable to

inform that Govt of the order since issued by the Prize Court and to await their instructions before proceeding further in the matter. A draft telegram is submitted for approval.

3. Messrs Gordon Woodroffe & Co. request that telegraphic instructions might be issued for handing back the dye to them. It is submitted that they may be informed that the Govt of India are being ~~referred~~ communicated with in the matter. A draft telegram to the firm is also placed below for approval.

SK
16.6.16. CA
16.6.16

Issue

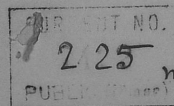
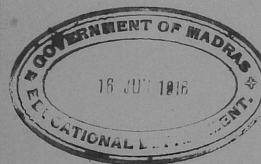
8
16.6.16

[Telegram to the Govt of India 12.20.09 16.6.16
to Messrs Gordon Woodroffe & Co.]

24

Extract from Fortnightly report from the Collector of
Madura, No. 84-Spl., dated the 10th June 1916.

Mr. Harvey of the Madura Mills Co., Ltd., Madura, tells
me that owing to the lack of dyes the dyers do not come forward to
buy the yarn the mills produce and thus they have accumulated a very
large stock of yarn, and that therefore they may be compelled to
close their mills. This, I am afraid, would throw about 5,000 hands
out of work. Therefore I request that arrangements be made to
send the dye cargoes on the S.S. Barenfels to Madura for distribution
and to arrange for regular supplies from England.



Submitted that the above extract
may be forwarded to Educational for
necessary action.

Edac. no.

Car. of Edu. Dept. x 21
S. R. which deals with the
matter. J
14/6/16

It is 551
that deals with
this matter.

12/6/16
15/6/16
12/6/16
15/6/16

CN 207382

16/6/16

25

D.O.

CN: 2074-68

TELEGRAPHIC ADDRESS:
"CHROMIUM," MADRAS.
POST BOX NO. 454.

K 119



MADRAS,

16 June, 1916.

Dear Mr. Rajagopala Acharian

With regard to the cargo of Dyestuffs, I have to inform you that I am still awaiting orders regarding price and until this question is fixed, I am unable to deal with the question of disposal. As Dr. Marsden has explained, it seems probable that the price paid will be greater than that which hand loom weavers would be prepared to pay but until I actually know what the price is, I cannot offer any definite opinion on this question. Further I have to point out that dyes are being manufactured in increasing quantity in England and there seems to be a tendency for prices to fall. It seems to me quite possible, therefore, that if this question is delayed much longer, we may miss the market.

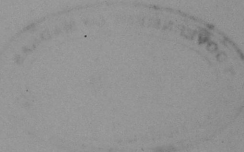
Yours sincerely,

Handwritten signature

The Hon'ble Dewan Bahadur
P. Rajagopala Acharian,
Secy to Govt. Edl. Dept.

SK

page



Submitted that the above report
of the committee be forwarded to the
Hon'ble Dewan Bahadur P. Rajagopala Acharian
for his consideration.
1-11-1916
215/21

pages 4 to 5 supra
+ page 8 to 10 of 1st.

page 5 - 1st.

page 4 supra.

Please see the Madura Collector's fortnightly report and Mr. Tressler's D.O. and official letter.

All these communications only urge the speedy acquisition of the dyestuffs ~~ex.~~ S.S. Barenfels. As will be seen from the notes on pages 1 to 3 supra, nothing could at present be done by this Government in this matter until we hear from the Government of India in reply to our telegram of the 16th instant. It is understood that the fact that the situation created by the dearth of dyes is likely to affect the working of the Madura spinning mills has been already reported to the Government of India by the War Section. No doubt if the original ⁴~~original~~ scheme for the acquisition and sale of the cargoes were adopted, the small dyers of Madura would benefit by it much more than they would if the subsequent orders of the Alexandria Prize Court to sell by auction were given effect to. But the fact brought to notice by the Dyeing Expert and Mr. Tressler, that larger quantities of dyes are now being manufactured in England, may improve the situation to some extent so ~~as~~ far as small dyers are concerned.

2. The Collector of Madura also requests that the Government should arrange for regular supplies from England. With regard to this attention is solicited

to paragraph 3 of note on pages 237 and 238 of notes

(B) to G.O.No.1434-35 Educational, dated the 19th April 1916.

It was therein decided that the Government of India need not be addressed in the matter now.

3. In these circumstances, it does not appear that any action need at present be taken either on Mr. Tressler's letters or on the fortnightly report. The order of the Government of India on this Government's telegram of the 16th may be awaited.

OK 19.6.16. CR 19.6.16

C.No.2140 Edl., Telegram from the Govt. of India, No.4713/258, d/the 19-6-1916.

Please see the telegram from the Government of India since received, passing orders on this Government's telegram of the 16th instant. The Government of India approve the auction system proposed by the Alexandria Prize Court, but lay down that in such sale all ~~actual~~ and speculators should be carefully excluded. The question first arises as to what steps should be ~~taken~~ taken to guard against speculators. Messrs Gordon Woodroffe & Co. have requested that the Government might appoint some one to decide whether the purchaser is ^{hampshire} an actual dyer or not. If the auction is held at Madras, Dr. Marsden may be able to look to this business. ~~He may perhaps be consulted on this point.~~

2. Having excluded speculators, it has to be considered how the dyes should be distributed between the small and large dyers. If both these are allowed to bid together at the auction, it is ~~very~~ likely that

page 11 + 12 of cf.

page 506 of cf.

page 1 of cf.

page 12 of cf.

that the small dyers with their slender means may not be able to bid successfully against the owners of large concerns such as mills and ~~the~~ get any appreciable quantity of the consignment. The Government of India commend to this Government the system adopted in Bengal, viz., to reserve a portion of the consignment to small dyers and to auction the balance to large manufacturers. The whole scheme which has been under consideration so long has been started ~~now~~ with the object of aiding the poorer class of dyers, and it seems ~~now~~ appropriate that every opportunity should be taken to pursue this course. If so, the system commended by India may be adopted in preference to auctioning wholesale.

The next question is how the portion reserved is to be disposed of. The Government of India suggest auctioning in separate lots. This may be accepted. To enable this it has to be determined in the first instance what portion of the cargo is to be reserved for small dyers. Mr. Tressler may be asked to report on it.

Subject to approval a draft telegram to the Director of Industries and Messrs Gordon Woodroffe and Co. are submitted for approval.

21.6.16

Telegram to Messrs Gordon Woodroffe & Co. 21.6.16

page 13 and 14 of C.F.

The telegrams to Messrs Gordon Woodroffe & Co & the Director of Industries have issued. The file may now be submitted to H.E. the Governor for perusal.

SK CA
22.6.16 22/6/16

1+E

Box No 13
22.6.16

India has at last issued final orders in re the dygs. Please see page 11 and 12 of the C.F. The Messrs Gordon Woodroffe & Co and the Director of Industries - page 13 and 14 of C.F. For perusal.

22/6/16.

23.6.16.



CR. 2198. from Messrs. Gordon Woodroffe & Co.
8.23.6.16.

Please see the letter from
Messrs Gordon Woodroffe & Co.
- on page 15 of current file. The
reply from the Director of
Industries to the telegram of
the 21st instant has not yet
been received. It is further
whether he may now be
reminded.

8th 16.6.16. CR
26.6.16.

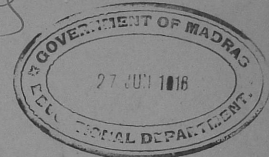
Mr. Woodroffe's Co. has
received message. And
it can not be kept

29.6.16.



31
CN^o. 2215 Es

27. 6/16



D.O.

MADRAS POST BOX No. 454,
TELEGRAPHIC ADDRESS, "CHROMIUM."

26. 6. 1916

Sri R. Rajagopalachari.

Page 14 of 41.

I received your telegram re
Dyrolloff when seen the people in
Madras. I have also discussed the
matter with one or two other people.
I must say I cannot understand
how Govt. is to control sales without
acquisition & as I have heard
personally that Gordon Dondroff's
wrote to the public audience for the
19th July it seems desirable to

31
CN^o 2215 Eg
27. 6/16



Arrive at a clear understanding
at once.

I enclose a note embodying
my views which you shall be kind to
show me when you can see me.

Yours sincerely,
[Signature]



(1827-616-1)
 Note by Mr. Tressler, Director of Industries.

(The note was
 not in manuscript
 on 2/7/6. It has been
 typed for early perusal)

The object of Government in connection with the disposal of the Barenfels dyestuffs cargo is firstly to confine it to bona fide dyers by excluding speculators and secondly to secure a fair division between the 2 classes of dyers viz., manufacturers and small dyers. The question of distribution amongst the individuals of the two classes is a secondary one.

It is evident that speculators can be excluded by confining sales to actual dyestuff users. So far as the mills are concerned this is easily done by limiting bids to manufacturers or their representatives. There will not be more than a dozen at most and they can easily be identified. I see no chance however of identifying small dyers without a lot of enquiry and they are therefore to be represented by a Government official acting on their behalf.

As regards the speculation question, therefore, I propose to limit the field to one Government representative acting in the small dyers' interest and the ~~representatives~~ ^{accruals} representatives of the mills in this Presidency.

To ensure a fair division between the 2 classes the amount to be allotted must be predetermined. This has been done by Dr. Marsden. In the accompanying list the items marked "S.D." are reserved for small dyers, the items with a cross divided (equally?) between the 2 classes and the remainder are reserved for manufacturers. By this division the reserve for small dyers is rather more than half the total both in ~~with~~ aniline and alizarine colours.

This division requires the consent of the agents; if they do not accept it they must suggest some other one. A definite division is necessary before anything more can be done.

When the division has been made, the question of distribution has to be considered. As Government has for reasons above mentioned, to undertake the representation of the small dyers collectively it has also ipso facto to undertake distribution. ~~Another~~ reason why this is necessary is because the actual ~~re~~ requirements of individual small dyers cannot be ascertained until ~~the~~ after the price is known (i.e. after auction). Government distribution therefore appears inevitable in this case and distribution pre-supposes acquisition.

*page 19 in pa

So far as the mill share is concerned Government interference does not seem incumbent. If this view is held then the mill share may be sold in auction (limited as already explained) and Government may acquire the part reserved for small dyers either by reservation and payment of average prices as fixed by the sale of the mill shares or else by actual bidding at the auction.

The former method is suggested though it involves an arrangement with the agents. The meaning of the word price must be fixed beforehand. I suggest that as soon as the proposed division is accepted ~~the~~ Dr. Marsden make out an estimate of the relative value of the mill and small dyers' share respectively. If this is accepted, the amount payable by ~~X~~ Government will be to that realized by auction in the ratio previously determined. If this scheme is adopted therefore, my suggestion is --

- (1) To notify sale to manufacturers and ~~their~~ their agents and to limit bids to them,
- (2) To reserve a predetermined part of the consignment, as specified,
- (3) To pay for that on the basis of relative values and actual auction realizations.

Gordon Woodroffe's consent to (2) and (3) are necessary.

35

Government having purchased the part reserved for small dyers will best distribute it. The actual details ~~of~~ of distribution can be worked out by Dr. Marsden later; they will probably depend very largely on the price paid. Anyhow, as already explained, ^(this) ~~the~~ question of distribution is a secondary one and need not be taken up in detail till the dyes are purchased. I have however to explain that I have been offered 5 lakhs for the consignment and expect that, on the proposed division, the cost of the Government share will come to 3 lakhs. Further it seems to me an open question if small dyers can pay on this scale. But this is a point that it is no use arguing about. The only thing we can do is to purchase the dyes on the best terms possible and offer them to the dyers. If they will pay, well and good; if not we have the option of either selling at a loss to help the industry or else of reselling the reserve to the mills. If resale is effected within 2 or 3 months it should be possible to realise at least the price paid.

There is some risk in the transaction, but

I do not see how this is to be avoided if the small dyer is to be helped.

So far I have dealt only with the small dyers' share and left ~~these~~ the mill owners to shift for themselves. Collectively they do not lose by the proposal to let them fight amongst themselves for the dyes, but both Harvey ~~Bro~~ Brothers and Messrs Walker & Co., who are agents for several mills have expressed the emphatic opinion that open auction will be unsatisfactory since not only will prices be forced up (and so enhance the cost of the Government share) but the dyes will be unfairly distributed. Some mills, for instance, are in very low water because they cannot obtain dyestuff and cannot sell yarn. Others are ~~losing~~ money on Khaki. The former need the ~~stuff~~ dyestuffs most and are least able to pay for them whereas the latter do not mind very much what they do. The mills themselves therefore want to come under the Government distribution scheme. What is suggested is that 2 competent Bombay arbitrators (I think the mills would undertake to find acceptable persons) should value the cargo which would then be taken over

37
39
by Government entirely and distributed.

This scheme is, of course, a reversion to the previous one and I do not know how far it would be acceptable to Government. As however it has been put forward by the representatives of several mills I submit it to the notice of Government. Personally I am inclined to attach a good deal of weight to commercial opinion in this matter and in my instructions I should like to have definite orders as to whether the suggestion of arbitrators is to be ruled out.

This second scheme is an eleventh hour one, as I have only just received a telegram, ^{(but} what appeals to me about it is that the whole trouble of valuation is arranged for by mills interested and that the valuation is almost certain to be to our advantage. If Government think it worth while proceeding with I should tell the interested mill owners that I am prepared to consider a scheme if submitted in out and dry form within 10 days. This commits Government to nothing and if the interested manufacturers can get two Bombay arbitrators on reasonable terms and agreeable to Gordon Woddroffe's it would simplify matters a great deal.

The division of dyestuffs into two parts for manufacturers

manufacturers and small dyers could be unaffected. The distribution to small dyers would not be affected; the only difference would be that Government could also allot dyes to the mills instead of letting them scramble for them. In return for this extra service they would probably reduce the cost of acquisition materially and so obtain a better chance of selling to the small dyers.

DYES EX S/S "BARENTS".

CRAS

1 Case	100 lbs	Oxamine Red	
1 "	"	Cotton Corinth G	
1 "	50 lbs	Diamond Green B Y	
1 "	100 lbs	Orange No.2	
1 "	20 "	Auramine II	
1 "	20 "	" III	
1 "	20 "	Tannin Green G G E	
1 "	50 "	Blue R N E	

ARAS

1 "	100 "	Pyramine Orange R	
1 "	100 "	Auramine III	

W K & R

50 Kegs	5600 "	Alizarine v 2a Bl.	16 %
50 "	5600 "	"	20 %
10 cases	1000 "	Blue Black	
5 casks	1120 "	Alizarine v 2a Bl.	20 %
5 "	2240 "	"	40 % (Thin)
5 "	1120 "	"	20 %
5 "	2240 "	"	40 % (Thin)

B. V C & C

17 Kegs	1904 "	"	15 % (New thick paste)
2 Casks	896 "	"	40 % (Thin paste)

CRAS

4 cases	400 "	Metam yellow K	
1 "	100 "	Scarlet R R	
1 "	100 "	" R R R	
1 "	50 "	Silk blue in grains	

B A S F

3 "	150 "	Scarlet R R R	
2 Drums	50 "	Cosmos Red	
1 "	50 "	Imperial Kapoo	
1 "	28 "	Cotton Fast Red W K	
1 "	56 "	-do-	
3 "	150 "	Pyramine Orange R	
1 "	100 "	-do-	
2 Iron Casks	896 "	Indanthrene blue R S doubled. past	
1 Oaken Keg	28 "	Pyramine Orange R	
2 Drums	56 "	Cosmos Kapoo	
2 "	112 "	-do-	
10 "	1120 "	Sulphide of sodium cone in pieces	
2 Kegs	560 "	Hydrosulphide B A S F cone powder	

ARAS

4 cases	400 "	Blue	
5 Drums	280 "	Black	

W K & R

FE & Co. 491170/89	20 Kegs	Alizarine each 1 cwt nett.	16 %
491098/147	50 "	-do-	20 %
491150/69	20 "	-do-	20 %
491148/9	2 Casks	Alizarine each 2 cwt nett.	20 %

J D S T 10095/101
 AR 10846/7

7 Casks	Aniline colors (red each case 1 cwt nett)	50 %
2 "	-do- (Black)	
	each case containing 50 lbs nett.	

ARAS 11494/208
 ARAS 11191/2

15 casks	aniline salt each 1 cwt nett.	
2 cases	aniline colors (Black)	
	each case containing 2 Kegs	
	weighing 112 lbs nett each.	
4 "	" (Yellow)	
	each case containing 50 lbs	

AR 11186/9
 11190

1 "	Material	
-----	----------	--

SAR 12263

Est. Department.

Please see Mr. Treacher's note on pages 12 to 15 infra. He was asked to report on the following points:—

- (1) what portion should be reserved for small dyers out of the stock of dyes
- + (2) what arrangements are necessary to keep off speculators.

2. With regard to the first point, Mr. Treacher, in consultation with Dr. Harnden, advises that certain particular brands in the stock of dyes (please see list on page 142 of ffs. No. 434 Est., dated the 19th April 1916) should be reserved for small dyers and that certain others should be divided equally between them & the larger manufacturers. It is for orders whether Messrs Gordon Woodroffe & Co. may be asked to state whether they would agree to such reservations.

3. As regards the second enquiry Mr. Treacher points out that there is no difficulty in keeping off speculators in the auction to the mills, but that in regard to small dyers it is very difficult to identify them.

page 14 of cf.

page 13 infra

page 12 infra

them ~~it~~ consequently ^{proposes} ~~the government should~~
~~be responsible for the purchase of the goods~~
~~of the goods in the state and in the~~
~~affairs of the state~~ that the Govt should
acquire the dyes to be reserved
for small dyers and then distri-
bute them. Mr. Tressler states that
the actual details of distribution
will be settled later on by Dr. Har-
sh. The question that has to be consi-
dered immediately in connection
with such a proposal is what
price should be paid for the
portion reserved. Mr. Tressler con-
siders that the price may be
fixed with reference to the amount
realized at the auction sale to the
mills. In this case there ^{is the fear} is the risk
that small dyers may not be
able to pay that price ^(and consequently) ~~and consequently~~
~~the~~ the Govt may have to sell
the goods either at a loss or ~~other~~
~~wise~~ they should sell them to
mill owners themselves. Mr.
Tressler ~~sees~~ ^{sees} no alternative
to this scheme if the small dyer
is to be helped. It is for orders when
his proposal may be accepted.

page 15 supra.

page 14 supra.

page 15 supra.

and the firm asked if they would agree to it. On the whole the present proposals seem to be the best that could under the circumstances be evolved. The only alternative to the "distribution" is to "anchor" to the small dyers. This may not be an altogether successful course in view of the dyers being scattered in various districts and of their lack of capital. If the firm is ^{not} disagreeable to Mr. Treseher's scheme in this regard, we ~~may~~ have ultimately to resort to the above alternative.

Pages 16 to 18 supra

4. In his note Mr. Treseher also makes another proposal viz., that the whole cargo may be purchased and distributed by the Govt., the price being fixed with help of arbitrators. This was the original scheme and has been definitely abandoned by the Prize Court and the Govt. of India and there seems to be no use in trying to reopen it. The consequences of anchoring so

Shon

should be faced.

5. Subject to approval a draft telegram to Messrs. Gordon Woodroffe with reference to para. 2+3 above is submitted below.

S.K.
28.6.16.
CR
28.6.16

CR 616
29

[Telegram to Messrs. Gordon Woodroffe
29.6.16.]

CR 2301. From the D.I. of 30.6.16.

page 17 of cf.

page 14 of cf.

The Director of Industries requests orders as to whether he may return the cargo of dyes to Messrs. Gordon Woodroffe & Co., tomorrow. It is submitted that in the telegram of the 21st instant he was ^{already} directed to return it. It does not appear that any modification is necessary in this order. A draft telegram to him is submitted for approval.

S.K.
30/6/16. CR
30/6/16

CR 616
29

[Telegram to Messrs. Gordon Woodroffe & Co. of 30.6.16]

p. 18 of cf.

Educational Department.

C.No.2305. From Messrs.Gordon Woodroffe & Co., dated 29-6-1916.

Please see Messrs Gordon Woodroffe and

Company's letter on pages 19 and 20 of c.f. The firm consider it impracticable to adopt the scheme suggested by the Government to reserve a portion of the cargo for small dyers and to fix its price with reference to the amount realised on the portion sold to manufacturers. The difficulty experienced by the firm lies in the fact that the value of one variety could not be easily taken as the basis for fixing the value of another. This was already foreseen by Government, and Mr.Tressler in his note of the 27th instant suggested that the ratio which the prices of the several varieties generally bore to each other might be introduced to determine the value of the ^(portion reserved) ~~the~~ ~~the~~

~~the~~. This point has not apparently been grasped by the firm. As they seem to be anxious to hold the auction on the 10th July and as it is ~~likely~~ unlikely that they will easily agree to any further negotiations or postponement of the date of auction, it may be desirable to settle some definite scheme agreeable to them at once.

page 14 trpa.

This probably unworkable
1-7-16

Don't do
1-7-16

NOTES.

45 Page 25

2. The alternatives that remain open are

(1) to permit a wholesale auction, Government bidding at it on behalf of small dyers in respect of the items selected for ^{to later} ~~them~~ ~~and~~ ~~Wm~~

(2) ^{to later} ~~reserving~~ the auction of the portions earmarked for small dyers solely to them.

As has been already pointed out, there are objections to the latter, viz. that small dyers are scattered and may not have sufficient capital to bid at the auction. Mr. Tressler is also strongly against such a course. The first is therefore the sole alternative left. The firm strongly recommend it. The objection to this course is that it may not be possible for the Government to obtain ⁱⁿ ~~any~~ suitable quantity of the dyes required for the small dyers at ~~a~~ moderate prices, especially when they have to compete with large manufacturers. The firm hope that the manufacturers may not bid high when they get to know that the Government are in the field. This seems to be problematical, but as there is no other suitable course open ~~this~~ ^{it} may perhaps be accepted. If the price

paid for any portion reserved for small dyers is prohibitively high for them to ^(by subsequently) ~~buy~~ Mr. Tressler's

page 22 supra.

page 15 supra.

page 9 of 9.

page 20 of 20.

Very truly yours,
Wm. Tressler
1916

page 15 supra.

suggestion to reoffer them for sale to the manufacturers may be resorted to.

3. In regard to the two items the quantities in which have to be divided equally between large manufacturers and small dyers, the firm makes a reasonable proposal that the portion allotted to the former would be sold first and that ^(the) ~~price~~ ^(realized through) could be taken as the value of the ~~other~~ portion for small dyers. This may be accepted. It is not known whether the other items which are thought to be useful for small dyers could also admit of such a treatment. If so, it would be a satisfactory solution of the difficulty.

As it is now practically impossible to pursue the question further it may be dropped.

4. Subject to approval draft telegrams are submitted below.

Ca
30.6.16

1-7-16

Telegram to Messrs Gordon Woodroffe

Telegram to Messrs. J. I. 7.16

[No. 723 Est. dy 1.7.16.]

Items No 31 + 36 marked with a cross on page 19 supra.

Items marked 'S.D.' on page 19 supra.

723 edl mms
1-7-16

Educational Department.

Order The following telegrams will be
issued Telegram.

To

Messrs Gordon Woodroffe & Company,
Madras.

Your letter 29th June regarding dyes
Barenfels. Government accept your proposal
that Dr. Marsden should buy at auction dyes
required for small dyers. They agree to your
suggestion regarding fixing of prices of
moietyties in items 31 and 36.

Ca
30-6-16

1-9-16

5/1/17

24th Sept
1-7-16

page 19 of 21
Post 24th Sept
1-7-16

9/1/17

48

Educational Department.

Telegram

To

The Director of Industries,
Madras.

Government accept Gordon Woodroffe's proposal that Dr. Marsden should buy at auction on behalf of small dyers such dyes as Government wish to reserve ~~for~~ for distribution to them ~~them~~. Half of items 31 and 36 required for small dyers will not be auctioned. The price secured for other half will be taken as ^{in the case of these two items.} ~~the~~ value. Please instruct Dr. Marsden accordingly and direct him carefully exclude speculators ~~them~~ at auction.

CR
30.6.16

1-7-16

Rel. days
1-7-16
Post. days
1-7-16

J. Marsden
Marsden take
care not to bid
for higher prices
than what the small
dyers are willing to pay.

1-7-16

CN^o 2770 Es
27.7.16

Extract from the Fortnightly report from the Collector of
Madura, No. 84-Spl. dated the 11th July 1916.

x

x

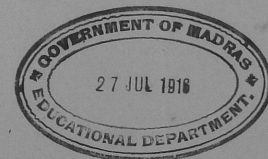
x

State of Trade.- There was a good deal of excitement among
the Sourashtras over the dyes from the S.S. "Barenfels." A number
of dyers attended the auction. The order restraining the bidding
to dyers and consumers of this Presidency should have a very good
effect. I have not yet heard the result of the auction but I hope
that they will buy enough to make the closing of the mills unneces-
sary for the present. I cannot however too strongly urge the
necessity of inducing the Home Government to export dyes if it can
be done. I was told by one of the dyers that the permission to ex-
port by license had been withdrawn.

report on the
dye has been
sent by post

[Handwritten notes in left margin:]
The above extract may, it is submitted,
be sent to the Edl Dep^{ty}.

247-16
C.S.
257/16
2



Edl no

26/7/16

SK

Educational Deptt.

In his report extracted on the previous page the collector requests that the Home Govt may be moved to export dyes to this country. With reference to this, attention is solicited to para 3 of the note on page 237 of G.O. No 434 Estt, dated the 19th April 1916, where it was decided that the Govt of India need not be addressed for the present. As the dyes ex S.S. "Barenfels" have just now been distributed in the Presidency it may perhaps be better to wait for some time before addressing India.

I think so
18
3/8/16

pages 8 to 10 of
page 25 of G.O. 723 Estt
1.7.16

Further, both Dr Harrison & Mr Freese recently brought to notice the fact that larger quantities of dyes were being manufactured in England. It is possible that a portion may be sent to this country in the ordinary course. 2. As regards the refusal to grant license to export dyes referred to by the Collector, it is submitted that there is no information in this Deptt on the matter. The Separated Review

page 1 supra (last time)

Revenue Department may perhaps be requested to state whether they have any information about any such case.

8A
31.7.16 1.8.16

Has Sep Rev any information in regard to por (a) above?

W. 31.8.16



Col no 2770-1

Sep R. C. No. 1402

14.8.16
17.5.8.16

To under Secy.

File (Sep Rev) Dept

There is no information in this dept as regards the refusal by the Home Govt to issue licenses for the export of dye stuffs to India.

Attention is in this connection invited to the Press Communique issued by the Govt of India on 14.6.15 in No. 677 E of 22.6.15.

Noted on
31.8.16

Sep R. C. No. 1402-1

14.6.15 in No. 677 E of 22.6.15.
5.8.16
5.8.16
5.8.16

Home (Gov.) Dept.

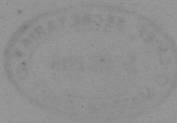
It is for a decision whether any further
action should be taken on this file
8th 11.8.16. See papers may be checked
with for No 723 of 1-7-16

11th 15/8/16

16.8.16

Please be
in register
return
8th

Notes
18/8/16



10th 18/8/16

1st (2nd) 18/8/16

To underling

Information in this report on
regards the refusal of the
Home Dept to issue license
for the export of 2000
// the issue

Attention is in the connection
with the Home Department
which is in the process of
being dealt with by the
18/8/16

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 FILLED UP, BEING MEANT FOR DESPATCH
 IN ORIGINAL.

W.H.

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