

Government of Madras

HOME DEPARTMENT (EDUCATION).

G.O. No. 1468, 19th November 1917

Oil chemist

Passing orders on the proposals for the permanent appointment of an -- and soap expert.

N. P.

INDEXED

t
e
b
g
v
t

N. P.

ORIGINAL.

Government of Madras

HOME DEPARTMENT (EDUCATION).

G.O. No. 1468, 19th November 1917

Oil chemist

Passing orders on the proposals for the permanent appointment of an -- and soap expert.

and—the following papers :—

I

Letter—from Sir FREDERICK NICHOLSON, K.C.I.E., Honorary Director of Fisheries.*To*—the Secretary to Government, Revenue Department.*Dated*—Madras, the 29th March 1917.*No.*—Ref. 132.

I have the honour to submit the following in continuation of my letter No. 87, dated the 2nd March 1917, read in G.O. Mis. No. 798, dated 16th March 1917, relating to the continued employment of Mr. A. K. Menon, B.A., F.C.S.

2. In the last sentence of that letter I wrote as follows : "The precise terms of Mr. Menon's retention will be separately discussed since, under proposals and schemes, public and private, which have recently come into view, Mr. Menon's position and prospects as well as pay have to be settled". I now submit my views for the favour of early orders. I need not trouble Government at length, for I have discussed the matter pretty fully in my letter of 4th March 1916 read in G.O. No. 2159, Revenue, dated 21st September 1916; to the suggestions of that letter (read with my letter read in G.O. No. 3553, Revenue, dated 3rd December 1913) I adhere, as they seem to me equitable and indeed necessary; viz.—

(1) the permanent employment of Mr. Menon as oil chemist and soap expert in the Department of Industries (paragraphs 7 and 8 of my letter of 4th March 1916);

(2) on such pay as will ensure his best efforts (paragraph 9).

Whether the pay should be a definite sum or whether it should be partly pay partly bonus dependent on net profits, is a matter for decision; I discussed this point last year in a confidential letter to Government but no decision was given thereon.

3. The matter is, in a way, complicated by possibilities, public and private, and in consequence of these I have docketed this letter as "confidential". I allude (a) to the possibilities of a combined public oils and fats technological institution attached to the Indian Research Institute at Bangalore, as suggested by the special committee which met there in September 1916; (b) to the inquiries made by private firms regarding the establishment of large factories in this and neighbouring Presidencies.

4. As regards (a), it appears to me that should this proposal materialize—which however I now doubt—Mr. Menon's appointment as a permanent officer is wholly desirable, for he is the only officer in this Presidency whose speciality is oils and fats scientifically considered, and he is the most thorough of any of the soap experts; the only other soap expert is attached to the Industrial Department, Mysore, but is not to be compared as to attainments and training with Mr. Menon, and, in fact, the Mysore man was recently sent down here to learn from us and to copy our plant which Mr. Menon has set up. Moreover Mr. Menon has shown his practical and theoretical knowledge by actual work, and has gained further knowledge by local experience and commercial dealings. Hence if the Bangalore proposal materializes, Mr. Menon should be one of the permanent staff. If it does not materialize, then we fall back on our own factory and investigations in the Madras Department of Industry, for which Mr. Menon is absolutely the only officer.

5. As regards (b), viz., the chances of private enterprise. This need only be considered as a complication if on the large scale; if enterprise is small Mr. Menon will be all the more needed in training managers, foremen, etc., for small works, in conducting experimental work, in giving advice and in correcting the mistakes of small, uninstructed enterprise, and in analysing and checking the character of the soaps issued which, especially in small enterprises, are frequently of very low class, since, in order to increase the petty profits, the soaps are apt to be water-logged and filled with rubbish. Indeed, should the certificating of soaps or the requiring that only soaps of genuine character should be issued, be contemplated or legalized as appears to be suggested by the Industrial Commission and witnesses, an oil chemist, thoroughly expert as a practical man in soap-making, would be a necessity. Moreover should small enterprises be started over the Presidency, which is my own dream, there would have to be a central glycerine factory for the refinement of the glycerine so as to utilise it for cordite, pharmaceutical and industrial work, etc., and for this an expert is necessary; Mr. Menon is already acquainted with this work, while his knowledge would be necessary in assisting the small factories to recover the crude glycerine economically from the waste lyes. Hence if no great factory or group of factories takes up the combined industries, Mr. Menon's permanent appointment is most desirable.

6. I have only mentioned ordinary soap and glycerine work, but there are several developments now common in the soap and glycerine industries, such as the splitting of oils before saponification into the fatty acids and glycerine, and the use of the fatty acids for soap-making; these processes are well known to Mr. Menon who also specially studied them in Germany. The process of making stearine for subsequent manufacture into candles is also known to him though he is not a practical candle maker. For all these developments which are not only probable but almost necessary, Mr. Menon will be most useful.

7. But there remains the very possible case of a great capitalist firm, or of more than one, entering the Presidency and starting a factory or factories for the various oil and fat industries; such an event is at least probable from the inquiries recently made by an oil engineer on behalf of a Bombay firm of unlimited capital. From my conversations with the expert I have reason to believe that Mr. Menon's work, knowledge and manner were thoroughly approved, and I was asked whether his services would be available in case the factory was started, since he alone has had actual experience of soap-making.

Now I consider that in such case we should not part with our expert—assuming that Government agree that one is desirable—except as a loan; we need an expert as pointed out above for various purposes, and while I should be willing to lend him to a newly started factory I think we should keep a lien on him for our own purposes whether as analyst, instructor or otherwise. For instance, the starting of a large factory does not rule out small ones; in Germany and Austria there are large and splendid factories and a vast number of small ones, each supplying its immediate locality and able to live—like village weaving alongside vast mills—in spite of the great factories' competition, by the fact that superintendence, technological work and business management are entirely those of the owner, while labour works entirely under his own eye if indeed it is not that solely of himself and family or co-operators; they buy and work very cheaply, and are content with minute profits. In fact, the introduction of soap manufacture even in large factories, stimulates small capitalists by awakening their knowledge and enterprise.

Mr. Menon's pay would of course cost the State nothing while his services were lent, so that we should have the advantage of assisting the industry without cost and yet obtaining his services when desired.

8. I should add that I consider it desirable to settle this matter now. Mr. Menon has been in Government service since the end of 1913, and he is still kept on merely from year to year without any certain prospects. Apart from any chances resulting from public or private enterprise as above mentioned, I am convinced that the Department of Industries needs an oil and fats expert, and that Mr. Menon will

quite well fill the post. Mr. Menon at the age of 30 and with his past training and present experience naturally desires definite prospects in view of his settling in life.

9. I presume that the Director of Industries will give his advice on my proposals.

II

Endorsement No. 825-A/17-1, Revenue, dated 14th May 1917.
Referred to the Director of Industries for early remarks.

F. J. RICHARDS,
Deputy Secretary to Government.

To the Director of Industries, through the Educational Department, with copies of—
G.O. Nos. 3553, Revenue, dated 3rd December 1913, 2660, Revenue, dated 16th Sept. 1914, 52, Educational, dated 16th January 1915, 384, Educational, dated 26th March 1915, 2159, Revenue, dated 21st September 1916, and 798, Revenue, dated 12th March 1917. } (to be returned).

III

Letter—from C. A. INNES, Esq., I.C.S., Director of Industries.
To—the Secretary to Government, Home (Education) Department.
Dated—Madras, the 26th/28th May 1917.
No.—D. Dis. 260.

I have the honour to reply to Government endorsement No. 825-A/17-1, Revenue, dated the 14th instant, forwarding for remarks a letter from the Honorary Director of Fisheries recommending the permanent employment of Mr. A. Kesava Menon as oil chemist and soap expert in the Department of Industries.

2. I agree with Sir Frederick Nicholson that this question ought to be settled at once. Mr. Kesava Menon has now been employed from year to year since December 1913, and he is entitled to ask Government to make up their minds whether they propose to offer him permanent employment or at any rate employment for a number of years. As pointed out by Sir Frederick however the question is not so simple as it looks. It is true that the scheme for opening an oil and fats research section at the Indian Institute of Science does not seem likely to materialize, and that this particular complication need not be taken into consideration. On the other hand there is reason to believe that striking developments may be expected in the near future in the establishment in the Madras Presidency of large capitalist factories for the working up of vegetable oil-seeds. The Eastern Development Corporation has already opened one such factory at Kallianpur in the South Kanara district for the production of edible fats from Dhupa seeds. And quite recently categorical statements have appeared in the press that Messrs. Tata Sons & Co. are negotiating with the Cochin Darbar for a site for a vegetable butter factory at Ernakulam and that Messrs. Lever Brothers are contemplating the establishment of a soap factory at Feroke. I do not know whether the latter report is true or not, but there is reason to believe that Messrs. Tata Sons & Co. will soon set up at Ernakulam. I have suspicion that they will devote themselves mainly to the expression and export of coconut oil, but two representatives of the firm have assured me that they also intend to go in for the production of soap, candles, glycerine, vegetable butter and the like. Sir Frederick Nicholson has given good reason for believing that even if these leviathan firms set up soap factory on the West Coast there will still be reason for small owner-worked enterprises. Time alone can show whether he is right. But whether he is right or not in this respect, I am entirely of his opinion that an oil chemist ought to be attached to the Department of Industries. Oil-seeds are perhaps the most important commercial product of South India, and so far little systematic work has been done on them. On the East Coast, with its groundnuts, castor oil-seeds and cotton seed, they are even more important than on the west. Messrs. Tata Sons & Co. are thinking of starting on this coast also, but the project has not advanced very far. Even if they do start, it may be taken as certain that vast quantities of oil will continue to be expressed in country ghans and small presses up and down the coast. Large quantities of this oil are and will continue to be exported but it has not a very good name in the market. It is often defective in quality owing to dirt and other impurities, acidity, rancidity and

the like. Very often also it is adulterated. The causes of the remedies for this inferiority of quality ought to be studied by a qualified chemist in a properly fitted laboratory, and if the question of adulteration is ever seriously tackled, not one but probably a staff of chemists will be required. Small soap works are already in existence or about to be started on this side of the Presidency, and these need guidance and advice, and a good deal of work probably remains to be done in respect of the lesser known oil-seeds. I think therefore that it may be assumed that large capitalist factories, even if they come into existence, will not by any means exhaust the whole field and that there will still be scope for much useful work for the Department of Industries, provided that it is equipped with a competent oil chemist such as Mr. Kesava Menon appears to be.

3. Personally I should prefer to enter into a five years' agreement with him in accordance with the ordinary commercial practice. But it is doubtful whether Mr. Kesava Menon will agree since the prospect of a pension is one of the main advantages of Government service, and since Sir Frederick Nicholson recommends permanent employment, I have no objection.

IV

Letter—from the Honorary Director of Fisheries.

Dated—the 18th September 1917.

No.—428. Ref.

I have the honour to inquire whether Government entertain the idea of establishing a permanent soap factory. In G.O. No. 663, dated the 5th March 1917, I was directed to submit proposals for the same, but I am not sure whether under later conditions, the idea still holds good. By "later conditions" I mean especially, the possibility of great monied firms taking up the oils and fats industries, including of course the soap industry, on a large scale in this Presidency and probably on the West Coast. I allude to the probability of a great factory by Messrs. Tata & Co. at Ernakulam, the possibility of a factory in Malabar by Messrs. Lever and the chances of a soap firm entering from another Presidency. Moreover, as I understand the latest Administration report of the Tata Research Institute, there is still a chance of a technological oils and fats institute in connexion therewith, though its specific object will be lessened if great firms take up the whole matter as an industrial enterprise.

2. As regards Messrs. Tata the enterprise is apparently in advanced project. As regards Messrs. Lever I can only guess from their large and annually increasing interests in the Indian soap trade, from their willingness to invest, as recently in Japan for 45 lakhs in soap factories in countries which interest them, from their standing connexion with the soap trade on the West Coast and from their knowledge of Government efforts and those of Messrs. Tata in these matters that they are likely after the war to start a branch factory on the West Coast; however, this is but a deduction or surmise and the Director of Industries has just informed me that it is "edible fats" that are attracting their present inquiries on this coast, a very probable and certainly lucrative business. As regards a firm from another Presidency the Director of Industries may perhaps be in a position to advise, as I am told that the Company approached him for local information, though immediate effort was to be elsewhere. Other firms have also, I believe, announced a desire to take up the industry after the war, and I have this day (17th September) received an application from a Madras (Indian) firm indicating a desire to start soap making on a good scale.

As regards the Tata Research Institute scheme, I know nothing definite and Government alone is cognizant of the likelihood of the project going through. Government has in fact desired me in G.O. No. 663, dated 5th March 1917, to go on with soap work irrespective of such chances.

I mention all the above since the matter must be looked at from both sides.

3. On the other side I must point out—

(1) that Government has, in the service, though temporary at present, a well-trained oil and soap expert, Mr. A. K. Menon, the only one in the Presidency;

(2) that he has been successful, as shown by results in 1916-17 not only in making soap of a genuine and excellent character, but of doing so with imperfect and improvised plant and at a good profit notwithstanding the present temporary loss of glycerine and the small output hitherto possible. This has been reported on generally in my recent annual report and the report on accounts will give precise figures as to cost and profits;

(3) that in a great country like India or even like the Madras Presidency with vast supplies of raw material, with large export markets near by (Ceylon, Straits, Abyssinia, Aden, East Africa, etc.), there is room not only for great soap factories but for many small ones. In European countries there are numerous small factories supplying their immediate neighbourhood with soap. Many turn out less than 100 tons per annum, being worked by petty capitalists who are their own superintendents, and supply all or almost all the necessary labour from their own families; they buy small quantities by careful higgling, they work up the material at once, and sell as soon as the soap is mature. They have no expenses for advertising or agencies but sell straight out of the factory. In this way with very small capital, they can make a modest livelihood notwithstanding the big factories with their wholesale dealings and output and also their heavy expenses.

4. Now the Presidency is well fitted for such small works, for, alongside the ordinary boiling process which can perfectly well be conducted in small one or two ton pans, there is the cold process which produces semi-toilet soaps of the best description, especially suited by their constituents (largely coconut oil) for manufacture on the coasts of this Presidency and by their necessary contents of glycerine coupled with the peculiar properties of coconut oil, specially suited for use with the hardest and most brackish of waters. As I have often more or less correctly said, with a bath tub in a verandah an instructed man can make excellent cold process soap and a living wage.

5. But the word "instructed" is at the root of the matter both for the hot and cold process. No one who is not well instructed can boil soap successfully as an industrial proposition; it is an art which can only be learnt by considerable experience; the quality of the oils and fats, the correct successive doses of alkali, the amount of boiling, the separation of impurities, the utilisation of half spent lyes and the impure residues, the recovery of glycerine, etc., can only be learnt by teaching in the factory. So also with the cold process; all materials must be specially pure since everything remains in the soap; the alkali must be exactly adjusted in strength and quantity to the character and quantity of the oils, while the mixing itself is an art. Add all the numerous operations of crutching (mixing) and framing boiled soaps, of cutting, pressing, drying all soaps, of the keeping not merely of cash accounts, but of stock and trading accounts without which a small manufacturer can easily ruin himself, of commercial dealings, and so forth, and it will be seen that if we are to stimulate the establishment and ensure the success by instruction of a hundred or so of small local factories and prevent the establishment of secrecy and monopoly by larger factories, we must have a Government factory. Moreover, in such factory will be trained the foremen, instructors, inspectors and artisans who will be so much needed for a large Presidency soap industry. I may add that I have quite a number of applications already for instruction both by small capitalists and by students, of whom at least two could usefully be trained if circumstances permitted. With a proper factory the place would become a small institute.

6. Again, the success of a small factory such as that of Government will be a stimulating object lesson to small capitalists and show the possibility of success by small enterprise, whereas the mere establishment of huge monopolist soaperies would actually deter the small man from entering the industry. Further the possession of a small glycerine plant both for recovery and eventually for refining would enable small factories to send their concentrated lyes to the Government factory for the necessary subsequent manipulations. The manufacture of insecticidal soaps from fish oil is a special branch of industry which would not be taken up by larger soaperies; this if properly conducted, as in a Government soap works or in factories taught from the Government factory, would not only be highly useful; as our short experience as shown, but is lucrative in itself while providing an outlet for the fish tallow (stearine), which is a part product of the fish oil and guano manufacture.

7. Finally, the Government soap factory with its chemist, laboratory and other industrial aids would shortly form a small technological institution where other branches of the oils and fats industries could be studied and demonstrated, such as candles, glycerine, oil paints and varnishes, edible fats, etc. Moreover, the laboratory would form a centre for oil and fat analysis, a special subject in which Mr. Menon is well experienced, and by which the known grave adulterations whether of edible or of technical oils and fats, and the crucial defects in village oil manufacture which lead to industrial and export difficulties and losses, can be detected, combated and removed.

8. The question is bound up, however, with that of appointing a permanent oil chemist and soap maker, e.g., Mr. A. K. Menon now in charge of the works. If such permanent man is not to be appointed *adit quaestio*, it would be absurd and indeed impossible to start a permanent factory without a permanent oil-chemist and manager: no one would take the post. Moreover—and this is one of the present difficulties—no technical man would take a temporary position where one main object is the instruction of others; without a permanent and well-paid position a man would naturally and rightly decline to part with technical knowledge and industrial secrets to men to be trained by him with the very idea of starting factories and taking up posts which would militate against his own continued employment or subsequent possible appointment elsewhere: a man does not willingly feather the arrow intended to pierce him.

9. Now the present time is super-excellent for establishing a factory and laboratory and appointing a chemist; it is one which is now available but cannot recur. Present supplies of soap are very short and prices high, and, as will be shown below, if Government will forthwith establish a soap factory (with oil laboratory) costing about Rs. 60,000 for plant and pakka building and producing 1,000 to 1,100 tons of soap per annum (a mere trifle) the profits at present prices of raw material on one side and of the finished goods on the other will not only pay back in one year the whole cost of the factory and laboratory, but will give a margin sufficient to pay the oil-chemist for some years: a second year should give a large additional profit. However, even at the end of the first year, Government would *at least* have got back its money and have its factory either for sale or for further working. These figures are not fanciful or those of a speculative prospectus but are based on the facts of the past twelve months but for safety's sake with an increased estimate of cost and a decreased estimate for sale prices, and a large margin for trade discount, interest and depreciation, etc. As it is improbable that, under present circumstances even an American plant can be set up and running before 31st March 1919, we have a full year for experiment and profit-making if our new factory could start not later than 1st April 1918 and earlier if possible. Prices may fall in 1919 and the present is a unique opportunity to get a factory and great practical experience and other benefits literally *gratis*. But even with normal prices the factory can pay its way with good profit.

17. I think I have shown complete grounds justifying the *immediate* starting of a small permanent factory: it is for Government to say

- (1) whether they desire such factory and if so whether they will finance it;
- (2) whether they will appoint an oil-chemist and soap-maker as a permanent officer of Government, without which the all-important instructional part of the factory would be impossible.

V

Endorsement No. 2594-A/17-1, Revenue, dated 17th October 1917.

Referred to the Director of Industries for early remarks.

F. J. RICHARDS,
Deputy Secretary to Government.

To the Honorary Director of Industries, through Home (Education) Department.

VI

Letter—from the Director of Industries, Madras.

To—the Secretary to Government, Home (Education) Department.

Dated—the 25th October 1917.

No.—G.C. 307.

I have the honour to reply to Government Memorandum No. 2594-A/17-1, Revenue, dated 17th October 1917, forwarding for remarks a copy of Sir F. A. Nicholson's letter Ref. No. 428, dated 18/24th September 1917.

2. As regards paragraphs (1) and (2) of the letter my information is as follows:—

(a) *Messrs. Tata Sons and Company's projected oil-crushing factory at Ernakulam.*—Mr. Bhore has heard nothing of the scheme since May. Mr. Thompson saw him in that month and promised to come back to Cochin State in August or September, but when Mr. Bhore wrote to me in September, he had not heard from or seen Mr. Thompson. In any case, it is my opinion that the firm's intention is to go in mainly for copra-crushing and the export of coconut oil, at any rate at first, though they may develop allied industries later on. Shipping space for oil is so limited at present—especially for a new firm cutting into the Cochin business—that I think it probable that the scheme may fall through or be deferred till the end of the war. The firm might of course begin with soap, vegetable butter, candles and so on for sale in India, but it would be difficult to obtain the plant and machinery for operations on the scale contemplated.

(b) *Messrs. Lever & Sons*—Messrs. Parry & Co., the firm's agents, have informed me confidentially that Messrs. Lever & Sons do not contemplate starting a soap factory on the West Coast but are thinking of going in for edible fats. For a soap factory they have acquired a large area in Calcutta. But they have taken no further steps and probably will not do so until after the war.

(c) Sir F. A. Nicholson's reference to 'a firm from another Presidency' is a reference I think to a Mr. DeSouza. This gentleman belongs to the Premier Oil Mills and is connected with an important home syndicate. The syndicate is anxious to start oil-pressing in Madras, but is at present precluded from doing so by an agreement with Best & Co. Mr. DeSouza's plans are so indeterminate that they cannot reasonably be taken into consideration.

3. I believe myself that after the war there will be a development of oil and fat industries in Southern India, but so long as the war lasts I think that the field will remain clear, and provided that he can get the necessary plant and machinery and also caustic soda, I agree with Sir F. A. Nicholson that the present is a magnificent opportunity for starting a larger soap factory. He may give up at once however all hope of obtaining, at any rate from the United Kingdom, a glycerine recovery plant. The Indian Munitions Board tried hard to get one, and had much correspondence with the Ministry of Munitions. But they were entirely unsuccessful, and where the Indian Munitions Board has failed, Sir F. A. Nicholson is not likely to succeed. He might conceivably get a plant from Japan, but I doubt if it would help him much. Doctor Simonson who studied the question at Simla informs me if he wants to make glycerine for war purposes he must have not only the plant but also an expert to work it, and in present circumstances the expert is as impossible to get as the plant.

4. As regards the rest of the plant, Sir F. A. Nicholson is apparently quite confident of being able to get it in India. Most of the plant is fairly simple, I believe, and the actual manufacture ought to give no trouble. But the question is whether the necessary material is available. Steel plates are extraordinarily difficult to get, and the price of them is appalling. But either mildsteel or wrought iron will probably be required for the tanks. Mr. Roberts, however, of the Public Works Department Workshops, whom I have consulted, thinks that he may be able to help. Caustic soda may be another difficulty. Sir Frederick will want largely increased supplies. My information obtained in the course of priority work is that Brunner Mond's Agent in Calcutta has no stocks at all, and the Buckingham and Carnatic Mills are now obtaining priority certificates for the caustic soda they require. If Sir

Frederick requires a priority certificate there may be difficulties, for certificates are not ordinarily given for new factories or new extensions. However, an exception might reasonably be made in this case.

5. I mention these points merely as difficulties which may have to be faced. With the general lines of the Honorary Director's proposals, I am in entire sympathy. Government have recently asked me for a constructive programme of industrial work, but so much of my time is now taken up with urgent munitions work that I doubt if I should be able to think out a programme in time for discussion at the budget. And there is another point to be considered. The Indian Munitions Board, I understand, has on hand a number of large schemes for the industrial development of India, and until we know what these schemes are and how they are likely to affect the general industrial problem it is inadvisable for us in Madras to embark on any large schemes. Nor can we. We can only prepare against the day when normal conditions are restored and men and machinery are again available from home. But this line of argument does not affect Sir Frederick Nicholson's present proposals. Industries which are mainly fuel industries must clearly be ruled out in Madras and the development of oil and fat industries must inevitably be one of the main planks of any constructive industrial programme. The main consideration is the raw materials, and we have them in abundance. Fuel is a minor matter. An excellent illustration of this point will be found in the estimate appended to Sir Frederick Nicholson's letters of the cost for a year of turning out 20 tons of soap per week. The estimated cost of the raw materials is Rs. 3½ lakhs; that of fuel is less than Rs. 7,000. Even the caustic soda, which must at present be imported (though I hope that the Indian Munitions Board will succeed in making a change in this respect), is a small item compared with the cost of the raw materials, and in short we have in soap a rare example of a possible industry in which the inherent advantages are greatly on the side of Madras as against Europe. The market is already large and will certainly expand, and obviously the industry which is practically non-existent at present is one which Government ought to stimulate by all the means in their power. It might be argued that Government have already demonstrated that soap-making will pay on the West Coast and that it is already time to hand the enterprise over to private enterprise. And it might further be argued that the mere fact that a big firm like Messrs. Tata Sons & Co. are seriously contemplating setting up on the West Coast is an indication that further demonstration work on the part of Government is unnecessary. But, apart from the fact that experimental work is still going on at factory, this line of argument overlooks the point that if the experimental factory were now made over to private enterprise the net result of some years' work would be the establishment of one factory. In any case of small industries such as pencils and aluminium, the result is the most that can be looked for. But in the case of soap where the raw materials are so abundant and where there is room for a number of factories it falls very far short of the ideal. It is true that one successful factor would probably lead in time to imitators. But either the imitators would begin without expert advice and merely burn their fingers, or they would be compelled to resort to the expensive plan of importing their experts from home. In either case there would be economic waste, and I quite agree that in the circumstances of India a larger Government factory is required in order that the training of apprentices may be taken up in earnest. The laboratory side of this factory ought certainly to be a very special feature, and I attach particular importance to Sir Frederick Nicholson's paragraph 7. In fact from the industrial point of view I would say that the sooner Mr. Kesava Menon can train up a man to assist him in soap-making in order to leave him free for other branches of research the better. But the immediate point of course is to push ahead with the soap. There is only one point on which I am a little doubtful, viz., whether Sir Frederick would not be better advised having regard to future developments to start on the East Coast instead of the West.

6. It has been suggested to me that if a private firm takes up soap-making on a very large scale on the West Coast, the Government soap factory will probably cease to work at profit. I do not think that this point need seriously be considered. Even if Messrs. Tata Son & Co. take up soap-making it will only be as a side issue, and it need not be assumed that they will work on a very large scale. Further

it is improbable that they will be able to take up soap-making on a very large scale during the progress of the war and for some time after. But unless Sir Frederick's calculations are altogether wrong, which is most unlikely, Government will get back the whole capital expenditure on the proposed factory in the course of the next year or two, and after that they can await for his chance of future failure with equanimity.

7. It has also been suggested that if big firms do start, it is unlikely that small factories will be able to exist. Sir Frederick has given reasons to the contrary, and it is a fact that comparatively small firms do exist in England side by side with Messrs. Lever Brothers, Goodwin & Sons and the other Leviathan firms. In any case we do not know at present of any monster soap business to be started on the West Coast, and that being so, there is no need to anticipate difficulties which in practice may never arise.

8. There is of course the danger that if Government establish a permanent soap factory and run it as it should be run on commercial lines the old cry of interference with private trade may be raised. That cry of course is not now nearly so potent as it used to be. Still we need not go out of our way to raise the cry by giving out that a Government soap factory is to be permanently established on the West Coast. Nor is that Sir Frederick's intention. By 'permanent' he means a permanent building not a permanent enterprise, but the expression 'permanent Government soap factory' is obviously misleading and should be avoided. I consider also that the new factory should be as small as is consistent with commercial working. I agree, that is, that the operations should be on such a scale that overhead charges do not bear an undue proportion to costs of manufacture, but I doubt if at present the size of the operations need be governed by the possibility of making the recovery of glycerine pay. Room may be left for expansion and for the initiation of other branches of work, but glycerine recovery cannot in any case be taken up till after the war. Further I am rather doubtful whether it will be possible to get the material required for the construction of very big pans and for this reason alone probably it will be necessary to accept the smaller of the alternative schemes put up or possibly even a smaller scheme still.

9. There is one other point. Business men who object to Government interference with private trade will say 'Here is a factory with all the resources of Government behind it—how can we compete with it?' The objection is a valid one, and personally, though I have not worked out the suggestion and though I do not put forward for acceptance at present, I would like to see Government make an entirely new departure in connexion with the proposed soap factory. It has been demonstrated that soap-making is a legitimate commercial enterprise on the West Coast. In my view the best way of continuing and extending the experiments and the way least open to objection from the point of view of the business man would be formally to launch a limited liability company for the manufacture of soap and the development of allied industries. Government would take up a majority of the shares in order to retain a controlling interest and to be able to train apprentices and impose its own policy on the concern. But the remaining shares would be thrown open to the public in India. The advantages of the scheme are that the concern would necessarily be run on business lines, that Sir Frederick would be free from the ordinary Government account rules which were never drawn up with reference to business concerns and that private firms could not reasonably object to a semi-Government venture organized on these lines. I do not see any insurmountable difficulties in the way of the scheme though I do not profess fully to have thought it out. At the same time I do not wish to delay matters by 'starting hares' and I think that matters ought to be set in train with the least practicable delay (a) by according general approval to the proposals and (b) asking Sir Frederick Nicholson to select a site for the proposed factory which site presumably must be acquired and to send up detailed plans and estimates. Enquiries should also at once be set on foot to see whether the manufacture of the necessary plant can be arranged for.

10. As regards Mr. Kesava Menon, I am afraid I cannot speak of his qualifications and abilities with much personal knowledge, but judging from what the Honorary Director says he seems to be a good man. The proposed factory obviously must exist for a number of years and may lead to important developments. In the

circumstances I would certainly offer Mr. Kesava Menon permanent appointment in the Industries Department. The objection to promising him a bonus as part of his pay is that it would make it difficult to transfer him from the factory to other work on oil and fats. I would certainly give him and the rest of the staff a bonus on net profits in years of good profit as a matter of grace, and in this way we should get him to work his best. But personally, for fear of future complications, I would prefer to confirm him on a good scale of pay. The scale ought to be a liberal one. He is an Indian who has been home and trained himself technically. He has proved himself as a thoroughly practical expert, and in the open market he could probably command a high figure. He is just the sort of man we ought to encourage and since if he is confirmed at all he will presumably be confirmed as a gazetted officer in the Industries Department, I would offer him the same scale of pay as experts in the Agricultural Department get, viz., Rs. 500—50—1,000.

11. I am afraid that this is a very hurriedly written letter but Sir Frederick Nicholson especially asks for early orders and I have therefore treated this reference as urgent.

Order—No. 1468, Home (Education), dated 19th November 1917.

The Government accept the recommendation of the Honorary Director of Fisheries and of the Special Officer in charge of the Department of Industries that a permanent appointment of Oil Chemist and Soap Expert should be created in the Department of Industries and that Mr. A. K. Menon should be appointed to it. The post will carry a salary of Rs. 500 rising by triennial increments of Rs. 50 to Rs. 750 per mensem and it will be a gazetted appointment. This sanction has been registered as No. 129 of 1917-18.

2. Mr. A. K. Menon will come under the Indian Service Rules.

3. The following notification will be published in the *Port St. George Gazette* :—
Mr. A. K. Menon to be Oil Chemist and Soap Expert in the Department of Industries.

4. The Officer in charge of the Department of Industries is requested to submit proposals in consultation with the Honorary Director of Fisheries for the necessary transfer of funds from the budget estimate of the Fisheries Department to that of the Department of Industries. He is also requested to submit a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased pay to Mr. A. K. Menon.

(True extract)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Officer in charge of the Department of Industries.
" Honorary Director of Fisheries.
" Revenue Department.
" Financial Department.
Superintendent, Government Press (for publication of notification in Gazette).

**NOTES CONNECTED WITH G.O. No. 1468, HOME (EDUCATION),
DATED 19TH NOVEMBER 1917.**

[SUBJECT.—*Permanent retention of Mr. A. K. Menon as oil chemist.*]

From the Honorary Director of Fisheries, dated 29th March 1917, Ref. No. 132.

In G.O. No. 3553, dated 3rd December 1913, the Government sanctioned the employment of Mr. A. K. Menon as oil chemist on probation for a period of one year to work at Calicut in the first place under the direction of Sir Frederick Nicholson on the problems connected with oil with which the Fisheries department was immediately concerned. The pay sanctioned for him was Rs. 250 per mensem. It was also stated in the order of appointment that Mr. Menon's permanent employment would depend on the results of his probation, and the final determination of his pay and position on the future organization of the Industries department. In September 1914, Sir Frederick Nicholson reported that the first year had not enabled him to estimate or utilize Mr. Menon's services sufficiently, and he therefore requested sanction for the retention of the oil chemist until 31st March 1916. The period of employment was accordingly extended up to 31st March 1916 in G.O. No. 2666, dated 15th September 1914.

2. In October 1914, in view of the vastness of the work connected with the oil industry, Sir Frederick Nicholson proposed that Government might very well appoint Mr. Menon, who had asked for permanent or a long-term appointment, either permanently or on a term contract, and that this appointment might be made in the department of Industries—letter at pages 2-3 of Notes to G.O. No. 354, Educational, dated 26th March 1915. But in G.O. No. 354, Educational, dated 26th March 1915, the Government considered that the experiments connected with the manufacture of soaps and fats should continue to be conducted by Sir Frederick Nicholson in the department of Fisheries and said that Mr. A. K. Menon would be retained in the department until the expiration of the already sanctioned period of employment, i.e., until 31st March 1916. They requested Sir Frederick Nicholson at the same time to submit a full report to Government in regard to the above experiments towards the close of 1915 and said that they would then consider Mr. A. K. Menon's application for appointment permanently or for a definitely long period as oil chemist. The Honourable Member (Fisheries) as Educational Secretary said in this connection :—

"In regard to Mr. Kesava Menon's request for a permanent appointment or a long-term one, I would rather not agree to it just now. I confess to an uneasy feeling that he is probably not quite so good as Sir Frederick thinks him to be, and in any case, as he would, if now confirmed or taken on a long term, have to serve in the department of Industries, it may not be expedient to take any action which would end in his becoming a permanent member of that department without giving Mr. Treasurer an opportunity to see and judge of his work. Mr. Kesava Menon may possibly resolve to sever his connection with the Government because we are unable to take him into the permanent service at once or to give him a long-term covenant, but I would accept that contingency. That would be a lesser evil than taking permanently into the department behind the back as it were of its head."

3. In G.O. No. 37, Educational, dated 10th January 1916, the Government sanctioned the Honorary Director's proposal to establish a small complete factory for the experimental manufacture of soaps and to purchase the machinery required therefor, and allotted Rs. 75,000 for this purpose. When the question of the permanent location of this factory was under consideration the Honorary Director pointed out that a committee which met at the Indian Research Institute, Bangalore, had decided

that the Institute would undertake a comprehensive enquiry, on an industrial and commercial scale, into all the linked oil and fat industries, if provided with funds by a method which they had suggested and that if this resolution was accepted by Government it was more than probable that Government would close his soapery, if one was established at Bangalore—paragraph 3 of his letter, dated 25th September 1916, at page 9 of current file in G.O. No. 663, dated 5th March 1917. Sir Frederick Nicholson therefore considered that the consideration of the location of a permanent soapery may be deferred *sine die*. It was, however, decided by Government (official memorandum at page 10 of current file in G.O. No. 663, dated 5th March 1917) that the soap experiment carried on by the Fisheries department should continue for the present on its present basis and should not be interrupted in any degree by the proposals of the Indian Institute of Science for the investigation of problems connected with oil industries.

4. In his letter Ref. No. 134, dated 4th March 1916, at pages 2—4 of G.O. No. 2159, dated 21st September 1916, Sir Frederick Nicholson submitted the report called for in G.O. No. 354, Educational, dated 26th March 1915, quoted above. There, after reporting the results so far achieved in the experiments connected with the manufacture of soap and fats, he examined the question whether the appointment of oil chemist should be for a term of years only or whether it should be permanent. He recommended the latter and stated the case as follows in paragraph 7 of his letter:—

“Before discussing the terms, etc., of his proposed appointment, and the immediate programme of work, it is necessary to settle the question whether the appointment should be for a term or permanent; in other words whether Government intend to appoint a permanent expert in the oil and fat industries as they have in weaving and dyeing, in leather, in agriculture and fisheries, and so on. Personally I can hardly conceive it to be otherwise than permanent; the production in the Presidency of oil-seeds and nuts is so enormous and renowned, the demand for their manufactured products whether primary as mere oils or derivative as soaps, paints, varnishes, edible fats, glycerine and glycerine products (military, pharmaceutical, or industrial), etc., so large and so rapidly increasing, the call for the establishment of local industries is so exigent and economically so correct, that it does not seem to me possible to get on without an oil expert, or rather without several experts as I have said in paragraph 23 of my letter read in G.O. No. 3553, Revenue, dated 3rd December 1913. Indeed, as already shown in paragraph 4 *supra*, discoveries and developments in the oil and fat industries are immediately probable, while, as mentioned in paragraph 22 of my letter of 1913, the adulteration of ghee alone—and of other oils—demands the employment of an analytical chemist, especially if it be true, as recently reported, that mineral oils are being largely imported for the purpose of such adulteration. Moreover, now that Government have ordered through the Director of Industries a plant for the expression and refinement of oils, there will be additional necessity for an oil chemist. I conclude then that an oil chemist and expert will be permanently appointed to deal with the examination and industrial utilization of the wealth of oils in this Presidency and—as in the case of linseed and rape—on our borders.”

5. As regards Mr. A. K. Menon, Sir Frederick detailed his qualifications, both theoretical and practical, the work so far turned out by him, and said (page 3 of G.O. No. 2159, dated 21st September 1916):—

“Mr. Menon is a man with a working and not a mere theoretical knowledge, and he should prove a most practical, useful, and necessary officer in a department of Industries in the oil branches of such department.”

“I consider then that Mr. Menon has fully justified his temporary appointment and shown that, as a member of an Industrial department, he has done well, and should do even better in future when he is provided with proper plant, given a definite programme, and is able, under the co-ordinating guidance of a Director, to utilize the whole of his training and of his increasing experience not only in soap-making but in other directions, as mentioned in my letter read in G.O. No. 3553, Revenue, dated 3rd December 1913.”

“Whether Mr. Menon should be the first expert is the next question. I can only say what I have said above, and add that he is our only trained expert especially in the chemistry of oils and in the industries of soap and glycerine recovery, and that no other could be got without great expenditure of time, at very heavy expense for salary, and the chance of an unsatisfactory choice. It is of course to be remembered that though a young man he will not be working on his own sole responsibility and self-guidance; he will eventually be a member of a department under competent direction, and even now his training and efforts are benefiting by his association with myself in the devising and execution of industrial work.”

6. The Educational Department (office-note) contested the need for a permanent oil chemist saying:—

“The question is whether these grounds are sufficiently strong to justify the creation of the appointment of oil expert as a permanent measure. In the concluding portion of his letter Sir Frederick Nicholson admits that as private enterprise develops, the Government soap factory will lose its *raison d'être* so that the oil expert will after a year or two, gradually develop on other lines, such as, the preparation of edible fats, paints and varnishes. But for the present, his advice is to confine and concentrate effort on soap, glycerine and edible fats. As this work will not require the services of the expert for more than two or three years and as the future development of other oil industries is highly problematical, it is perhaps a measure of doubtful expediency to create a permanent appointment now.”

The Honourable Member (Fisheries) as Educational Secretary said at page 3 of notes to G.O. No. 2159, dated 21st September 1916:—

“I do not think that it would be expedient to give Mr. Menon a permanent appointment as oil expert on a salary of Rs. 500 to Rs. 750 as suggested by Sir Frederick Nicholson. The Industries department is just now in a transition condition. Arrangements are being made to place an officer of the Indian Civil Service on special duty for six months to reorganize the department and in all probability the officer so deputed will succeed Mr. Tressler in the headship of the department. It is not advisable under these circumstances to make large modifications in the constitution of the Industries department. The creation of the special appointment of oil expert, such as is proposed by Sir Frederick Nicholson on such a handsome pay, would be a large modification, and I would deprecate it just now as untimely, without going into the question of the merits of the proposal. The matter may well lie over.”

2. Mr. Menon is now in the temporary establishment working under Sir Frederick Nicholson at the soap and fish oil experiments on a salary of Rs. 250 per mensem—G.O. No. 3553, Revenue, dated 3rd December 1913. The temporary period of Mr. Menon's appointment runs up to the 31st March 1916 (G.Os. No. 354, Educational, dated 26th March 1915, and No. 2666, Revenue, dated 15th September 1914), that is, for about ten days more. He may be continued for a year more, that is, up to the 31st March 1917, and he may be given an increase of pay, say, Rs. 50 for the additional period; his emoluments would thus rise from Rs. 250 to Rs. 300 per mensem. I do not think that we could do more just now. What does Revenue think please? This file will be circulated to the Honourable Member (Revenue) also.”

7. The substance of the above two extracts was communicated to the Honorary Director and he was consulted again in demi-official No. 300-A/16-1, dated 2nd May 1916, at page 5 of notes to G.O. No. 2159, dated 21st September 1916, on the question of making the appointment of oil chemist permanent and of raising the pay of Mr. A. K. Menon. In his reply at pages 5–6 of notes to Government Order *ibid* Sir Frederick Nicholson proposed to defer replying to that portion of the demi-official referring to the retention of Mr. A. K. Menon as oil chemist which related to the permanency or otherwise of his appointment until he heard the opinion of the committee which was to meet at the Research Institute, Bangalore, for investigating the whole question of the development of the oil and fat industries in Southern India. Meanwhile he asked the sanction for the payment of a salary of Rs. 300 per mensem to Mr. A. K. Menon with effect from 1st April 1916. This was sanctioned by Government in G.O. No. 2159, dated 21st September 1916, as well as the extension of the period of employment of Mr. Menon as oil chemist until 31st March 1916. In G.O. No. 798, dated 16th March 1917, this period has been further extended up to 31st March 1918.

8. The Honorary Director now submits his final report on the subject and for the reasons already explained in his letter read in G.O. No. 2159, dated 21st September 1916, relevant portions of which are quoted in paragraphs 4 and 5 *supra*, he recommends (1) the permanent employment of Mr. A. K. Menon as oil chemist and soap expert in the department of Industries and (2) on such pay as will ensure his best efforts.

9. As regards the first of these two proposals Sir Frederick Nicholson states it is complicated by two possibilities—

- (a) the possibility of the establishment of a combined public oils and fats technological institution attached to the Indian Research Institute at Bangalore, and
- (b) the possibility of the establishment of large private factories in this and neighbouring Presidencies.

In the first case, if the proposal materializes Sir Frederick Nicholson states Mr. Menon should be one of the permanent staff of the Research Institute; but it is understood that there is no chance of the proposal materializing, and as stated in paragraph 3 supra the Honorary Director has been informed that the soap experiment carried on by the Fisheries department should continue for the present on its present basis and not be interrupted in any degree by the proposals of Indian Institute of Science. If that Institute's proposal does not materialize Sir Frederick states that we fall back on our own factory and investigations in the Madras Department of Industries for which Mr. Menon is absolutely the only officer.

As regards the second of the above possibilities, viz., the chances of private enterprise, the Honorary Director shows in paragraphs 5-7 of his letter how it is necessary to retain Mr. Menon in the department of Industries whether large soap factories are established or not.

The Honorary Director's reasons for employing a permanent oil chemist seem irresistible except for the consideration that it may be desirable to await the recommendation of the Industrial Commission before a final decision is arrived at.

10. As regards the terms on which Mr. A. K. Menon should be employed, the Honorary Director refers to the question whether his pay should be a definite sum or whether it should be partly pay and partly a bonus dependent on net profits. In his letter, dated 4th March 1916—page 3 of G.O. No. 2159, dated 21st September 1916, the Honorary Director while recommending Mr. Menon's permanent employment proposed that his pay, which until then was Rs. 250, should be Rs. 500 rising to Rs. 750. As stated above the Government were then inclined to defer consideration of the question of employing a permanent oil chemist and proposed to pay him Rs. 800 from 1st April 1916 and until further orders. The Honorary Director, who was consulted demi-officially before final orders were issued, accepted this (which was ultimately sanctioned in G.O. No. 2159, dated 21st September 1916), but also proposed an addition to Mr. Menon's pay of a commission or bonus on net profits at the close of the year. This latter proposal was examined in the Secretariat at pages 6-9 of the notes to G.O. No. 2159, dated 21st September 1916, and in the notes recorded in G.O. No. 2754, dated 5th December 1916. The result was that there was no audit objection to the payment of commission in addition to pay, but there was a deficit at the end of 1915-16 of Rs. 448 if the cost of the oil chemist's establishment was taken into account and capital charges excluded, and the Government decided that if Mr. Menon could wipe off this deficit the question of giving him a commission should be revived. This decision, however, was not communicated to the Honorary Director.

11. If Mr. Menon's permanent employment as proposed by the Honorary Director is decided on, it is for consideration—

- (1) whether his pay may be fixed at Rs. 500—50—750 as recommended by the Director in March 1916,
- (2) if the pay is fixed so high whether he should be paid also a commission on net profits, and
- (3) whether if he is to be paid a commission his pay may not be fixed at a lower figure, say Rs. 350—50—500.

12. Before these questions are further considered it is submitted that the remarks of the Director of Industries may be invited through the Educational Department, copies of Government Orders noted in the margin being sent to him for ready reference and return.

V. PONNAYYA—12-5-17.

F. J. RICHARDS—14-5-17.

[Endorsement No. 825-A/17-1, dated the 14th May 1917.]

From the Director of Industries, No. D. Dis. 260, dated 26th/28th May 1917.

Mr. Innes, Director of Industries, who was consulted states that personally he would prefer to enter into a five years' agreement with Mr. A. K. Menon in accordance with the ordinary commercial practice, but that, in consideration of Sir Frederick Nicholson's recommendation, he has no objection to his permanent employment.

N.C.—23-6-17.

F. J. RICHARDS—25-6-17.

Sir Frederick Nicholson's note on the 'Oil Chemist.'

This relates to Mr. A. K. Menon, oil chemist, and the questions are—

- (1) whether he should be permanently appointed;
- (2) if so appointed, what should be his pay;
- (3) should his pay be a fairly high fixed pay with fixed increments, or whether it should be a lower pay with a commission from net profits.

The excellent abstract prefixed to this "Case", and Mr. Richards' paragraph 4 in his general note, sum up the case in favour of the permanency of the appointment, and I can add nothing to what I have already said.

As regards the minor question of his pay (and indeed the whole question), I suggest that the matter be deferred for a few days. My annual fisheries report only awaits the soap works report which is promised within three days: this soap report will contain a full and exact statement of results which should yield a basis for decision. I can send up a copy of the soap report in advance of the general fisheries report, as this will save time.

* In the Notes to G.O. 3318, Revenue, 23rd October 1917. Meanwhile, in my note on Case I ' (regarding directorate and reorganization of ' fisheries ') I have tentatively entered aggregate pay for Mr. Menon on a scale which may be approximately correct, but is not too high; I merely enter the amount, so as to arrive at an approximation to the general cost of the proposed ' Fisheries ' establishment, including—though not quite correctly—Mr. Menon as soap manager. I am decidedly in favour of acentage on net profits as forming part of the pay. I have given my reasons in full (see page 6 of the Notes to G.O. No. 2159, Revenue, dated 21st September 1916), and I am convinced not only of their validity but of their applicability, and of the generality of the practice especially in modern manufacturing and commercial business.

FINANCIAL DEPARTMENT.

(c) Case No. III—deals with the permanent retention of the oil expert Mr. Kesava Menon (now temporary on Rs. 300 per mensem) and the question of the emoluments to be allowed to him.

8. Item (e)—Oil Chemist.—Please see comments of Sir Frederick Nicholson on case No. III above where he proposes to defer the consideration of the question of fixing the pay of this post finally until his soap works report is ready. Submitted that this item may be considered when Sir Frederick Nicholson makes final proposals. For the present, Financial may agree to the permanent retention of the post on the existing pay of Rs. 300, as a case seems to have been made out for keeping the post on a permanent basis.

This too can be decided when the other question of salary comes up.

L.E.K.—10-7-17.

L.D.—12-7-17.

T.R.N.N.—9-7-17.

A.S.—9-7-17.

L. E. KERSHAW—10-7-17.

L. DAVIDSON—12-7-17.

REVENUE DEPARTMENT.

The proposals of the Honorary Director of Fisheries, as modified by the Financial Department, are noted below.

Oil Chemist (temporary—pay Rs. 300 per mensem).—Sir Frederick Nicholson originally suggested that the appointment might be made permanent and that his pay might be increased to Rs. 400—30—700. He, however, subsequently stated that the question of the pay might be deferred until his soap works report was ready. Financial, however, consider that both the questions of making the appointment permanent and increasing the pay can be deferred.

N.C.—1-9-17.

The case of the oil chemist will be dealt with separately.

F. J. RICHARDS—4-9-17.

The case of the oil chemist is being separately dealt with. This officer is more needed in the Industries than in the Fisheries Department. I propose to note on this case later on (after consulting Mr. Innes) and would for the present accept the proposal of Financial that the oil chemist should continue on the temporary staff on the pay of Rs. 300 per mensem.

P. R[AJAGOPALA ACHARIYAR]—20-9-17.

I agree.

H. F. W. G[ILLMAN]—21-9-17.

I agree.

A. G. C[ARDEW]—22-9-17.

I agree.

P[ENTLAND]—22-9-17.

From the Honorary Director of Fisheries, dated 18th/24th September 1917, Ref. No. 428.

Sir Frederick Nicholson's letter, dated 18th/24th September 1917, proposing the establishment of a permanent soap factory and the appointment of a permanent oil-chemist and soap-maker is submitted. Sir Frederick has made out a very strong case in support of his proposals, but the question, it is submitted, is inseparably connected with that of the permanent retention of Mr. A. K. Menon as oil-chemist and soap-maker, which is under consideration. The Honourable Member has noted that the oil-chemist is more needed for the Industries than in the Fisheries Department and proposes "to note on the case later on." He has agreed that Mr. Menon should continue on the temporary staff on the pay of Rs. 300 per mensem.

Meanwhile it is submitted that the remarks of the Director of Industries through Home (Education) may be invited on the Honorary Director's letter. A draft endorsement is submitted for approval. It may be sent to Home (Education) for acceptance.

A.S.R.—15-10-17.

This is a question of very great importance and it requires a prompt decision. The original must be retained in office and a copy only sent to the Director of Industries.

Copies should also be taken and sent direct to His Excellency the Governor and to the Hon'ble Sir Alexander Cardew as it seems to be just one of those schemes for industrial experiment which Sir Alexander Cardew contemplated in his note on the need for a constructive programme. A copy should also be sent to Financial for information, as the question will have to be considered along with the budget estimates.

The draft official memorandum to the Director of Industries is referred to Home (Education) for favour of acceptance and early return.

F.J.R.—17-10-17.

HOME (EDUCATION) DEPARTMENT.

Accepted in Home (Education).

D. N. STRATHIE—17-10-17.

REVENUE DEPARTMENT.

Issue and then submit to the Honourable Member, Fisheries and Industries, for perusal.

Financial has not yet been consulted in this scheme, but as the Honourable Member has expressed a desire to consult Mr. Innes on the question, and the proposals have an important bearing on the note by the Hon'ble Sir Alexander Cardew on the need for a constructive programme, the case is submitted to the Honourable Member direct.

For many reasons an early decision seems necessary. It is most unlikely that another man of Mr. A. Kesava Menon's capacity will be easily obtainable. The scheme involves no financial risk to Government and may fairly be classed as 'immediately remunerative'. The notes of the Hon'ble Sir Alexander Cardew on the question of remunerating Mr. A. Kesava Menon by commission are at page 9 of Notes to G.O. No. 2159, Revenue, dated 21st September 1916, and in G.O. No. 2754, dated 5th December 1916. The war is showing up the value of scientific experts, and I believe Mr. Menon could get a post on Rs. 1,000 per mensem in private employ any day for the asking.

F. J. RICHARDS—17-10-17.

Since writing the above Sir Frederick Nicholson has submitted the accounts of the actual transactions from April to September. He showed me these when I saw him at Calicut, and I requested him to submit them for the information of Government, as they greatly strengthen his case for an early expansion of the soapery works.

F.J.R.—19-10-17.

I wish to speak to Mr. Innes about this as soon as possible. Is he in Madras just now? If so, please ask him to look me up any office day (in the office) at about 3 p.m.

P. R[AJAGOPALA ACHARIYAR]—20-10-17.

Mr. Innes can see the Honourable Member at his office (Fort St. George, I think) at 3 p.m. on Tuesday next (23rd) if this is convenient to the Honourable Member. He cannot come on Monday as he must attend a committee meeting on that afternoon.

F.J.R.—20-10-17.

Demi-official—from F. J. RICHARDS, Esq., I.C.S., Deputy Secretary to Government, Revenue Department.

To—the Hon'ble Diwan Bahadur P. RAJAGOPALA ACHARIYAR Avargal, C.I.E., Member of Council.

Dated—the 22nd October 1917.

I enclose a letter just received from Sir Frederick Nicholson *à propos* of Mr. Kesava Menon. I think Sir Frederick makes it clear that Mr. Menon would be well advised to quit Government service unless Government make it worth his while to stay on, and that soon.

end-official—from SIR FREDERICK NICHOLSON, K.C.I.E., Honorary Director of Fisheries.

To—F. J. RICHARDS, Esq., I.C.S., Deputy Secretary to Government, Revenue Department.

Dated—Coonoor, the 20th October 1917.

I omitted to speak to you about Menon, the oil chemist—he is rather uneasy, or rather, anxious about his prospects, and I shall be glad if that matter can be settled as soon as possible. I would like, however, to say at once, that everything in this letter which follows *solely* proceeds from myself; he has never suggested or even hinted to me either his own merits, or profits of business as showing his merits, or any suggestion whatever as to the attractions or chances of private enterprise—the ideas are purely my own.

The experience gained in the soapery has taught me, and of course Menon also, not only that the best soaps can be made but that they can be made at a large profit, and that they are very popular and readily placed on the market; the formulae and methods for our mixtures are also now pretty clear, and the sources and prices of raw material. Knowing further that if backed by very moderate private capital—say Rs. 25,000—he could make 250 tons per annum at a net profit of probably Rs. 25,000 per annum (more now, less after the war), it is conceivable

that unless his prospects are settled, and on favourable terms, he may seek the assistance of private enterprise. With our demonstrated facts, he could easily get the necessary capital, in which case Government would lose the present opportunity of establishing, at no cost to itself but at considerable profit, an institution much needed in this Presidency, viz., an oils and fats experimental, demonstrational, and instructional institute, where intending manufacturers, down to the pettiest capitalists, can be *thoroughly taught* their work, without which we shall see nothing in this Presidency but the big (foreign or at least non-Presidency) factory; instructors, inspectors, foremen, artisans would be trained there and a proper analytical laboratory maintained for the assistance of the allied industries and the prevention of adulteration. The profits from a factory making, say, 1,200 tons per annum, with a glycerine recovery plant would, even in normal times, pay all the expenses of such an institution which, it is to be remembered, would deal with many other branches of the oils and fats industries, such as the manufacture of candles, edible fats, pure glycerine, paints and varnishes, etc., the examination of oils as found in the trade with instructions for the improvement of their manufacture (in the villages) and their subsequent treatment, the testing of new products from the forests, and so on. On 1,200 tons of soap per annum we should make, in normal years, at least Rs. 1 lakh net, and this would pay the current charges of a very fair oils and fats institution even if there were no profits from other manufactures and if no fees were charged for its services.

Hence I hope that Government will very shortly decide to retain Menon permanently and on good pay; if thought fit the pay may partly be based on net profits.

It is to be remembered that Menon is one of the comparatively few men in Government service who make, in *actual cash*, their own pay and that of their staff, "yea and much more also", if I make, as I expect, Rs. 40,000 *net profit* during the current year, Government will have its whole soap plant, value, say, Rs. 20,000 in hand at no cost (paid for), and several years of Menon's salary, even at improved rates, for several years to come. One year of developed work as recently proposed by me, would provide his pay for life.

HOME (EDUCATION) DEPARTMENT.

Mr. Richards handed me this file for perusal. Returned with thanks.

Mr. Innes' reply has just been received.

Attach and return.

R. RAMACHANDRA RAO—29-10-17.

REVENUE DEPARTMENT.

The points on which orders are immediately required are—

- (1) General acceptance of proposals.
- (2) Selection of a site.
- (3) Confirmation of Mr. Kesava Menon.

Item (3) might, I think, be examined separately as presumably orders will issue in Home (Education).

Please get the cases ready for reference to Financial as soon as possible.

F. J. RICHARDS—30-10-17.

As directed by the Deputy Secretary the question of the confirmation of Mr. A. K. Menon is taken up separately and is dealt with below.

2. In his letter Ref. No. 428, dated 13th/24th September 1917, the Honorary Director points out that soap industry is a very profitable one, that in this Presidency which has got vast supplies of raw material with large export markets near by there is room not only for great soap factories but for many small ones and that many people would start the industry if only they can be instructed in the methods. He proposes the establishment of a Government soap factory where not only correct methods of soap making will be taught but also foremen, instructors, inspectors and artisans needed for soap industry in the Presidency will be trained. The Government factory with its laboratory and industrial aids will also form a small technological institution where other branches of the oils and fats industries, such as candles, oil-paints, varnishes, etc., can be studied and demonstrated. For the establishment of such a factory the Honorary Director considers that the permanent appointment of an oil-chemist and soap-maker is necessary as no technical man would take a temporary position where the main object is the instruction of others. The Honorary Director points out that Mr. A. K. Menon is the only officer available in the Presidency whose speciality is oils and fats scientifically considered, that at the

present time if he is not entertained permanently in Government service he can get appointments on good pay in private firms or carry on a profitable trade by starting a soap factory, that no time should be lost and that he should be made permanent. Mr. Innes, Director of Industries, agrees with the Honorary Director that a large factory is required in order that training of apprentices may be taken up in earnest. Within the last six months the small soap factory at Calicut has already earned a net profit of Rs. 18,612 and the Honorary Director expects a net profit of Rs. 40,000 for the whole of the current year and points out that Government would not only have recovered the value of the plant (Rs. 20,000) but could pay Mr. Menon's salary for some years. The proposal to confirm Mr. Menon may be approved.

3. *Salary of Mr. Menon.*—He is now getting a salary of Rs. 300 per mensem. In March 1916, the Honorary Director recommended that Mr. Menon's pay should be Rs. 500 rising by increments to Rs. 750—vide paragraph 9 at pages 3-4 of G.O. No. 2159, Revenue, dated 21st September 1916. In his letter Ref. No. 182, dated 29th March 1917, the Honorary Director suggests that his pay may partly be in the shape of bonus. The Director of Industries points out that the objection to promising Mr. Menon a bonus as part of his pay is that it would make it difficult to transfer him from the factory to other work on oil and fats and that Mr. Menon and the rest of the staff may be given bonus on net profits in years of good profit as a matter of grace and that in this way Mr. Menon may be got to work his best. Mr. Innes considers that Mr. Menon should be confirmed on a liberal scale of pay in the Department of Industries, that he should be a gazetted officer and that he should be paid the same scale of pay as the experts in the Agricultural Department, viz., Rs. 500—50—1,000. It is submitted that if the pay exceeds Rs. 800 the sanction of the Secretary of State will have to be obtained—vide rule III-3 (a) at page 3 of G.O. No. 297, Financial, dated 23rd April 1913. It is submitted that his pay may be fixed at Rs. 500—50—750. This is the pay recommended by the Honorary Director in March 1916. The pay will be within the sanctioning powers of this Government.

4. As regards leave, pension, etc., he will come under the Indian Service rules. A draft order is submitted for approval. It may be sent to the Educational Department through the Financial Department for issue of the order.

T.R.T.—3-11-17.

It is very necessary that the question of the permanent employment in Government service of Mr. A. Kesava Menon should be decided as soon as possible, as otherwise he is sure to set up business for himself or take employment under some private firm. In either event the result would be—

(1) an end for the time being if not for ever of the Government soap-making experiments which are still experimental and which are by far the most promising experiments yet made in South India in the creation of a new industry;

(2) the end of all prospects of placing soap manufacture within the reach of local Indian capitalists: as pointed out by the Honorary Director, if Mr. Kesava Menon goes, his technical knowledge will go with him, and it will no longer be practicable to train men as apprentices, overseers, maistries, etc., for employment in indigenous ventures which Sir Frederick Nicholson's scheme aims at establishing; Mr. Kesava Menon will certainly not give away his trade secrets if he is to set up for himself or take service under a private firm;

(3) the loss of a chance which is not likely to recur for many years to come, of securing the services of an experienced oil-chemist, who is also an Indian.

Apparently Mr. Kesava Menon has already been approached by firms who desire to start soap making and he is chafing against the uncertainty of his present position. He knows his own value presumably and it is by no means certain that he will jump at the offer of a Government billet on 500—50—750. But it is, I think, very necessary, if the retention of his services is desired, to make him a square offer immediately.

If he goes, the soap works will have to be closed down. The Honorary Director's health is far from sound and it is inconceivable that the soapery will be reopened. The difficulty of getting soap from abroad is not likely to abate, and the public will suffer. Oil and fat industries present unlimited possibilities in India, but

if they are not set on their feet by the end of the war, they will be strangled in embryo by outside competition. It is not too much to say that if Government now lose the services of Mr. Kesava Menon, the clock will be set back ten years and it may never be set going again.

I may add that the financial prospects of the Fisheries Department, if the soapery ceases to work, will be disastrously affected.

The scheme for expansion of soap making is as financially safe as any such scheme can be, and it is likely to repay its capital cost in a year or two. It will, however, take time to elaborate in detail, and the work that lies ahead of Mr. Kesava Menon, if his services are to be retained, goes far beyond the scope of the soap making experiments. In view of the need for an early decision on the long pending question of Mr. Kesava Menon's appointment it is necessary to deal with this question separately and not to await the completion of the soap works scheme.

The question is properly one for the Home (Industries) Department, but at Honourable Member's request I am to put up the case as soap making has hitherto been dealt with as a branch of "Fisheries". Orders, presumably, will issue in the Home Department.

F. J. RICHARDS—4-11-17.

FINANCIAL DEPARTMENT.

This case relates to the permanent retention of Mr. A. K. Menon, Oil Chemist, who is now serving on the temporary establishment on a pay of Rs. 300.

2. *Permanent retention of Mr. A. K. Menon.*—Please see paragraph 2 of Revenue note on pages 8-9 ante and Revenue Deputy Secretary's note, dated 4th November 1917, above. It is pointed out that Mr. Menon will not stay in Government service unless he is offered permanent employment immediately and that his leaving Government will result in disastrous results both administrative and financial.

As a corollary to the permanent retention of Mr. Menon, it will, it is stated, be necessary to establish a soap factory with a laboratory costing about Rs. 60,000—the exact amount will be known only when the detailed plans and estimates are received. The Honorary Director of Fisheries anticipates that when such a factory is established with Mr. Menon as permanent oil-chemist, the profits to Government will not only pay back in one year the whole cost of the factory and its laboratory but will give a margin sufficient to pay the oil-chemist for some years. The Director of Industries seems to concur in the view.

In the above circumstances, Financial may, it is submitted, agree to the

Yes. This has come to us separately.

L.E.K.—8-11-17.

permanent retention of Mr. Menon. In regard to the construction of the factory, it is apparently the intention of Revenue Department to take up the question separately and to issue the necessary orders. Financial will no doubt be consulted before these orders are issued.

3. *Rate of pay for Mr. A. K. Menon in his permanent appointment.*—Mr. Menon was first entertained by Government as a temporary oil-chemist on Rs. 250 per mensem in December 1913—G.O. No. 3553, Revenue, dated 3rd December 1913. His pay was in G.O. No. 2159, Revenue, dated 21st September 1916, raised to Rs. 300 per mensem with effect from 1st April 1916. From paragraph 3 of Revenue Department note on page 9 ante, it will be seen that the Honorary Director of Fisheries considers a pay of Rs. 500—750 necessary for Mr. Menon, while the Director of Industries is of opinion that he should be paid the same scale of pay as the experts in the Agricultural Department, viz., Rs. 500—50—1,000. In regard to the wishes of Mr. Menon, it is submitted that he has written as follows to the Honorary Director of Fisheries in 1916 (vide paragraph 9 of letter on page 3 of G.O. No. 2159, Revenue, dated 21st September 1916):—

With regard to my pay and prospects, I beg to suggest that I may be appointed on similar lines to the dyeing and leather experts who are employed in the Department of Industries.

The European experts are paid Rs. 750 a month, but I am willing to accept Rs. 500 to Rs. 750 being only two-thirds of the salary allowed to Europeans.

The dyeing and leather experts are paid Rs. 750 each per mensem. If this scale is taken into account in fixing Mr. Menon's pay, it has to be fixed at Rs. 500 per mensem according to the two-thirds rule. If, on the other hand, his pay is fixed on the basis of the pay of Agricultural service officers, as recommended by the Director of Industries, it has, it is submitted, to be fixed at Rs. 330—33—660 (= 531½) being the equivalent of Rs. 500—50—1,000 according to the two-thirds rule—the Lecturing Botanist at the Agricultural College, Coimbatore, is paid at the rate of Rs. 330—33—660 under this rule.

The Revenue Department, however, remark that it is by no means certain that Mr. Menon will jump at the offer of a Government billet on Rs. 500—50—750 (as he could get a post of Rs. 1,000 per mensem in private employ any day for the asking) and that it is very necessary if the retention of his services is desired, to make him a square offer. In these circumstances, orders are solicited whether the proposed scale of Rs. 500—50—750 will be accepted in Financial. If this scale is to be adopted, it is submitted that the period of rise from the minimum to the maximum, viz., five years, as proposed by

I think we might accept the strong recommendation of Revenue.

L.E.K.—8-11-17.

Revenue, seems too short. The scale may be fixed at either Rs. 500—25—750 or Rs. 500—50/2—750. For orders,

4. The proposal to declare him as a gazetted officer coming under the Indian service rules and not to sanction any system of regular bonus calls for no remarks and may be accepted.

5. There are certain establishments on the temporary footing working under Mr. Menon—cf. G.O. No. 2159, Revenue, dated 21st September 1916. When the latter is confirmed, the former too will presumably have to be made permanent. Revenue Department have not raised the question—apparently these and similar details will be taken up separately.

6. Mr. Menon is to be transferred from the Fisheries to the Industries department.

But see the Hon'ble Sir Alexander Cardew's note of 22nd April 1916 on page 5 of G.O. 2159, Revenue, 21st September 1916.

L.E.K.—8-11-17.

Consequently, the charges on account of the officer will hereafter be debited to the Industries budget and not to the Fisheries budget as heretofore. A sentence may, it is submitted, be added to the draft asking the Director of Industries to submit proposals, in consultation with the Honorary Director of Fisheries, for the necessary transfer of funds, together with

Yes, if the change is to be effected.

L.E.K.—8-11-17.

a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased rate of pay to Mr. Menon.

7. Subject to orders on paragraphs 2-6 above, the draft order may, it is submitted, be accepted.

T.R.N.N.—8-11-17.

Financial may accept the draft, I think.

L. E. KERSHAW—8-11-17.

Yes: subject to circulation to the Honourable Member (Financial).

L. DAVIDSON—9-11-17.

HOME (EDUCATION) DEPARTMENT.

Submitted that this department may agree to the proposals in Revenue which are also supported in Financial.

N.K.—10-11-17.

C. H. BROWN—10-11-17.

R. RAMACHANDRA RAO—10-11-17

I agree that the Honorary Directors of Fisheries and Industries have made out a strong case for the creation of the permanent appointment of Oil Chemist and Soap Expert. I also agree that Mr. A. K. Menon, who has been in temporary service and who has done such good work, should be given the permanent appointment. In regard to the pay I think that a salary of Rs. 500 rising to Rs. 750 should suffice. I would put the increments at Rs. 50 and they should be given triennially. This would enable Mr. A. K. Menon, who is presumably a young man, to attain his maximum and to draw it for a sufficient period before he retires. I have revised the draft accordingly and shall thank the Secretary to send me a clean copy of it for approval before it goes round.

P. R. [AJAGOPALA ACHARIYAR]—12-11-17.

Urgent. Type and circulate.

R. RAMACHANDRA RAO—12-11-17.
Submitted.

R.R.—12-11-17.

P. R. [AJAGOPALA ACHARIYAR]—14-11-17.

A. G. C. [ARDEW]—14-11-17.

P. [ENTLAND]—15-11-17.

It is presumed that the draft order should issue in this department (please see the last portion of the Revenue Deputy Secretary's note on page 10 and paragraph 6 of Financial Department note on page 11 supra). If so, the following sentences may be added to the draft order as paragraph 4:—

"The officer in charge of the Department of Industries is requested to submit proposals in consultation with the Honorary Director of Fisheries for the necessary transfer of funds from the budget estimate of the Fisheries Department to that of the Department of Industries. He is also requested to submit a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased pay to Mr. A. K. Menon."

2. As the draft order sanctions the creation of a permanent appointment, a number has to be given to it in Financial. The Financial Department may be requested to do it. A sentence has been added to the first paragraph of the draft.

S.K.—16-11-17.

N.K.—17-11-17.

Ink in the sentence in paragraph 1 and add paragraph 4 as above to the draft.

C. H. BROWN—17-11-17.

The sentence has been inked in and paragraph 4 added to the draft. The file may be sent to Financial for registering the sanction.

S.K.—17-11-17.

N.K.—17-11-17.

C.H.B.—17-11-17.

FINANCIAL DEPARTMENT.

The sanction No. is 129 of 1917-18.

L. E. KERSHAW—17-11-17.

HOME (EDUCATION) DEPARTMENT.

The draft may now issue.

N.K.—19-11-17.

C.H.B.—19-11-17.

Issue.

R.R.—19-11-17.

[G.O. No. 1468, Home (Education), dated 19th November 1917.]

oil chemist.

Passing orders on the proposals for the permanent appointment of an Oil Chemist and Soap Expert.

Read:—

I
From the Honorary Director of Fisheries, Ref.No.132, dated the 29th March 1917.

II
Endorsement to the Director of Industries, No.825 A-17-1 Revenue, dated the 14th May 1917.

III
From the Director of Industries, D.Dis.No.260, dated the 26th May 1917.

IV
From the Honorary Director of Fisheries, Ref.No.428, dated the 18th September 1917.

V
Endorsement to the Director of Industries, No.2594 A-17-1 dated the 17th October 1917.

VI
From the Director of Industries, No.G.C.307, dated the 25th October 1917.

Order.
Press.

No. 1468 dated 19-11-1917

The Government accept the recommendation of the Honorary Director of Fisheries ~~of the Special Officer in charge of the Dept. of Fisheries and Industries~~ that a permanent appointment of Oil Chemist and Soap Expert should be created in the Department of Industries and that Mr. A.K. Menon should be appointed to it. The post will carry a salary of Rs. 500 rising by triennial increments of Rs. 50 to Rs. 750 per mensem and it will be a gazetted appointment. *This sanction has been registered as No. 129 of 1917-18.*

2. Mr. A.K. Menon will come under the Indian Service Rules.

3. The following notification will be published in the Fort Saint George Gazette:—

Mr. A.K. Menon to be Oil Chemist and Soap

Soap Expert in the Department of Industries.

F.J.R.
4-11-17.

4. The Office in charge of the Dept. of Industries is requested to submit proposals in consultation with the Honorary Director of Fisheries for the necessary transfer of funds from the budget estimate of the Fisheries Dept. to that of the Dept. of Industries. He is also requested to submit a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased pay to Mr. A.K. Menon.

To the
Director of Industries.
Hon. Director of Fisheries.
Revenue Department.
Financial Department.
(notification only).

8. G. O. for publication
of notification in Gazette

NOTES CONNECTED WITH G.O. No. 468 Home (S.E.)
JUNE 1917.

[SUBJECT.—Permanent retention of Mr. A. K. Menon as oil chemist.]

From the Honorary Director of Fisheries, dated 29th March 1917, Ref. No. 132.

In G.O. No. 3553, dated 3rd December 1913, the Government sanctioned the employment of Mr. A. K. Menon as oil chemist on probation for a period of one year to work at Calicut in the first place under the direction of Sir Frederick Nicholson on the problems connected with oil with which the Fisheries department was immediately concerned. The pay sanctioned for him was Rs. 250 per mensem. It was also stated in the order of appointment that Mr. Menon's permanent employment would depend on the results of his probation, and the final determination of his pay and position on the future organization of the Industries department. In September 1914, Sir Frederick Nicholson reported that the first year had not enabled him to estimate or utilize Mr. Menon's services sufficiently, and he therefore requested sanction for the retention of the oil chemist until 31st March 1916. The period of employment was accordingly extended up to 31st March 1916 in G.O. No. 2666, dated 15th September 1914.

2. In October 1914, in view of the vastness of the work connected with the oil industry, Sir Frederick Nicholson proposed that Government might very well appoint Mr. Menon, who had asked for permanent or a long-term appointment, either permanently or on a term contract, and that this appointment might be made in the department of Industries—letter at pages 2-3 of Notes to G.O. No. 354, Educational, dated 26th March 1915. But in G.O. No. 354, Educational, dated 26th March 1915, the Government considered that the experiments connected with the manufacture of soaps and fats should continue to be conducted by Sir Frederick Nicholson in the department of Fisheries and said that Mr. A. K. Menon would be retained in the department until the expiration of the already sanctioned period of employment, i.e., until 31st March 1916. They requested Sir Frederick Nicholson at the same time to submit a full report to Government in regard to the above experiments towards the close of 1915 and said that they would then consider Mr. A. K. Menon's application for appointment permanently or for a definitely long period as oil chemist. The Honourable Member (Fisheries) as Educational Secretary said in this connection:—

"In regard to Mr. Kesava Menon's request for a permanent appointment or a long-term one, I would rather not agree to it just now. I confess to an uneasy feeling that he is probably not quite so good as Sir Frederick thinks him to be, and in any case, as he would, if now confirmed or taken on a long term, have to serve in the department of Industries, it may not be expedient to take any action which would end in his becoming a permanent member of that department without giving Mr. Tressler an opportunity to see and judge of his work. Mr. Kesava Menon may possibly resolve to sever his connection with the Government because we are unable to take him into the permanent service at once or to give him a long-term covenant, but I would accept that contingency. That would be a lesser evil than taking permanently into the department behind the back as it were of his head."

3. In G.O. No. 37, Educational, dated 10th January 1916, the Government sanctioned the Honorary Director's proposal to establish a small complete factory for the experimental manufacture of soaps and to purchase the machinery required therefor, and allotted Rs. 75,000 for this purpose. When the question of the permanent

location of this factory was under consideration the Honorary Director pointed out that a committee which met at the Indian Research Institute, Bangalore, had decided that the Institute would undertake a comprehensive enquiry, on an industrial and commercial scale, into all the linked oil and fat industries, if provided with funds by a method which they had suggested and that if this resolution was accepted by Government it was more than probable that Government would close his soapery, if one was established at Bangalore—paragraph 3 of his letter, dated 25th September 1916, at page 9 of current file in G.O. No. 663, dated 5th March 1917. Sir Frederick Nicholson therefore considered that the consideration of the location of a permanent soapery may be deferred *sine die*. It was, however, decided by Government (official memorandum at page 10 of current file in G.O. No. 663, dated 5th March 1917) that the soap experiment carried on by the Fisheries department should continue for the present on its present basis and should not be interrupted in any degree by the proposals of the Indian Institute of Science for the investigation of problems connected with oil industries.

4. In his letter Ref. No. 134, dated 4th March 1916, at pages 2—4 of G.O. No. 2159, dated 21st September 1916, Sir Frederick Nicholson submitted the report called for in G.O. No. 354, Educational, dated 26th March 1915, quoted above. There, after reporting the results so far achieved in the experiments connected with the manufacture of soap and fats, he examined the question whether the appointment of oil chemist should be for a term of years only or whether it should be permanent. He recommended the latter and stated the case as follows in paragraph 7 of his letter:—

"Before discussing the terms, etc., of his proposed appointment, and the immediate programme of work, it is necessary to settle the question whether the appointment should be for a term or permanent; in other words whether Government intend to appoint a permanent expert in the oil and fat industries as they have in weaving and dyeing, in leather, in agriculture and fisheries, and so on. Personally I can hardly conceive it to be otherwise than permanent; the production in the Presidency of oil-seeds and nuts is so enormous and renowned, the demand for their manufactured products whether primary as mere oils or derivative as soaps, paints, varnishes, edible fats, glycerine and glycerine products (military, pharmaceutical, or industrial), etc., so large and so rapidly increasing, the call for the establishment of local industries is so exigent and economically so correct, that it does not seem to me possible to get on without an oil expert, or rather with out several experts as I have said in paragraph 23 of my letter read in G.O. No. 3553, Revenue, dated 3rd December 1913. Indeed, as already shown in paragraph 4 *supra*, discoveries and developments in the oil and fat industries are immediately probable, while, as mentioned in paragraph 22 of my letter of 1913, the adulteration of ghee alone—and of other oils—demands the employment of an analytical chemist, especially if it be true, as recently reported, that mineral oils are being largely imported for the purpose of such adulteration. Moreover, now that Government have ordered through the Director of Industries a plant for the expression and refinement of oils, there will be additional necessity for an oil chemist. I conclude then that an oil chemist and expert will be permanently appointed to deal with the examination and industrial utilization of the wealth of oils in this Presidency and—as in the case of linseed and rape—on our borders."

5. As regards Mr. A. K. Menon, Sir Frederick detailed his qualifications, both theoretical and practical, the work so far turned out by him, and said (page 3 of G.O. No. 2159, dated 21st September 1916):—

"Mr. Menon is a man with a working and not a mere theoretical knowledge, and he should prove a most practical, useful, and necessary officer in a department of Industries in the oil branches of such department."

"I consider then that Mr. Menon has fully justified his temporary appointment and shown that, as a member of an Industrial department, he has done well, and should do even better in future when he is provided with proper plant, given a definite programme, and is able, under the co-ordinating guidance of a Director, to utilize the whole of his training and of his increasing experience not only in soap-making but in other directions, as mentioned in my letter read in G.O. No. 3553, Revenue, dated 3rd December 1913."

NOTES TO G.O. No. 1468

REVENUE, 19th June 1917

"Whether Mr. Menon should be the first expert is the next question. I can only say what I have said above, and add that he is our only trained expert especially in the chemistry of oils and in the industries of soap and glycerine recovery, and that no other could be got without great expenditure of time, at very heavy expense for salary, and the chance of an unsatisfactory choice. It is of course to be remembered that though a young man he will not be working on his own sole responsibility and self-guidance; he will eventually be a member of a department under competent direction, and even now his training and efforts are benefiting by his association with myself in the devising and execution of industrial work."

6. The Educational Department (office-note) contested the need for a permanent oil chemist saying:—

"The question is whether these grounds are sufficiently strong to justify the creation of the appointment of oil expert as a permanent measure. In the concluding portion of his letter Sir Frederick Nicholson admits that as private enterprise develops, the Government soap factory will lose its *raison d'être* so that the oil expert will after a year or two, gradually develop on other lines, such as, the preparation of edible fats, paints and varnishes. But for the present, his advice is to confine and concentrate effort on soap, glycerine and edible fats. As this work will not require the services of the expert for more than two or three years and as the future development of other oil industries is highly problematical, it is perhaps a measure of doubtful expediency to create a permanent appointment now."

The Honourable Member (Fisheries) as Educational Secretary said at page 3 of notes to G.O. No. 2159, dated 21st September 1916:—

"I do not think that it would be expedient to give Mr. Menon a permanent appointment as oil expert on a salary of Rs. 500 to Rs. 750 as suggested by Sir Frederick Nicholson. The Industries department is just now in a transition condition. Arrangements are being made to place an officer of the Indian Civil Service on special duty for six months to reorganize the department and in all probability the officer so deputed will succeed Mr. Tressler in the headship of the department. It is not advisable under these circumstances to make large modifications in the constitution of the Industries department. The creation of the special appointment of oil expert, such as is proposed by Sir Frederick Nicholson on such a handsome pay, would be a large modification, and I would deprecate it just now as untimely, without going into the question of the merits of the proposal. The matter may well lie over."

2. Mr. Menon is now in the temporary establishment working under Sir Frederick Nicholson at the soap and fish oil experiments on a salary of Rs. 250 per mensem—G.O. No. 3553, Revenue, dated 3rd December 1913. The temporary period of Mr. Menon's appointment runs up to the 31st March 1916 (G.Os. No. 354, Educational, dated 26th March 1915, and No. 2666, Revenue, dated 15th September 1914), that is, for about ten days more. He may be continued for a year more, that is, up to the 31st March 1917, and he may be given an increase of pay, say, Rs. 50 for the additional period; his emoluments would thus rise from Rs. 250 to Rs. 300 per mensem. I do not think that we could do more just now. What does Revenue think please? This file will be circulated to the Honourable Member (Revenue) also."

7. The substance of the above two extracts was communicated to the Honorary Director and he was consulted again in demi-official No. 300-A/16-1, dated 2nd May 1916, at page 5 of notes to G.O. No. 2159, dated 21st September 1916, on the question of making the appointment of oil chemist permanent and of raising the pay of Mr. A. K. Menon. In his reply at pages 5-6 of notes to Government Order *ibid* Sir Frederick Nicholson proposed to defer replying to that portion of the demi-official referring to the retention of Mr. A. K. Menon as oil chemist which related to the permanency or otherwise of his appointment until he heard the opinion of the committee which was to meet at the Research Institute, Bangalore, for investigating the whole question of the development of the oil and fat industries in Southern India. Meanwhile he asked the sanction for the payment of a salary of Rs. 300 per mensem to Mr. A. K. Menon with effect from 1st April 1916. This was sanctioned by Government in G.O. No. 2159, dated 21st September 1916, as well as the extension of the period of employment of Mr. Menon as oil chemist until 31st March 1916. In G.O. No. 798, dated 16th March 1917, this period has been further extended up to 31st March 1918.

8. The Honorary Director now submits his final report on the subject and for the reasons already explained in his letter read in G.O. No. 2159, dated 21st September 1916, relevant portions of which are quoted in paragraphs 4 and 5 *supra*, he recommends (1) the permanent employment of Mr. A. K. Menon as oil chemist and soap expert in the department of Industries and (2) on such pay as will ensure his best efforts.

9. As regards the first of these two proposals Sir Frederick Nicholson states it is complicated by two possibilities—

(a) the possibility of the establishment of a combined public oils and fats technological institution attached to the Indian Research Institute at Bangalore, and

(b) the possibility of the establishment of large private factories in this and neighbouring Presidencies.

In the first case, if the proposal materializes Sir Frederick Nicholson states Mr. Menon should be one of the permanent staff of the Research Institute; but it is understood that there is no chance of the proposal materializing, and as stated in paragraph 3 supra the Honorary Director has been informed that the soap experiment carried on by the Fisheries department should continue for the present on its present basis and not be interrupted in any degree by the proposals of Indian Institute of Science. If that Institute's proposal does not materialize Sir Frederick states that we fall back on our own factory and investigations in the Madras Department of Industry for which Mr. Menon is absolutely the only officer.

As regards the second of the above possibilities, viz., the chances of private enterprise, the Honorary Director shows in paragraphs 5-7 of his letter how it is necessary to retain Mr. Menon in the department of Industries whether large soap factories are established or not.

The Honorary Director's reasons for employing a permanent oil chemist seem irresistible except for the consideration that it may be desirable to await the recommendation of the Industrial Commission before a final decision is arrived at.

10. As regards the terms on which Mr. A. K. Menon should be employed, the Honorary Director refers to the question whether his pay should be a definite sum or whether it should be partly pay and partly a bonus dependent on net profits. In his letter, dated 4th March 1916—page 3 of G.O. No. 2159, dated 21st September 1916, the Honorary Director while recommending Mr. Menon's permanent employment proposed that his pay, which until then was Rs. 250, should be Rs. 500 rising to Rs. 750. As stated above the Government were then inclined to defer consideration of the question of employing a permanent oil chemist and proposed to pay him Rs. 300 from 1st April 1916 and until further orders. The Honorary Director, who was consulted demi-officially before final orders were issued, accepted this (which was ultimately sanctioned in G.O. No. 2159, dated 21st September 1916), but also proposed an addition to Mr. Menon's pay of a commission or bonus on net profits at the close of the year. This latter proposal was examined in the Secretariat at pages 6-9 of the notes to G.O. No. 2159, dated 21st September 1916, and in the notes recorded in G.O. No. 2754, dated 5th December 1916. The result was that there was no audit objection to the payment of commission in addition to pay, but there was a deficit at the end of 1915-16 of Rs. 448 if the cost of the oil chemist's establishment was taken into account and capital charges excluded, and the Government decided that if Mr. Menon could wipe off this deficit the question of giving him a commission should be revived. This decision, however, was not communicated, to the Honorary Director.

11. If Mr. Menon's permanent employment as proposed by the Honorary Director is decided on, it is for consideration—

(1) whether his pay may be fixed at Rs. 500—50—750 as recommended by the Director in March 1916,

(2) if the pay is fixed so high whether he should be paid also a commission on net profits, and

(3) whether if he is to be paid a commission his pay may not be fixed at a lower figure, say Rs. 350—50—500.

12. Before these questions are further considered it is submitted that the

G.O. 3553, Revenue,	3rd December 1913.	remarks of the Director of Industries may be invited through the Educational Department, copies of Government Orders noted in the margin being sent to him for ready reference and return.
" 2666 "	15th September 1914.	
" 52, Educational,	16th January 1915.	
" 354 "	26th March	
" 2159, Revenue,	21st September 1916.	
" 798 "	16th March 1917.	

V. PONNAIYA—12-5-17.

F. J. RICHARDS—14-5-17.

(G.O. No. 825A/17, dated the 14th May 1917)

(From the Director of Industries, No. 574-2603 dated 26/5/17)

NOTES TO G.O. No. 1468, HOME (Education), 19TH NOVEMBER 1917
Mr. Innes, Director of Industries, who was consulted states that personally he would prefer to enter into a five years' agreement with Mr. A. K. Menon in accordance with the ordinary commercial practice, but that, in consideration of Sir F. Nicholson's recommendation, he has no objection to his permanent employment.
P.C.—23-6-17.

F. J. RICHARDS—25-6-17.

This relates to Mr. A. K. Menon, oil chemist, and the questions are—

- (1) whether he should be permanently appointed;
- (2) if so appointed, what should be his pay;
- (3) should his pay be a fairly high fixed pay with fixed increments, or whether it should be a lower pay with a commission from net profits.

The excellent abstract prefixed to this "Case", and Mr. Richards' paragraph 4 in his general note, sum up the case in favour of the permanency of the appointment, and I can add nothing to what I have already said.

As regards the minor question of his pay (and indeed the whole question), I suggest that the matter be deferred for a few days. My annual fisheries report only awaits the soap works report which is promised within three days; this soap report will contain a full and exact statement of results which should yield a basis for decision. I can send up a copy of the soap report in advance of the general fisheries report, as this will save time.

Meanwhile, in my note on Case II regarding directorate and reorganization of 'fisheries' I have tentatively entered aggregate pay for Mr. Menon on a scale which may be approximately correct, but is not too high: I merely enter the amount, so as to arrive at an approximation to the general cost of the proposed 'Fisheries' establishment, including—though not quite correctly—Mr. Menon as soap manager. I am decidedly in favour of a centage on net profits as forming part of the pay. I have given my reasons in full (see page 6 of the notes to G.O. No. 2159, Revenue, dated 21st September 1916), and I am convinced not only of their validity but of their applicability, and of the generality of the practice especially in modern manufacturing and commercial business.

FINANCIAL DEPARTMENT.

The four cases placed below relate to the reorganization of the Fisheries Department. A consolidated note on all the four cases below has been prepared by Revenue and it will be found on pages 1-3 ante. As the proposals in the various files are interconnected and seem to be somewhat confusing, the position as it now stands is, for clearness sake, briefly set out below.

(c) Case No. III—deals with the permanent retention of the oil expert Mr. Kesava Menon (now temporary on Rs. 300 per mensem) and the question of the emoluments to be allowed to him.

8. Item (e)—Oil Chemist.—Please see comments of Sir F. Nicholson on case No. III above where he proposes to defer the consideration of the question of fixing the pay of this post finally until his soap works report is ready. Submitted that this item may be considered when Sir F. Nicholson makes final proposals. For the present, Financial may agree to the permanent retention of the post on the existing pay of Rs. 300, as a case seems to have been made out for keeping the post on a permanent basis.

This too can be decided when the other question of salary comes up.

L.E.K.—10-7-17.

L.D.—12-7-17.

T.R.N.N.—9-7-17.

A.S.—9-7-17.

L. E. KERSHAW—10-7-17.

L. DAVIDSON—12-7-17.

Boen
Pleasant
his in the
margin
without
to in the notes
to Rs. No. 3318
Revenue, dated
23 Oct 1917

N.
G/1

off of pp 1-4
to Boly for
stinking
29

In approval
8K
6/12/17
Pres
Hampshire
20/11/17

25 copies

30
19
NOTES TO G.O. No. 1408, HOME (EDUCATION), 19TH NOVEMBER 1917

REVENUE DEPARTMENT.

The proposals of the Honorary Director of Fisheries, as modified by the Financial Department, are noted below.

Oil Chemist (temporary—pay Rs. 300 per mensem).—Sir F. Nicholson originally suggested that the appointment might be made permanent and that his pay might be increased to Rs. 400—30—700. He, however, subsequently stated that the question of the pay might be deferred until his soap works report was ready. Financial, however, consider that both the questions of making the appointment permanent and increasing the pay can be deferred.

~~5. Linked case III will be closed after orders issue on this file.~~

P.C.—1-9-17.

The case of the oil chemist will be dealt with separately.

F. J. RICHARDS—4-9-17.

The case of the oil chemist is being separately dealt with. This officer is more needed in the Industries than in the Fisheries Department. I propose to note on this case later on (after consulting Mr. Innes) and would for the present accept the proposal of Financial that the oil chemist should continue on the temporary staff on the pay of Rs. 300 per mensem.

P. R[AJAGOPALA ACHARIYAR]—20-9-17.

I agree.

H. F. W. G[ILLMAN]—21-9-17.

I agree.

A. G. C[ARDEW]—22-9-17.

I agree.

P[ERTLAND]—22-9-17.

From the Honorary Director of Fisheries, dated 18/24th September 1917,
Ref. No. 428.

Sir Frederick Nicholson's letter dated 18th/24th September 1917, proposing the establishment of a permanent soap factory and the appointment of a permanent oil-chemist and soap-maker is submitted. Sir Frederick has made out a very strong case in support of his proposals, but the question, it is submitted, is inseparably connected with that of the permanent retention of Mr. A. K. Menon as oil-chemist and soap-maker, which is under consideration. The Honourable Member has noted that the oil-chemist is more needed for the Industries than in the Fisheries Department and proposes "to note on the case later on." He has agreed that Mr. Menon should continue on the temporary staff on the pay of Rs. 300 per mensem.

Meanwhile it is submitted that the remarks of the Director of Industries through Home (Education) may be invited on the Honorary Director's letter. A draft endorsement is submitted for approval. It may be sent to Home (Education) for acceptance.

A.S.R.—15-10-17.

This is a question of very great importance and it requires a prompt decision. The original must be retained in office and a copy only sent to the Director of Industries.

Copies should also be taken and sent direct to His Excellency the Governor and to the Hon'ble Sir Alexander Cardew and to Financial as it seems to be just one of those schemes for industrial experiment which Sir Alexander Cardew contemplated in his note on the need for a constructive programme. A copy should also be sent to Financial for information, as the question will have to be considered along with the budget estimates.

NOTES TO G.O. No. 1463, 19TH HOME (EDUCATION), NOVEMBER 1917

The draft official memorandum to the Director of Industries is referred to Home (Education) for favour of acceptance and early return.

F. J. RICHARDS—17-10-17.

Home (EDUCATION) DEPARTMENT.
Accepted in Home Education

D. N. STRATHIE—17-10-17.

REVENUE DEPARTMENT.

Issue and then submit to the Honourable Member Fisheries and Industries for perusal.

Financial has not yet been consulted in this scheme, but as the Honourable Member has expressed a desire to consult Mr. Innes on the question, and the proposals have an important bearing on the note by the Hon'ble Sir Alexander Cardew on the need for a constructive programme, the case is submitted to the Honourable Member direct.

For many reasons an early decision seems necessary. It is most unlikely that another man of Mr. A. Kesava Menon's capacity will be easily obtainable. The scheme involves no financial risk to Government and may fairly be classed as 'immediately remunerative'. The notes of the Hon'ble Sir Alexander Cardew on the question of remunerating Mr. A. Kesava Menon by commission are at page 9 of notes to G.O. No. 2159, Revenue, dated 21st September 1916, and in G.O. No. 2754, dated 5th December 1916. The latter is showing up the value of scientific experts, and I believe Mr. Menon could get a post of Rs. 1,000 per mensem in private employ any day for the asking.

F.J.R.—17-10-17.

Since writing the above Sir Frederick Nicholson has submitted the accounts of the actual transactions from April to September. He showed me these when I saw him at Calicut, and I requested him to submit them for the information of Government, as they greatly strengthen his case for an early expansion of the soapery works.

F.J.R.—19-10-17.

I wish to speak to Mr. Innes about this as soon as possible. Is he in Madras just now? If so, please ask him to look me up any office day (in the office) at about 3 p.m.

P. R. [AJAGOPALA ACHARIYAR]—20-10-17.

Mr. Innes can see the Honourable Member at his office (Fort St. George) at 3 p.m. on Tuesday next (23rd) if this is convenient to the Honourable Member. He cannot come on Monday as he must attend a committee meeting on that afternoon.

F.J.R.—20-10-17.

Demi-official—from F. J. RICHARDS, Esq., I.C.S., Deputy Secretary to Government, Revenue Department.

To—the Hon'ble Diwan Bahadur P. RAJAGOPALA ACHARIYAR Avargal, C.I.E., Member of Council.

Dated—the 22nd October 1917.

I enclose a letter just received from Sir Frederick Nicholson à propos of Mr. Kesava Menon. I think Sir Frederick makes it clear that Mr. Menon would be well advised to quit Government service unless Government make it worth his while to stay on, and that soon.

Demi-official—from Sir F. A. NICHOLSON, K.C.I.E., Honorary Director of Fisheries. To—F. J. RICHARDS, Esq., I.C.S., Deputy Secretary to Government, Revenue Department.

Dated—Coonoor, the 20th October 1917.

I omitted to speak to you about Menon, the oil chemist—he is rather uneasy, or, rather, anxious about his prospects, and I shall be glad if that matter can be settled as soon as possible. I would like, however, to say at once, that everything in this letter which follows *solely* proceeds from myself; he has never suggested or even hinted to me either his own merits, or profits of business as showing his merits, or any suggestion whatever as to the attractions or chances of private enterprise—the ideas are purely my own.

The experience gained in the soapery has taught me, and of course Menon also, not only that the best soaps can be made but that they can be made at a large profit, and that they are

very popular and readily placed on the market; the formulae and methods for our mixtures are also now pretty clear, and the sources and prices of raw material. Knowing further that if backed by very moderate private capital—say Rs. 25,000—he could make 250 tons per annum at a net profit of probably Rs. 25,000 per annum (more now, less after the war), it is conceivable that unless his prospects are settled, and on favourable terms, he may seek the assistance of private enterprise. With our demonstrated facts, he could easily get the necessary capital, in which case Government would lose the present opportunity of establishing, at no cost to itself but at considerable profit, an institution much needed in this Presidency, viz., an oils and fats experimental, demonstrational, and instructional institute, where intending manufacturers, down to the pettiest capitalists, can be thoroughly taught their work, without which we shall see nothing in this Presidency but the big (foreign or at least non-Presidency) factory; instructors, inspectors, foremen, artisans would be trained there and a proper analytical laboratory maintained for the assistance of the allied industries and the prevention of adulteration. The profits from a factory making, say, 1,200 tons per annum, with a glycerine recovery plant would, even in normal times, pay all the expenses of such an institution which, it is to be remembered, would deal with many other branches of the oils and fats industries, such as the manufacture of candles, edible fats, pure glycerine, paints and varnishes, etc., the examination of oils as found in the trade with instructions for the improvement of their manufacture (in the villages) and their subsequent treatment, the testing of new products from the forests, and so on. On 1,200 tons of soap per annum we should make, in normal years, at least Rs. 1 lakh net, and this would pay the current charges of a very fair oils and fats institution even if there were no profits from other manufactures and if no fees were charged for its services.

Hence I hope that Government will very shortly decide to retain Menon permanently and on good pay; if thought fit the pay may partly be based on net profits.

It is to be remembered that Menon is one of the comparatively few men in Government service who make, in actual cash, their own pay and that of their staff, "yea and much more also", if I make, as I expect, Rs. 40,000 net profit during the current year, Government will have its whole soap plant, value, say, Rs. 20,000 in hand at no cost (paid for), and several years of Menon's salary, even at improved rates, for several years to come. One year of developed work as recently proposed by me, would provide his pay for life.

Mr. Richards handed me this file for perusal. Returned with thanks.

Mr. Innes' reply has just been received.

Attack and return.

R. RAMACHANDRA RAO—29-10-17.

The points in which orders are immediately required are—

- (1) General acceptance of proposals.
- (2) Selection of a site.
- (3) Confirmation of Mr. Kesava Menon.

Items (1) and (2) are at A on page 6 of Mr. Innes' report. With them should also be considered point B in the same page (whether plant can be got).

Item (3) marked "C" on page 6 of Mr. Innes' report might, I think, be examined separately as presumably orders will issue in Home (Education).

Please get the cases ready for reference to Financial as soon as possible.

F. J. RICHARDS—30-10-17.

As directed by the Deputy Secretary the question of the confirmation of Mr. A. K. Menon is taken up separately and is dealt with below.

2. In his letter Ref. No. 428, dated 18/24th September 1917, the Honorary Director points out that soap industry is a very profitable one, that in this Presidency which has got vast supplies of raw material with large export markets near by there is room not only for great soap factories but for many small ones and that many people would start the industry if only they can be instructed in the methods. He proposes the establishment of a Government soap factory where not only correct methods of soap making will be taught but also foremen, instructors, inspectors and artisans needed for soap industry in the Presidency will be trained. The Government factory with its laboratory and industrial aids will also form a small technological institution where other branches of the oils and fats industries, such as candles, oil-paints, varnishes, etc., can be studied and demonstrated. For the establishment of such a factory the Honorary Director considers that the permanent

Home (Education) Department

Revenue Deptt

Please print asterisk marks in this place.

appointment of an oil chemist and soap maker is necessary as no technical man would take a temporary position where the main object is the instruction of others. The Honorary Director points out that Mr. A. K. Menon is the only officer available in the Presidency whose speciality is oils and fats scientifically considered, that at the present time if he is not entertained permanently in Government service he can get appointments on good pay in private firms or carry on a profitable trade by starting a soap factory that no time should be lost and that he should be made permanent. Mr. Innes, Director of Industries, agrees with the Honorary Director that a large factory is required in order that training of apprentices may be taken up in earnest. Within the last six months the small soap factory at Calicut has already earned a net profit of Rs. 13,612 and the Honorary Director expects a net profit of Rs. 40,000 for the whole of the current year and points out that Government would not only have recovered the value of the plant (Rs. 20,000) but could pay Mr. Menon's salary for some years. The proposal to confirm Mr. Menon may be approved.

3. *Salary of Mr. Menon.*—He is now getting a salary of Rs. 300 per mensem. In March 1916, the Honorary Director recommended that Mr. Menon's pay should be Rs. 500 rising by increments to Rs. 750—vide paragraph 9 at pages 3-4 of G.O. No. 2159, Revenue, dated 21st September 1916. In his letter Ref. No. 132, dated 29th March 1917, the Honorary Director suggests that his pay may partly be in the shape of bonus. The Director of Industries points out that the objection to promising Mr. Menon a bonus as part of his pay is that it would make it difficult to transfer him from the factory to other work on oil and fats and that Mr. Menon and the rest of the staff may be given bonus on net profits in years of good profit as a matter of grace and that in this way Mr. Menon may be got to work his best. Mr. Innes considers that Mr. Menon should be confirmed on a liberal scale of pay in the Department of Industries, that he should be a gazetted officer and that he should be paid the same scale of pay as the experts in the Agricultural Department, viz., Rs. 500—50—1,000. It is submitted that if the pay exceeds Rs. 800 the sanction of the Secretary of State will have to be obtained—vide rule III-3 (a) at page 3 of G.O. No. 297, Financial, dated 23rd April 1913. It is submitted that his pay may be fixed at Rs. 500—50—750. This is the pay recommended by the Honorary Director in March 1916. The pay will be within the sanctioning powers of this Government.

4. As regards leave, pension, etc., he will come under the Indian Service rules. A draft order is submitted for approval. It may be sent to the Educational Department through the Financial Department for issue of the order.

T.R.T.—3-11-17.

It is very necessary that the question of the permanent employment in Government service of Mr. A. Kesava Menon should be decided as soon as possible, as otherwise he is sure to set up business for himself or take employment under some private firm. In either event the result would be—

- (1) an end for the time being if not for ever of the Government soap-making experiments which are still experimental and which are by far the most promising experiments yet made in South India in the creation of a new industry;
- (2) the end of all prospects of placing soap manufacture within the reach of local Indian capitalists: as pointed out by the Honorary Director, if Mr. Kesava Menon goes, his technical knowledge will go with him, and it will no longer be practicable to train men as apprentices, overseers, maistries, etc., for employment in indigenous ventures which Sir Frederick Nicholson's scheme aims at establishing; Mr. Kesava Menon will certainly not give away his trade secrets if he is to set up for himself or take service under a private firm;
- (3) the loss of a chance which is not likely to recur for many years to come, of securing the services of an experienced oil chemist, who is also an Indian.

creation

M. Am

Apparently Mr. Kesava Menon has already been approached by firms who desire to start soap making and he is chafing against the uncertainty of his present position. He knows his own value presumably and it is by no means certain that he will jump at the offer of a Government billet on 500—50—750. But it is, I think, very necessary, if the retention of his services is desired, to make him a square offer immediately.

If he goes, the soap works will have to be closed down. The Honorary Director's health is far from sound and it is inconceivable that the soapery will be reopened. The difficulty of getting soap from abroad is not likely to abate, and the public will suffer. Oil and fat industries present unlimited possibilities in India, but if they are not set in their feet by the end of the war, they will be strangled in embryo by outside competition. It is not too much to say that if Government now lose the services of Mr. Kesava Menon, the clock will be set back ten years and it may never be set going again.

I may add that the financial prospects of the Fisheries Department, if the soapery ceases to work, will be disastrously affected.

The scheme for expansion of soap making is as financially safe as any such scheme can be, and it is likely to repay its capital cost in a year or two. It will, however, take time to elaborate in detail, and the work that lies ahead of Mr. Kesava Menon, if his services are to be retained, goes far beyond the scope of the soap making experiments. In view of the need for an early decision on the long pending question of Mr. Kesava Menon's appointment it is necessary to deal with this question separately and not to await the completion of the soap works scheme.

The question is properly one for the Home (Industries) Department, but at Honourable Member's request I am to put up the case on soap making has hitherto been dealt with as a branch of "Fisheries". Orders, presumably, will issue in the Home Department.

F. J. RICHARDS—4-11-17.

FINANCIAL DEPARTMENT.

This case relates to the permanent retention of Mr. A. K. Menon, Oil chemist, who is now serving on the temporary establishment on a pay of Rs. 300.

2. *Permanent retention of Mr. A. K. Menon.*—Please see paragraph 2 of Revenue note on pages 22-23 ante and Revenue Deputy Secretary's note, dated 4th November 1917 above. It is pointed out that Mr. Menon will not stay in Government service unless he is offered permanent employment immediately and that his leaving Government will result in disastrous results both administrative and financial.

As a corollary to the permanent retention of Mr. Menon, it will, it is stated, be necessary to establish a soap factory with a laboratory costing about Rs. 60,000—the exact amount will be known only when the detailed plans and estimates are received. The Honorary Director of Fisheries anticipates that when such a factory is established with Mr. Menon as permanent oil chemist, the profits to Government will not only pay back in one year the whole cost of the factory and its laboratory but will give a margin sufficient to pay the oil chemist for some years. The Director of Industries seems to concur in the view.

In the above circumstances, Financial may, it is submitted, agree to the permanent retention of Mr. Menon. In

Yes. This has come to us separately.

L.E.K.—8-11-17.

Department to take up the question separately and to issue the necessary orders. Financial will no doubt be consulted before these orders are issued.

3. *Rate of pay for Mr. A. K. Menon in his permanent appointment.*—Mr. Menon was first entertained by Government as a temporary oil chemist on Rs. 250 per

mensem in December 1913—G.O. No. 3553, Revenue, dated 3rd December 1913. His pay was in G.O. No. 2159, Revenue, dated 21st September 1916, raised to Rs. 300 per mensem with effect from 1st April 1916. From paragraph 3 of Revenue Department note on page 22-25 ante, it will be seen that the Honorary Director of Fisheries considers a pay of Rs. 500—750 necessary for Mr. Menon, while the Director of Industries is of opinion that he should be paid the same scale of pay as the experts in the Agricultural Department, viz., Rs. 500—50—1,000. In regard to the wishes of Mr. Menon, it is submitted that he has written as follows to the Honorary Director of Fisheries in 1916 (vide paragraph 9 of letter on page 3 of G.O. No. 2159, Revenue, dated 21st September 1916):—

With regard to my pay and prospects, I beg to suggest that I may be appointed on similar lines to the dyeing and leather experts who are employed in the Department of Industries.

The European experts are paid Rs. 750 a month, but I am willing to accept Rs. 500 to Rs. 750 being only two-thirds of the salary allowed to Europeans.

The dyeing and leather experts are paid Rs. 750 each per mensem. If this scale is taken into account in fixing Mr. Menon's pay, it has to be fixed at Rs. 500 per mensem according to the two-thirds rule. If, on the other hand, his pay is fixed on the basis of the pay of Agricultural service officers, as recommended by the Director of Industries, it has, it is submitted, to be fixed at Rs. 330—33—660 (= 531½) being the equivalent of Rs. 500—50—1,000 according to the two-thirds rule—the Lecturing Botanist at the Agricultural College, Coimbatore, is paid at the rate of Rs. 330—33—660 under this rule.

The Revenue Department, however, remark that it is by no means certain that Mr. Menon will jump at the offer of a Government billet on Rs. 500—50—750 (as he could get a post of Rs. 1,000 per mensem in private employ any day for the asking) and that it is very necessary if the retention of his services is desired, to make him a square offer. In these circumstances, orders are solicited whether the proposed scale of Rs. 500—50—750 will be accepted in Financial. If this scale is to be adopted, it is submitted that the period of rise from the minimum to the maximum, viz., five years, as proposed by

I think we might accept the strong recommendation of Revenue. Revenue, seems too short. The scale may be fixed at either Rs. 500—25—750 or Rs. 500—50/2—750. For orders.

L.E.K.—8-11-17.

4. The proposal to declare him as a gazetted officer coming under the Indian service rules and not to sanction any system of regular bonus calls for no remarks and may be accepted.

5. There are certain establishments on the temporary footing working under Mr. Menon—cf. G.O. No. 2159, Revenue, dated 21st September 1916. When the latter is confirmed, the former too will presumably have to be made permanent. Revenue Department have not raised the question—apparently these and similar details will be taken up separately.

6. Mr. Menon is to be transferred from the Fisheries to the Industries department.

Consequently, the charges on account of the officer will hereafter be debited to the Industries budget and not to the Fisheries budget as heretofore. A sentence may, it is submitted, be added to the draft asking the Director of Industries to submit proposals, in consultation with the Honorary Director of Fisheries, for the necessary transfer of funds, together with a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased rate of pay to Mr. Menon.

Yes, if the change is to be effected.

L.E.K.—8-11-17.

7. Subject to orders on paragraphs 2—6 above, the draft order may, it is submitted, be accepted.

T.R.N.N.—8-11-17.

Financial may accept the draft, I think.

L. E. KRISHNAW—8-11-17.

12 NOTES to G.O. No. 1468, HOME (EDUCATION), 19TH NOVEMBER 1917

Yes: subject to circulation to the Honourable Member (Financial).

L. DAVIDSON—9-11-17.

HOME (EDUCATION) DEPARTMENT.

Submitted that this department may agree to the proposals in Revenue which are also supported in Financial.

N.K.—10-11-17.

C. H. BROWN—10-11-17.

R. RAMACHANDRA RAO—10-11-17.

I agree that the Honorary Directors of Fisheries and Industries have made out a strong case for the creation of the permanent appointment of oil chemist and soap expert. I also agree that Mr. A. K. Menon, who has been in temporary service and who has done such good work, should be given the permanent appointment. In regard to the pay I think that a salary of Rs. 500 rising to Rs. 750 should suffice. I would put the increments at Rs. 50 and they should be given triennially. This would enable Mr. A. K. Menon, who is presumably a young man, to attain his maximum and to draw it for a sufficient period before he retires. I have revised the draft accordingly and shall thank the Secretary to send me a clean copy of it for approval before it goes round.

P. R. [AJAGOPALA ACHARIYAR]—12-11-17.
Urgent. Type and circulate.

R.R.—12-11-17.

Submitted.

R.R.—12-11-17.

P. R. [AJAGOPALA ACHARIYAR]—14-11-17.

A. G. C. [ARDEW]—14-11-17.

P. [ENTLAND]—15-11-17.

It is presumed that the draft order should issue in this department (please see the last portion of the Revenue Deputy Secretary's note on page 10 and paragraph 6 of Financial Department note on page 11 supra). If so, the following sentences may be added to the draft order as paragraph 4:—

"The officer in charge of the Department of Industries is requested to submit proposals in consultation with the Honorary Director of Fisheries for the necessary transfer of funds from the budget estimate of the Fisheries Department to that of the Department of Industries. He is also requested to submit a reappropriation statement to meet the extra cost in 1917-18 on account of the grant of increased pay to Mr. A. K. Menon."

2. As the draft order sanctions the creation of a permanent appointment, a number has to be given to it in Financial. The Financial Department may be requested to do it. A sentence has been added to the first paragraph of the draft.

S.K.—16-11-17.

N.K.—17-11-17.

Ink in the sentence in paragraph 1 and add paragraph 4 as above to the draft.

C.H.B.—17-11-17.

The sentence has been inked in and paragraph 4 added to the draft. The file may be sent to Financial for registering the sanction.

S.K.—17-11-17.

N.K.—17-11-17.

C.H.B.—17-11-17.

FINANCIAL DEPARTMENT.

The sanction No. is 129 of 1917-18.

L. E. KERSHAW—17-11-17.

HOME (EDUCATION) DEPARTMENT.

The draft may now issue.

N.K.—19-11-17.

C.H.B.—19-11-17.

Issue.

R.R.—19-11-17.

[G.O. No. 1468, Home (Education), dated 19th November 1917].

ORDINARY.

PRESS SLIP.

PREFERENCE.

URGENT (a).

DEPARTMENT.

Current No. dated 191
G.O. No. 1468, dated 19-11-1917.
Number of MS. pages sent { Correspondence.....
(b)
(b')
Notes.....

Brief subject.

(e) Number of copies required when struck off (not including copies for columns and editors' table which are retained in the Press).	E. T. copies to supply requisitions for purchase by the public.	Complete correspondence and orders.	Notes.
For Record.*			
Madras Records	4	30	15
Ooty Records		4	4
For filing with original		1	1
Total ..		35	20

For Issue.†

Signature copies.....

	Letter only.	Complete G.O.	(b) Special issue copies of G.O.		Notes.
			No.	Papers.	
India Office.....					
Govt. of India.....Dept.					
Revenue Department.....					
Public Works Department.....					
Local and Municipal Department.....					
Educational Department.....					
.....Dept.					
Public Dept.....					
Judicial Dept.....					
Political.....					
Financial Dept.....					
Marine Dept.....					
Ecclesiastical Dept.....					
Total			2		

Spare copies	The.	Officer in ch.	5		Total	...
	The.	Mr. Tappan	5			
	The.	(no)				
	The.					
	The.	Gov. Street	5			
	The.	St. John's				
	The.	R				
	The.					
	The.					
	The.					
	The.					
	The.					
	The.					
	The.					
	The.					
	Total	...	16			

* Copies distributed on †(Press Clerk).

† Copies distributed on †(Press Despatcher).

‡ To be initialled and dated.

INSTRUCTIONS FOR THE SECRETARIAT.

(a) If a paper is marked to be printed urgently, the Superintendent of the section concerned should sign the Press slip. The Superintendent should exercise a careful discretion in the matter.

(b) Each letter, memorandum, or order, or set of orders, in the file of correspondence should be headed in succession with the Roman numeral I, II, III, etc., the number being written in red ink or blue chalk above the item. The particular papers to be printed in the special issue-copies should be indicated by the Roman numeral (I, II, etc.) by which that item has been headed in the correspondence file. All matter, including marginal remarks or references, to be printed should be written in ink and matter which should not be printed should be encircled. Initials and signatures that are not quite legible should be re-written distinctly.

(b') For rules regarding printing of notes, see rule 315 of the office Manual.

(c) The number of copies and the details of distribution should be filled in by the Superintendent or Referencee concerned.

(d) In the absence of special instructions to the Press to keep matter standing for a specified period, ordinary papers of 8 pages and under will be kept standing for one week, and larger papers for two weeks only. The type of notes and of all confidential papers is distributed immediately after striking.

(e) This slip, properly and completely filled in, should accompany every paper sent to Press; it will be returned by the Press when proofs are furnished; it should be sent to the Press when a call is made for revised proofs or when a corrected proof is sent for striking. When finally returned by Press it should be filed with the original order or letter.

INSTRUCTIONS FOR THE PRESS.

(a) If, in the opinion of the Superintendent of the Press, a paper has been marked urgent unnecessarily, he should send the Press slip to the Registrar with a remark to that effect.

(b) Unless a note to the contrary is made against the matter, pencil entries should not be printed. The Superintendent of the Press may bring to the notice of the Registrar any instance of incomplete or careless editing.

(c) Signature copies of letters to the Secretary of State or to the Government of India should be printed on hand-made paper.

(d) This slip should be returned by the Press to the Secretariat when proofs are furnished; it will be sent back to the Press when proofs are returned corrected and should be finally returned to the Secretariat when struck-off copies are supplied.

(e) The names of the Secretary and Members should be printed in full when they occur on the right-hand side, only the first time when they appear on the left side, the initials alone being printed later.

TO PRESS, MADRAS GOVT.

A

38

Please send proof in duplicate. The papers have been carefully edited.

Referencer.
Clerk.

Supdt.

B

Proof returned corrected. Please strike off and send number of copies as indicated.

Type may be released after usual interval at once.

Referencer.
Clerk.

Supdt.

C

As the matter is clear manuscript and has been carefully edited, (b) proof need not be sent. Please print and supply number of copies as indicated.

Type may be released after usual interval.

Referencer.
Clerk.

Supdt.

SPECIAL INSTRUCTIONS.

TO BE FILLED IN BY THE PRESS.

Diary.	Initials of Press official.
Received in Press on.....	
First proof furnished on.....	
Call for revised proof received on.....	
Revised proof furnished on.....	
Corrected proof received for striking on.....	
Final copies supplied on.....	

Account of copies.	Complete copies.	Notes.	Issued copies.	Special E.T. edition
Supplied to Secretariat for Record.....				
" " " Issue.....				
" " " for Extra E.T. copies to supply requisitions for sale to the public.				4
For Volumes.....				
For supply to newspapers and institutions admitted to the privileges of the E.T.				
Total ...				