

Home (1917) Department.
(Education)

Ordinary SERIES.

G.O. No. 187

DATED 16-2-1917

INDEXED

[Despatch Abstract.]

Hydraulic Oil Mill.

Approving the proposals of the Officer in charge of
the Department of Industries to sell the-----.

PAPERS PUT UP WITH CURRENT No. _____

Papers of the department to which the current belongs.

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

Papers of other departments.

Department.	Number	Date.	Original (= O.) or spare copy (= S.C.)	Initials with date of (1) Referencer acknowledging returns of the paper concerned or (2) Despatcher to denote the return of the papers to the department concerned.

CN- 730 EJ²

C.F.—29.

DEPARTMENT.

Received



Registered 15. 2. 1917.

Subject.

Regarding the proposed sale of the Hydraulic Oil Mill.

ENCLOSURES.

No. _____

R. O. C. No. 1259.

Spare copies _____

Station Madras, Dated the 14th February 1917.

From (Name) C.A. Innes, Esq., I.C.S.

(Designation) Director of Industries.

To The Secretary to the Government of Madras,

HOME (Education) Department.

Sir,

With reference to G.O. No. 158 Educational dated the 16th of January 1915 sanctioning the purchase of a Hydraulic Oil Mill, I have the honour to submit for the consideration of Government an offer I have received for the purchase of the plant.

2. The purchase of the Oil Mill was originally sanctioned for the purpose of dealing with the large stocks of Groundnuts which accumulated on the outbreak of war, to take advantage of the ruling disorganisation of trade channels to obtain a footing in the established markets, and to test generally the possibilities of extracting oil on a wholesale scale in this country. The order for the

4. N^o 52
16.1.15

machinery was placed in February 1915, although part of the machinery has been delivered, owing to the works concerned having been taken over by the Ministry of Munitions, the balance of plant consisting of the essential portions of the machinery remain undelivered, and the manufacturers state that there is little possibility of their being able to deliver the balance of plant until after the war. The original purpose for which the plant was obtained consequently remains unfulfilled.

3. A statement is appended showing the payments made on account of this plant and the value of the undelivered portion of the machinery.

4. I understand that there is little possibility of the proposed establishment of a Central Experimental Department for dealing with the technical problems connected with the oil, fat and allied industries in connection with the Indian Institute of Science materialising, owing to the requisite support from the various Provincial Governments not being forthcoming and the oil mill will consequently not require to be transferred to Bangalore for this purpose.

5. The offer I have received for the mill is from Mr. C.M. DeSouza of the Premier Oil Mills Cawnpore, who is prepared to purchase the machinery outright at the original cost price. This gentleman has done a great deal of pioneer work in connection with the crushing of oil seeds and the working up of the oil into finished products, and has very ambitious scheme for developing this industry. He is backed, he informs me, by a well known London financial house.

6. Mr. DeSouza's offer is to take over at cost price the whole of the plant which has been erected and to take over the balance of the order from Messrs. Marshall Sons and Co. The account stands as follows:-

We have purchased a boiler and ~~an~~ engine for Rs. 9950 and have obtained other machinery at a cost of Rs. 25861-15-7. The total amount we have paid up to date therefore for the machinery delivered is Rs. 35,811-15-7. Mr. DeSouza offers

to pay a deposit of Rs. 10,000 at once, and Rs. 20,000 against railway receipt for this machinery. The balance of Rs. 5,811-15-7 he will apparently pay when our order is completed. On the other hand he suggests that we should dismantle the machinery erected and put it on the rail at our own risk and cost.

7. As regards the balance of the machinery now under order but not yet delivered, he offers to pay "the actual estimated cost on the basis of the specifications submitted by the firm plus shipping and railway freights." The position in regard to this machinery is as follows:-

All the machinery is due from Marshall Sons and Co. who however are merely acting as agents for Messrs. Greenwood and Batley. Messrs. Greenwood and Batley submitted a lump sum tender for the machinery required F.O.B. at Hull or Liverpool for £ 2700. This tender was accepted, but very little of the machinery has been delivered. I am not certain whether the firm will hold its tender after the war, and therefore we cannot accept any offer from Mr. DeSouza based on estimated cost as stated in the specification.

8. I am however anxious to come to terms with Mr. DeSouza. The machinery is no longer required for the Tata Research Institute. There is no hope of the plant being completed after the war, and in the meantime we are losing interest on capital and the plant is deteriorating. Further there seems every prospect of the oil fat and allied industries being taken up on a large scale by private firms in the Madras Presidency in the near future, and if this hope is realised, the necessity for expensive experiments by the Department of Industries disappears. Further the plant is a very elaborate one, and really requires an oil expert to run it. Everything therefore points to the advisability of accepting Mr. DeSouza's offer if we can, and I may mention that Sir Fredrick A. Nicholson is in favour of this course.

provided that Mr. DeSouza can give satisfactory

references therefore I recommend that Government should offer him the following terms:-

- (1) Government will undertake to make over to him the existing machinery at cost price.
- (2) The cost price is Rs. 35,811-15-7
- (3) Mr. DeSouza must pay a deposit of Rs. 10,000.
- (4) Government will then dismantle the machinery and place it on the railway at its own risk and cost.
- (5) On receipt of the railway receipt Mr. DeSouza will pay Rs. 20,000.
- (6) The balance of Rs. 5,811-15-7 may be paid plus interest at 5% on completion of the order.
- (7) Government will arrange as soon as possible the completion of the order, have it shipped to Bombay and will hand over the documents and machinery to Mr. DeSouza on payment of all charges (actual cost of machinery, freight insurance, landing charges and the like).

10. I think that these terms are as favourable as we can expect for an incomplete and therefore useless plant - especially as that plant includes parts (refrigerator, fuller's earth plant, and the like) which are not suited for producing oil for export. It is true that we shall have to incur the expense of dismantling the machinery and placing it on the railway, (which may be put at about Rs. 2000) and that we lose foundation and erection charges. But on the whole I am convinced that the offer is an advantageous one and I think that it may be accepted on the terms suggested above.

11. Messrs. Best and Co. had a sort of option on the plant but have agreed to waive it.

12. Mr. DeSouza's partner is sailing for England and America, very shortly to place orders for machinery and Mr.

DeSouza is extremely anxious for orders before the 17th

instant. If Government agree generally to these proposals,

I think that I might be authorised to make the above offer

to Mr. DeSouza subject to his references being satisfactory

I have the honour to be,

Sir,

Your most obedient servant,

M.N.

ENCLOSURE

DIRECTOR OF INDUSTRIES, MADRAS IN ACCOUNT WITH

MESSRS. MARSHALL SONS AND CO., LTD. MADRAS.

1915 February	Engine, Boiler and water heater	Rs. 9950	Obtained from stock in India - paid for by separate account.
Oct. 7	To Freight and insurance on engine and boiler supplied as per bill No. 2590 E	764-10-0	1915 Mar. 29. By Cash Rs. 30,000
Nov. 4	To Cartage and Cranage on above as per bill No. 2939 E.	80- 0-0	
12	30 cwts. Grayite composition as per bill No. 2981 E.	285-12-0	
" "	10 cwts. do. as per bill No. 2983 E.	95- 4-0	
22	Railway freight from Calcutta on above including delivery at Madras as per bill No. 3049 E.	110- 9-0	

Carried Over

Rs. 1336- 3-0

Rs. 30,000.

Brought Forward 1336- 3-0 Rs. 30,000

1916 Jany. 15 To Amount paid to Rose
Downs and Thomson Ltd.
London for Oil Filter
&c. supplied as per
bill No. 99 F. 6000- 6-0

" " 31 do for chemicals as
per bill M No. 275 F 168- 9-6

" April 5 do for pump for
Steam driven Oil Filter
as per bill No. 1127 F. 421- 8-4

" May 9 do for 1 Ton Oil Cool-
ing plant as per bill
M No. 1352 F. 5454- 9-11

" Nov. 17 Amount paid to the Bank
of Madras, Madras for
a draft of Messrs. Rose
Downs and Thomson Ltd.
for goods supplied
shipped per S.S. "IRAN"
as per your letter
R.O.C. 498 d/ 15-11-16 343- 7-11

To cost of part of Oil
Mill plant supplied by
Messrs. Greenwood &
Batley as per our letter
d/ 21-2-16 12137- 2-11

Dec. 31 Balance. 4138- 0- 5

30000-0-0 30,000.

The balance of plant represents a value of approximately Rs. 40,000
The final figure will depend on the freight and insurance rates ruling at
the time of shipment.

For Director of Industries.

NOTES.

CM-726 857
14-2-17.

D.O.

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

14/2 191

My dear Harvey,

Mr. D' Souza

of the Pannier

oil mills

wants to see you

about our oil

machinery at

was here and but

He wants to buy it &

I'll tell it, &

I am sending

you a letter today.

Yours sincerely

Channing

This must be written as
V. U. when it is received as
the I. Longue would come out
of course before he leaves
tomorrow in order to join his position
in Delhi.

Channing
14.2.11

Home (Econ.) Dept.
From the officer in charge of
the Dep. of Ind. M. 12598/14.21

The total value of the
order placed with the
manufacturers of the
Hydraulic oil mill is Rs 72,400.
Of this, machinery worth about
Rs 35,000 has alone been
received and there is no
near prospect of the balance
of plant being delivered.
It was recently decided
that the plant should be
lent to the Indian Institute
of Science for experimental
purposes. But as other local
Govts have not ^{yet} undertaken
to cooperate in the scheme
formulated by the authorities
of the Institute the plant
is not of use to them ^(at present).
In these circumstances it
is for orders whether the
offer of purchase of the plant
from Mr. De Souza may be
accepted and Mr. Dines' pro-
posals

Please see my handwritten
note on p. 43 of No. 1334 (F)
11.12.16

para 6, p. 2 of c.f.

No. 1334 (F)
11.12.14

para 2+3 of the linked file.

The scheme seems to
have fizzled out.

Ch.
11.12.16

para 3 + 4 of c.

posals in regard to the terms of sale in para 9 of his letter may be approved. Under these terms this Govt will have to arrange for the delivery of the balance of the plant yet to be supplied by the maker.

2. The acceptance of the Dir. Dept is not necessary to the proposed sale.

8K
15.2.17.
AM
15/2/17

H.E.

Mr. Innes asks us to come to a very urgent decision in this case as Mr. De Souza leaves Madras tonight & wishes to know the intention of Govt before he leaves.

I think Mr. Innes' proposal is opportune & that his recommendation may be generally accepted. Details may arise for consideration later & require revision, but, subject to the Govt found satisfactory, may I tell Mr. De Souza who comes to office this evening, that the Govt are prepared to accept his offer?

8K
15.2.17

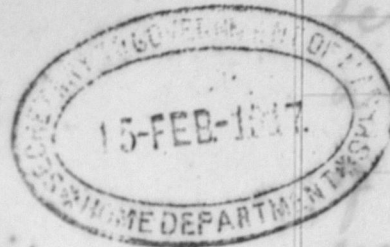
Mr. W. 1334
11.15.16

Box 56
Cable 15/2
15/2/17

V U

Subject to adequate references &
binding & regular contract this
quantity approaches the James
proportion. *Letton*

(Bo) 15-2-17



Mr. De Souza has not come to offer so I
suppose he leaves to whom I telephoned the
P.S.G. & who has told him.

A formal reply to the James' communication
may now be drafted.

After the morning I join on the James' do.
(p. i. j.) I captured some zeal in finding
out the promised letter in Lippel & putting
it up.

E.B.
15.2.17

A draft order is submitted
for approval.

E.B.
15.2.17.

W.W.

E.B.
16.2.17

Hydraulic oil mill.

Approving the proposals of the Officer in charge of the Department of Industries to sell the -----

Read:--

C.No. 730.

From the Officer in charge of the Department of Industries, R.O.C.No.1259, dated the 14th February 1917.

Order.

No. 187 dated 16.2.1917.

Mis.

The Government approve the proposals to sell the hydraulic oil mill ^{plant} to Mr.C.M.DeSouza of the Premier oil mills, Cawnpore, on ^{the} terms set out in paragraph 9 of Mr. Innes' letter read above. Mr. DeSouza should be required to furnish adequate references and to enter into a binding and regular contract in respect of the sale.

To

The Officer in charge of
the Department Industries.
(Q and O).
The Financial Department
(A and O).

sepa
with anals
16.2.17

8K
16.2.17
16/2/17

EAH
16.2.17

When given for copying—

When copied—

When examined—

When signed—

191

10/2

READ AGAIN G.O. No.
191

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT

NOT WITH DITTO.

NOT FILED UP, BEING MEANT FOR DESPATCH
ORIGINAL

N.B.—

A = Copy in full.

B = Not to be copied.

C = Copy abstract only.

Q = Copy heading only.