

Home (1918) Department.
Education

Ordinary SERIES.

G.O. No. 838

DATED 26. 6. 18

INDEXED

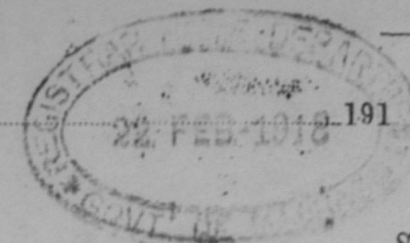
[Despatch Abstract.]

Pencil experiment.

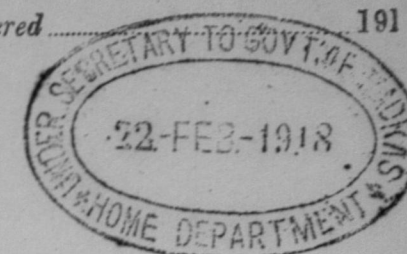
Sanctioning the payment of rent to Messrs. Innes and Company, Cocanada, for their portion of the pencil machinery lent to the Department of Industries at the rate of Rs.250 per annum from the 24th October 1914.

DEPARTMENT.

Received



Registered



Subject.

Pencil Machinery.

Recommending the purchase of the -----
 offered by Brother Emile for Rs 3500/-

ENCLOSURES.

No. _____

No. R.O.C.1409

Spare copies _____

Station Madras., Dated the 21st February 1918 191From (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.1465 Home (Education)
 dated the 19th November 1917, I have the honour to state that
 Brother Emile is prepared to sell his plant at the price
 originally offered, viz Rs.3500, and I recommend that its
 purchase be sanctioned.

I have not yet been able to get an answer from
 the Hon'ble Mr. K. Suryanarayanamurthi Naidu Garu in spite
 of four reminders.

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

C.A. Innes
 Director of Industries.

G.H.

The purchase at this
 rate has already been
 sanctioned by Govt.
 Vide G.O. 1465
 19-11-17

DEPARTMENT.

Received



Registered

1918

Subject.

Requesting sanction to purchase the Pencil Machinery.

ENCLOSURES.

No.

Spare copies

Roe No. 1409

Station Madras, Dated the 10th June 1918

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

(Designation) Director of Industries. Madras.

To The Secretary to the Government of Madras,
Home (Education) Department.

Sir,

(U) With reference to G.O. No. 1465 dated 19th November 1917 I have the honour to report

(1) that Brother Emile is prepared to sell the pencil machinery belonging to him for Rs. 3500 and

(2) that the Hon'ble Mr. Suriyanarayanamurthi and his friends have agreed to sell their share of the machinery for Rs. 4000 plus arrears of rent at the rate of Rs. 250 per annum from the 24th October 1914. This rent was provided for in the agreement but by some oversight has never been paid.

I request sanction to pay the above amounts. The

Remitted for 3 years 8 months
Rs. 750 + 166 $\frac{2}{3}$
= Rs. 916 $\frac{2}{3}$

82

✓
expenditure can be met from the allotment of Rs.55,000 for
"Miscellaneous Experiments".

I have the honour to be,

Sir,

Your most obedient servant,

Chunnes

Director of Industries.

M.N.

11/6

65,199-3-17.
4
NOTES.

Home Ex. Dept. 131

Subject Pencil factory.

[C. no. 520A] for the Officer in charge of the Dept. of Industries
No 1409 of 21. 2. 18.

The pencil machinery now in use in the experimental pencil factory belongs partly to Brother Euille and partly to the Honble Mr Suryanarayana Murthy. In G.O. no 1465 of 19. 11. 17 the Govt. ^{have already} approved the purchase of the half owned by Brother Euille at Rs 3,500 and ~~the other half~~ ^{which belonged to} Mr Suryanarayana Murthy at Rs 4,000. and requested Mr Euille to ascertain and report whether the owners were willing to sell the plant. He reports that Brother Euille is willing to part with the plant at the rate already approved. ~~But~~ but states that the other gentleman did not reply in spite of four reminders.

2. Submitted the intention of Mr Euille is eventually to hand over the factory to any private purchaser as soon as it can be proved to be a going concern. The machinery which belongs to the two persons mentioned above was proposed to be purchased apparently because a intending purchaser would probably prefer to be free from obligations to third parties.

para 700 p 3 of G.O. 1343 M
26. 10. 17

M

Mr Stratton's remarks on page 20 of G.O. No 134
of 26.10.17. It is for consideration whether
Mr Dines may be requested to await a reply
Mr Suryanarayana Murthi Nayudu.

Subject to orders a draft is submitted for
approval.

27.2.18
Jd.
27.2.18

What is Mr. S. ... saying?
L. 28

Mr Suryanarayana Murthi Nayudu
is a member of the Legislative Council. His
place of residence is Cocanada - vide
35 outp. 346 of the Quarterly Civil List Corree
up to 1st Jan. 18.

9.3.18
Jd.
9.3.18

Suppose him a letter
containing an immediate
reply. Or perhaps
he can be seen
Council on Wed.?
L. 28

Submitted the Honble Mr. Suryanarayana
Murthi Nayudu is attending the Council
A draft D.O. is also submitted below

13.3.18
Jd.
13.3.18

Let him have this today
please.
L. 28

Sent the file down to S. in Council.
Perhaps S. will mention the
matter to Mr. Suryanarayana Murthi.
He will then be being held up
for want of Mr. S's reply.

L.S.

us.

Mr. Suryanarayana Murthi says he
replied 5 days ^{ago} to Mr. Innes. He wishes to know
whether the concern is going to be handed over to
any company & if so on what terms. Apparently
he would like to take it over himself. Please
telephone to Mr. Innes or his office for the
letter of Mr. Innes' reply if any which
has been sent to Mr. S. Narayanamurthi Nayud.

L.S.
14-3-18

Vide para. 6 of Mr. Innes' letter
on 13.7.90 1465 Edn. (V)
15-4-17.

15-4-18

The following telephone message is for
approval: -

From the Under Secy to Govt House Dy
to Mr C.A. Innes

Reference your letter no R.C. 14092
re: the purchase of the machinery for the
Experimental pencil factory.

The Honble Mr. Suryanarayana Murthi
in Council
Cham.

Read & sent
19-3-18
19-3-18
19-3-18

NOTES.

Stated ^{that} he replied to you ^{(about} a week ago. He also wished to know whether the concern was going to be handed over to any company and if so on what terms. Apparently he would like to take it over himself. ^{Will you kindly send me} ~~Please send~~ a copy of his letter and of your reply ^{thereto} ~~concerning~~ ~~regarding~~ ~~the~~ ~~matter~~ if any.

18.3.18

16328

June

11.3.18.

lesue
Hj.
10/3/18

P.T.O.

D.O.

Rec 1409

Madras Post Box No. 454,

Madras, 19th March 1918.

Con
C. No. 80
Regd. 20

My dear Brown,

In reply to your telephone message of Saturday, I send herewith copies of the Hon'ble Mr. Suryanarayana Murthi's letter and my reply.

3/ Regarding the disposal of the factory, I began provisional negotiations with Messrs. Perumal Chetty & Sons (Hoe & Co.) the Stationers but under His Excellency's instructions I have asked Fraser & Ross what they will charge to audit the accounts. His Excellency considers that private negotiations would be a mistake, that the audited accounts should be published, and that tenders should be invited for the factory.

3/ I am anxious to give the factory the best chance possible of surviving after the war. Hoe & Co. are Stationers and sell 7000 or 8000 gross of pencils a year. If therefore they take it over, they have a market ready to hand and, with assistance from Government in the way of orders, could probably make it survive.

4/ The terms with the Hon'ble Mr. Suryanarayana Murthi were communicated to Government with this office letter E/11 dated 15-11-15. The agreement is not very definite. But I have always taken it to mean that (a) if we decide to hand over the factory to a firm like Hoe and Co. we could buy the machinery on for Rs. 4000, but (b) if the other hand we hand it over to a Company, we have to give the Hon'ble Mr. Suryanarayana Murthi's group the option of receiving Rs. 4000 in cash for the machinery or Rs. 8000 in shares as well as the option of taking Rs. 15000 in shares in the Company.

5/ But like most amateur agreements it is difficult to decide how we really stand as regards this machinery and I think that the Government Solicitor might be asked to advise.

Yours sincerely,

C. Brown

Copy of the letter
to the Hon'ble Mr. Murthi
of 15.11.15
29.3.18

+
And it is stated
that if a
company were
formed, the
machinery
should be
sold to
the owners

SK

To.

Hilton Brown Esq., I.C.S.

Under Secretary to Government

Home (Education) Department.

6/10
Copy of letter from the Hon'ble Dewan Bahadur K. Suryanarayana-
murthy, Cocanada dated 11th March 1918 to the Director of Industries, Madras.

With reference to your letter No.1409 dated 3-11-17 and
reminder of 5-2-18, I have the honour to state that I could not
give you a reply earlier as one of our 3 partners has not been
in the station all this time, for which I request you will be
good enough to excuse me.

At the time of our lending the machinery we said we would
accept either Rs.4000/- cash or Rs.8000 of worth of shares if a
Company is to be floated at the end of one year from the time the
machinery was taken.

My partners want to know if it is the idea of the Government
to hand over the factory to a private person or Company, if any
should come forward to take up the management and if so, what
price they want for the factory as it is at present and if the
services of the Supervisor will be given free for a period of 2
years. On hearing from you in reply to this we shall write to
you finally on the matter.

Copy of letter from the Director of Industries, Madras dated
12th March 1918 to the Hon'ble Dewan Bahadur K. Suriyanarayana-
murthy Naidu Avl., Cocanada.

With reference to your letter of the 11th March I write to
say that no decision has been arrived at on the question whether
the pencil factory should be handed over to a private person or to
a company. The accounts of the factory are being audited and it
will then be decided whether tenders will be invited for the
factory or in what way the factory will be disposed of.

Home (Edn) Dept

Please see Mr Innes' letter on page 5 and its enclosure on page 6 supra. With regard to the terms on which the pencil machinery was lent by the Hon'ble Mr Srinagarayanamurti reference is solicited to Messrs Innes & Co letter dated the 25th February 1915, on page 6 of G.O. No. 346 Edn, dated the 29th March 1916. It will be seen that the agreement ^(concluded) with the firm was ^{then} only for one year. It is ^{now} more than three years ~~since~~ since the machinery was taken ^{over} by the Department of Industries. It is doubtful whether the terms settled can still be considered binding. It is not known whether any understanding was arrived at ^(after the first year) to the effect that the terms would be binding so long as the machinery was lent to the Dept of Industries. ~~It is for orders whether Mr Innes may be consulted on this point or a reference may at once be made to the Govt Solicitor as suggested by him.~~

* Mr Srinagarayanamurti is the proprietor of Messrs Innes & Co.

NOTES.

Page 8

In any case, Messrs Jones & Co have not repudiated the terms of their original agreement. The firm ^{however} may legitimately refuse to sell the plant if a company is not to be formed for the manufacture of pencils.

2 The Govt do not apparently intend to compel Messrs Jones & Co. to sell the plant and they desire to purchase it only with their consent. There appears therefore to be no object in consulting the Govt. Solicitor.

3 Perhaps Mr Jones may be asked to write again to the proprietors stating that the Govt. propose to continue the experiments for some time longer, that the purchase of machinery is considered essential to ascertain the true cost of manufacture, and that the question of the disposal of the factory will be taken up only after the experiments have proved a definite success. Mr Jones ^{may} also ask the proprietors to state definitely whether they are willing to sell the plant outright to Govt. for Rs 400/- as originally arranged.

NK
1/4/17

5 According to clause ^{one} three of the agreement the machinery should have been handed back to the proprietors (Messrs Jones & Co) two years ago. Apparently when the psychological moment

NOTES.

Page 9

Arrived, nothing was done to the arrangement
was allowed to slide on. We met
perhaps on Mr. Jones to verify
this point. The agreement does not
seem to have contemplated handing
over to such a firm as Hoe & Co
at all: if the experiments were a
success a company was to be
started on the 40000. cash or 80000.
Share basis; if the experiments were
a wash-out then the plant was
to be taken back by Jones & Co.
The agreement seems now to be
necessitated more or less by ~~time~~ passage of
time. Perhaps the best plan would be to
~~get~~ ask Mr. Jones to approach
the proprietors again with his new
plan then obtain fresh agreement
drawn up by the Gov. Engineer. This
should perhaps wait the audit of the
accounts by Messrs. Moss. I don't
know if we've been paying rent of
2500. continuously or what the position
has been.

L. W. S.

There is nothing in the letter at p. 6 of C about handing
over the concern to a non-company firm like Hoe & Co
An offer by another non-company firm the Madras
Timber Warehouse, has been forwarded to me today
by P.S. It seems to me the best course will be

Box 15
5.4.18.
Let 7.4.18

to reopen negotiations formally with Messrs. Innes & to get an agreement couched in appropriate & complete form, especially in the direction of enabling you to dispose of the concern by open tender, or by private negotiation to any individual or firm or company that they may see fit to. There is no harm in ^{assuming} Innes & that you will give every consideration to their claims, short of binding ourselves to do

LWS
5.4.18

Am

I asked the Hon. Mr. Surayanamurti at the League Council since writing the above he said that his firm would be willing to reopen negotiations.

LWS

8.4.18

J. A. M.
9/4

A draft do. to Mr. Innes is submitted for approval.

8K
8/4/18.

N.K

9/4/18

Innes 10.4.18

Home (Education) Department

D.O. No. 520 A-1 dated 10th April 1918.

Dear Sir,

Please refer to the correspondence ending with your demi official No. 1409, of the 19th ultimo, regarding the purchase of the pencil machinery belonging to the Honourable Mr. Suryanarayanamurthi Nayudu. The terms agreed upon in 1915 in regard to the lease of the plant held good only for one year and it is doubtful whether they can still be regarded as in force unless the proprietors subsequently consented in writing to the retention of the plant by Government for a further period. In any case it does not appear permissible for Government under the terms of the original agreement to hand over the machinery to a non-company firm like Messrs. Hoe and Co. In the circumstances, they ~~cannot~~ desire that ^{you} ~~the~~ should reopen the negotiations formally with Mr. Suryanarayanamurthi and secure from him an agreement couched in appropriate and complete form especially in the direction of enabling Government to dispose of the ^{pencil factory} ~~concern~~ by open tender or by private negotiation to any individual or firm or company that they may ^{think} see fit. ~~to~~ There is however no harm in assuring Messrs. Innes and Co. that the Govt. will give every consideration to their claims, short of binding

By 59 MF.

12
themselves to do so.

I am to request you to take action accordingly and to report the result to Government.

Yours Sincerely,

h. n. s.

To

Recd 12/2/18
12/2/18
C. A. Innes Esquire, I.C.S.
Officer in charge of the
Dept. of Industries, Madras.



13
SUDHARMA,
EDWARD ELLIOT'S ROAD,
MYLAPORE.

3-4-1918

16
Dear Sir,

Please allow me to introduce to you Messrs A.K. Venkatacharya & A.K. Ranganathaiah the Proprietors of the Madras Timber Works near Mount Road & Building Contractors who are constructing a number of buildings for the Government. They tell me that they wish to buy the Pencil Factory which is to be disposed of by the Government and that the

decision rests with His Excellency
the Governor. The brothers
belong to a very rich family
of landowners in the Bangalore
District - and are ~~the~~ grandsons
by the daughter of the late
Sir J. Nuthaswami Aiyar.
They are thoroughly respectable
& reliable & can be trusted
to carry on the business
if it is transferred to them.
There is no question of want
of capital & they are keen
about the business. 3

shall feel obliged if you can
kindly place their worth &
qualifications before H. S. They
will be prepared to abide by
all reasonable terms that it
may be thought desirable to
impose.

Hoping to be secured for the
trouble,

yours sincerely
Nuthaswami Aiyar

P.S. They have helped the War
Fund by doing a lot of work
free of charge on the last two
months Exhibitions.



14

GOVERNMENT

4. 4. 18.

Dear Mr. Swamikannu,

I send you the enclosed.
Sir Sivaswami Iyer is misinformed.
As a departmental matter Mr.
question goes before the Hon. Mr.
Rajagopalachari.

I have told Mr.
Rangaswami that if he wishes
to see any one he should see
you in the first place.

Yours sincerely
Lalor.

Rev.

Please let me see the
file. Mr. Suryanarayana Murthy
was I believe considerate
terms.
LWS
5. 4. 18

HMS
5/4/18

Madras.

19

In the Annexes list the Under Secy has ordered that a reminder should now issue on this case. The following draft do. is for approval:-

Dear Sirs,

Please refer to my do. N° 520A-1 dated the 10th April 1918, regarding the purchase of the pencil machine belonging to the Honble Mr. Sanyal narayanamurti Raycha. I am enquire whether you have ~~opened~~ ^{formal} negotiations ~~with~~ ^{in the matter} ~~the Government~~ and, if so, with what result.

Sincerely yours

h. 18

D.O. N° 520A-2
20.5.18.

p. 11 ante

20/5/18
CA. Line. Sp. 15/5/18.
Signed by U.S. on 22.5.18
NK
15/5/18

Issue on 20.5.18
h. 18

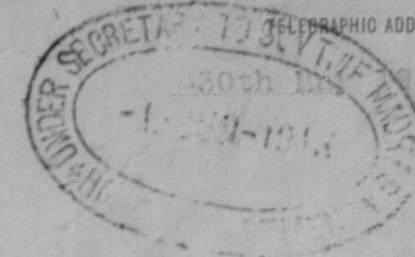
D. O.



Roc 1409

MADRAS, POST BOX No. 112

Widuntry



191

My dear Brown,

Your demi official No. 520 A/2 of the 20th instant. The position is that Hon'ble Mr. Suryanarayana Murti has agreed to sell the machinery for Rs. 4000 but has asked for interest at 6% from the date of handing over. I find that we have not paid him the rent of Rs. 250 per annum as agreed upon and have asked him if he will accept Rs. 4000 plus arrears of rent at Rs. 250 per annum. I am awaiting his reply.

Yours sincerely,

Calum

To.

Hilton Brown Esq., I.C.S.

Under Secretary to Government,

Home (Education) Department,

Stonehouse Hill,

Madras.

Home (Edn) Dept.

The Secy's further communication may be awaited.

SK
1. 8. 18.

NK
1/11/18

For Mr. Brown

CN. 1530 A. From the Offices in charge
of the Dept. of Ind. Affairs

p. 2 of c.f.



Mr. Lunn reports that Mr. Surya-
narayana-murti has agreed to
sell ^{this half of} the pencil machinery
for Rs 4,000 plus arrears of
rent at Rs 250 per annum.
^{which amount to Rs 96.}
The purchase of the machinery
belonging to Brothers Emile &
Mr. Suryanarayana-murti
for Rs 3,500 and Rs 4,000, ~~has~~
respectively, has already
been approved in G.O. No. 1465
dated the 19th Novr 1917. Sanction
may now be accorded to
the payment of rent to
Messrs Lunn & Co., at Rs 250
per annum. A draft order
is submitted for approval.
It may be sent to the Dist.
Dept. for acceptance.



SK
15/6/18
NK
19/6/18

S. ^{Ind. no.} NK. 20/6/18

Full (ind) Financial Dept.
b. that the draft may be accepted.

NOTES.

W
Home (Edr) Dept

The draft may now issue

NK
25/11/07

W
16/11/07

191

191 .

191 .

No. 822, dated 20/01/1918.

Emi;

They now sanction the
payment of rent to Messrs
Dunn & Co.

(v) In ~~part~~ G.O. No. 1465-Home
(Estt.), dated the 19th Nov^r 1917,
the Gov^t approved the ~~proa~~
purchase of the pencil
machinery belonging
to Brother Emile and
to Messrs Limes & Co., because,
for Rs 7,500 ~~and Rs 4,000~~,
~~respectively~~. They
~~now sanction the~~ ^{propose}
~~proposal to pay rent~~ ^(to Messrs Limes & Co.)
for the ^{portion of their} machinery lent
by them to the Dept^t
of Industries at the
rate of Rs 250 per annum
from the 24th October 1914

The ~~amount~~ expenditure
on account of the
purchase of the machinery
and the payment of
rent will be met
from the lump provision
of Rs. 55,000 for miscellaneous
experiments under the
head 'G. Gov. Scientific
& Miscellaneous Dept.
' Miscellaneous' in
the budget estimate
for 1918-19.

8K
15/6/18

15/6/18

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15/6/18

15/6/18

Page 211 C.S. 4/18
(final issue)

To

The Officer in charge
of the Dept. of
Agriculture
Bombay

15/6/18

A.G. through Secy.
(90)
Copy to File Dept (90)

When given for copying
When copied
When examined
When signed

191

Read again G.O. No.
191

DATED

CURRENT No.

ENCLOSURES TO C. No.

ORDER OF GOVERNMENT

A A A A A A A

LETTER OF GOVERNMENT

STATEMENT WITH DITTO

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

N.B.-

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