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GOVERNMENT OF TAMIL NADU

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Government of Madras

HOME DEPARTMENT (EDUCATION).

MISCELLANEOUS

G.O. No. 448, 5th April 1917

Tanning

Recording the report submitted by the officer in charge of the Department of Industries on the development of the — industry in the Madras Presidency.

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Tanning

Recording the report submitted by the officer in charge of the Department of Industries on the development of the — industry in the Madras Presidency.

READ—the following papers :—

I

G.O. No. 957, Financial (Separate Revenue), dated 15th November 1916.

ABSTRACT.—Reporting to the Government of India on certain questions connected with the Indian export trade in raw hides.

II

Memorandum No. 3603-1, Home (Education), dated 19th October 1916.

A copy of the letter from the Government of India, No. 4408, dated the 13th June 1916, with enclosures, is forwarded to the Officer in charge of the Department of Industries, who is requested to submit, with reference to the concluding portion of paragraph 4 of the letter, a report on the possibility of improving and developing the tanning industry in this Presidency.

2. In this connection the attention of the Special officer is invited to the letter from the Government of India, No. 14651, dated the 13th September 1915 (forwarded to the Director of Industries with demi-official No. 3233-1, dated the 13th September 1915), in which that Government enquired whether any steps could be taken to increase the outturn of tanned kips which could be utilised for the manufacture of Army boots. Mr. Tressler's letter No. K-114, dated the 25th September 1915, showed that the only firms in this Presidency which could turn out fully tanned leather were Messrs. Chambers & Co., and the Mysore Tannery. The Government understand that Messrs. Walker & Co., Madras, have instituted certain experiments in tanning processes and will be prepared also to undertake the supply of suitable leather. The establishment of the leather trade school at Madras may to some extent assist in the development of the tanning industry of this Presidency.

3. The Hon'ble Mr. Couchman is also requested to obtain and submit to the Government the views of local tanners on the subject.

P. RAJAGOPALA ACHARYAR,
Secretary to Government.

To the Officer in charge of the Department of Industries.

III

Letter—from C. A. INNES, Esq., I.C.S., Director of Industries.
To—the Secretary to Government, Home (Education) Department.
Dated—Madras, the 13th/15th January 1917.
No.—G. Cur. 32 of 1916.

I have the honour to submit the report on the possibility of improving and developing the tanning industry in this Presidency called for in Government Memorandum No. 3603-1 of the 19th October 1916.

2. Statistics regarding the leather, hides and skins trades of the Madras Presidency are given on pages 25-36 of the Handbook of Commercial Information and need not be repeated here. As is well known, the feature of the leather trade in Madras is that the export of raw hides is insignificant while the export of "kips" or partially finished leather and of partially tanned skins amounts to 88 per cent of the total trade. Within the Presidency finished leather is turned out only by the Chrome Leather Company's Tannery at Pallavaram and by the Berhampur Leather Manufacturing Company. The former is a well established business and its operations have been greatly stimulated during the last two and half years by the war. The latter is a recent company established by Mr. Tiruvankata Achari of the Mysore Tannery. As noted in the Government Memorandum under reply, Messrs. Walker and Co. instituted certain experiments with the object of undertaking the supply of manufactured leather, but I understand that they experienced considerable difficulty in placing the leather on the market. At any rate the experiments have been discontinued.

3. It will be seen therefore that the problem resolves itself into two parts relating respectively—

- (1) to the improvement of the ordinary tanning industry in the Presidency which mainly produces "kips" and partially tanned skins, and
- (2) to the extension of the manufacture of finished leather.

4. In dealing with these questions there is one preliminary point to be borne in mind. All the chief countries in the world, Russia and perhaps also Italy excepted, admit raw hides and skins free of all duty. America admits unwrought and some kinds of manufactured leather free, but with this exception and that of the United Kingdom, all the most important countries, Germany, Austria-Hungary, France, Italy and Russia, impose heavy protective duties on leather and leather goods. The result is brought out sufficiently clearly in the correspondence appended to the Government of India's letters which formed enclosures to the Memorandum under reply. The United Kingdom has been almost entirely driven out from any share in the trade in Indian raw hides. Germany and Austria between them took 57.7 per cent of these raw materials in 1912-13 and 66.9 per cent in 1913-14. The other principal buyers were Italy, Spain and the United States. The United Kingdom's share was 4.2 per cent in 1912-13 and 2 per cent in 1913-14. Tanners in Madras are also indirectly affected and that in two ways. One aspect of the case is presented in paragraph 5 of the letter of Messrs. Best & Co., dated the 8th instant a copy of which is appended to this letter. The other is to be found in the well-known fact that local supplies of raw materials are not sufficient for the requirements of Madras tanners, and raw hides and skins are imported into Madras from Central and Northern India and from the Calcutta market generally. There is great competition for the hides available in this market, but owing to the reasons noted above the competition is mainly between foreign nations, and before the war the trade had passed almost entirely into the hands of a German ring. All the best hides were exported to foreign countries, and Madras tanners got merely the rejections left over after the hides had been picked over for export. This fact was brought to notice by Mr. Chatterton in page 7 of his monograph on tanning as far back as 1905, and it is also referred to in Mr. Tiruvankata Achari's letter appended to this report.

5. The most important point for consideration therefore is whether Government are prepared to allow this state of things to continue after the war. I am aware that in their letter of the 13th June 1916 the Government of India rather deprecated the discussion of fiscal measures, but six months have elapsed since that letter was written, and in their letter No. 11900-C., dated the 5th December 1916, in connection with the commercial problems which will require to be dealt with on the termination of the war, the Government of India have specially referred to hides and have asked for an expression of the views of the Government of Madras on the question whether the adoption of any special measures such as the imposition of export duties or the restriction of exports in any other way would tend to secure any material advantage either to India or the British Empire. This seems a suitable opportunity to discuss this question in so far as it bears on the question of the improvement of the Madras tanning trade, and it will be observed that though I was

particularly careful in my circular to avoid any reference to this subject, the Chamber of Commerce and most of the firms consulted put in the fore-front of their suggestions the imposition of an export tax on raw hides. Messrs. Walker & Co., with whom I have had a long conversation, also advocate strongly this measure. Messrs. Chambers & Co. propose an export duty of 5 per cent on all shipments of raw hides to countries other than Great Britain and possibly her Allies. Messrs. Best & Co. consider that an export duty should be levied on raw hides shipped to such countries as impose a heavy duty on imports of tanned hides from India. The Chamber of Commerce suggest that Government should impose an export tax of not less than 10 per cent on all raw hides exported, a preferential rebate of 5 per cent being allowed to Great Britain and her Colonies. The main objection to the proposed export tax is that though it would benefit the tanners, it might lower the price of raw hides and skins and so injure the producers. This was the view taken by Mr. Chatterton in 1905, though the remarks on pages 30 and 31 of this monograph are in some respects out of date, and it is the view still taken by Mr. Tiruvankata Achari, a disciple of Mr. Chatterton. All the other tanners I have consulted on this subject do not believe that an export duty will have this result. Possibly they are prejudiced, but we have it on the authority of the Imperial Institute Committee (vide the report attached to the Government of India's letter No. 8361, dated 7th September 1916) "that there is no excess of hides in any of the world's markets and that in recent years the price of hides has tended steadily upwards. In these circumstances there is little doubt that raw Indian kips will always be in good demand and will realise their value in relation to world's prices." In any case, do not think that there is any reason to fear that the proposed export tax will seriously injure the interests of the Madras producer. As I have already pointed out Madras supplies are not sufficient for the requirements of Madras tanners and have to be supplemented by imports from the Calcutta market. Our export of raw hides is insignificant, and it is for the Governments of Northern and Central India to state the objections, if any, to the tax. We can only present our own side of the case, and in the interests of the important Madras tanning industry, I think that Government ought to press for an export tax of 10 per cent on raw Indian hides and skins shipped to countries which tax imported leather, a proportionate rebate being allowed in favour of allied countries and colonies which give us or the United Kingdom concessions in the matter of their import duties on finished leather and leather goods. The proposed tax would greatly benefit our tanning trade. It would enable Madras tanners to compete for raw hides in the Calcutta market on favourable terms, and it would tend to increase the market for Madras kips and Madras chrome tanned leather.

6. Apart from this proposal, it does not seem that there is very much that Government can do in the way of improving the tanning industry in so far as it deals with kips and partially tanned skins. Mr. Guthrie's note on the proposal to establish a Leather Trades School in G.O. No. 613, Educational, dated the 10th July 1912, may be consulted. It will be seen that it was his opinion that "the methods employed by the export tanners when carried out under the best conditions as regards water, class of bark and myrobolams and careful supervision, turn out a class of leather that is of very high quality and very suitable for the European market," and that although several tanners have at different times tried to modernize the processes used for these skins, they have always returned to the old native methods, "having found that the only changes that could be profitably made are those of the type of tool used, the method of their use and more careful supervision." This is also the opinion of Mr. Straker of Messrs. Alfred Young & Co. In all tanneries of course the same level of excellence is not attained, and a good deal of careless work and over-crowding of the tanning pits goes on. No doubt the explanation partly is that in some tanneries there is a lack of really expert supervision, but it is not a matter in which Government can help very much.

7. The question of supplies of bark bulks very largely in the letters of the various gentlemen consulted. The output of tanned hides in Madras is now about double that of pre-war days. The demand for barks and myrobolams therefore has increased very much, and naturally prices have gone up. Possibly therefore the

difficulty is merely a temporary one, and I believe, though I have no definite information on the subject, that action has already been taken by Government in consultation with the Board of Revenue and Mr. McWatters with the object of meeting the situation. Whether the demand for bark will continue to outrun the supply, depends on how long the war lasts, and what will be the position of the tanning industry after it is over. But *Cassia auriculata* or *avaram*, the bark of which is extensively used is a shrub which grows mainly on waste lands, and it ought to be a comparatively simple and inexpensive matter for the Agricultural Department to arrange for the planting up of waste lands in suitable localities with the shrub. I recommend that the Director of Agriculture be consulted on this point and that the forest department be asked whether anything can be done to increase the supply of myrobolams.

8. But apart from this point I think that much work can usefully be done by Government in regard to tanning barks. It is known that there are over 70 tannin-yielding shrubs and trees in this Presidency, some of which have been described by Mr. Chatterton in Chapter IV of his Monograph on Tanning and others by Mr. Hooper in Agricultural Ledger No. 1 of 1902, but very little use is made of this wealth of resources since the ideas of Madras tanners have not so far extended much beyond the use of *Cassia auriculata*, myrobolams, Divi Divi (*Cesalpinia coriaria*) and *konnai* bark or the bark of the *Cassia fistula* tree. Messrs. Chambers & Co., Messrs. Walker & Co., and Messrs. Best & Co. have already begun or decided to begin experiments with wattle bark (see page 28 of Mr. Chatterton's monograph), and sometime ago I wrote for a supply of the bark for the purpose of trying it at the Leather Trades School. I do not propose at present to experiment with any other barks at the school, but when Mr. Guthrie comes back I think that it ought to be considered whether the model tannery should not be used for systematic experiments with the different tannin-yielding barks and pods available in the Presidency.

9. Another question which certainly ought to be taken up in this Presidency is the use of bark extracts instead of bark for tanning. A factory for extracting the tannin content of barks and pods was established some years ago by the Forest Department but it failed. See Mr. Brasier's note on page 118 of the Proceedings of the Ootacamund Industrial Conference. Now the Government of India have again taken up the question, and they have appointed, I understand, a Tannin Expert who has brought out with him an experimental extracting plant. I think that the Government of India should be asked when it is proposed that this gentleman should visit Madras, and that it should be pointed out that the resources of this Presidency in tannin-yielding shrubs and trees are the richest in India. As pointed out by the Assistant Leather Expert in his note appended to this letter, the use of extracts instead of barks would tend both to economy and better tanning in the tanneries and might be the means of bringing into use the various trees and shrubs which though they contain tannin are not at present made use of, for various reasons, by tanners. It is also quite possible that there is an opening for a considerable export trade in tanning extracts. Pages 23 and 24 of Mr. Chatterton's monograph may be referred to.

10. There is one other question which can hardly be passed over in silence in a report on ways and means of improving the Madras tanning industry, and that is the question of adulteration. The adulteration of hides of course is merely a part of a big and complex subject, and I do not propose to do more here than merely refer to it. As a matter of fact I do not know enough about the subject to discuss it. But it is a matter of common knowledge that the practice of adulterating hides with epsom salts, sugar and other substances is becoming so increasingly common that Mr. McWatters has had to take action in the matter. Two gentlemen engaged in the trade have expressed to me very strongly the opinion that adulteration should be made a penal offence, but I believe that the Chamber of Commerce are unable to agree on this point. The question will probably have to be considered by Government sooner or later, and need not be further discussed now. But I have one suggestion to make. I believe that Mr. McWatters is considering whether adulteration of hides could not be made an offence under the

Defence of the Realm Act. I have not examined the point, but if it is possible, I think that action in this direction would be most useful. On the one hand action under this regulation could be taken without giving rise to serious protest. On the other it would be a most useful experiment and would enable us to decide whether legislation would really suppress the evil—a point on which some members of the Chamber are sceptical.

11. There remains the question of the extension of the manufacture of finished leather and leather goods in India. The general consensus of opinion among the gentlemen consulted is that the future lies very largely with the chrome system of tanning, and the Chamber of Commerce considers that if Government are prepared to foster and develop chrome tanning, the tanning industry in India could be extended almost indefinitely. Unfortunately the Chamber does not give any indication of its views how precisely Government can foster and develop the chrome tanning industry. As far as I know the main difficulties in the way of the extension of chrome tanning are three. In the first place to work chrome tanning on a commercial scale a large factory well equipped with machinery is required, and for this purpose a substantial capital outlay would be necessary. Secondly the processes of chrome tanning are difficult and highly expert supervision is essential. Thirdly, and this is the most important point of all, there is the uncertainty whether it will be possible to find a market for the manufactured goods. The first is probably the least serious of the three. Most of the larger firms now engaged in the tanning industry could find the money required for instituting chrome tanning provided that they could get the necessary expert supervision and that they could see their way to finding an assured market for the finished product. The second difficulty is more serious. There are only three chrome tanneries in Southern India, Messrs. Chambers & Co. tannery at Pallavaram, the Mysore tannery and the newly established tannery of the Berhampur Leather Manufacturing Company. The last, it may be noted, has been started by Mr. Thiruvankata Achari of the Mysore tannery who again was trained in chrome tanning by Mr. Chatterton at Sembium. As will be seen from his letter he hopes soon to open another big tannery in Calcutta with a capital of Rs. 20 lakhs, and in this way it may be hoped that the number of chrome tanneries in India will continue to develop naturally. The whole object of the Leather Trades School in Madras is to assist this development by giving operatives a thorough training in tanning and in the processes of finishing leather, including the chrome and semi-chrome, but I will refer to the school in more detail later. In the present connection the important thing to note is that it does not profess to turn out supervising experts who, according to Messrs. Chambers & Co., are essential to success. Experts however could presumably be obtained from the United Kingdom and America, and the real obstacle which prevents at any rate European export tanners in Madras from going in for chrome tanning is the uncertainty of a market. At present, of course, there is an almost unlimited demand for chrome leather goods for army purposes, and the existing chrome tanneries are doing extremely well. But after the war the prospects of the industry are uncertain unless a radical alteration is made in the conditions existing before the war. As Messrs. Best & Co. point out, "a company investing capital in chrome tanning would have very few free markets in which to dispose of its output, and even in these markets it would be in active competition with the foreign leather manufacturers who obtain their supplies of raw material from India, buying on level terms with the local company. The protective duties in most foreign countries, including the British colonies "would make it impossible for a local company to compete in those countries." The proposed export duty in raw hides would tend to remove this difficulty to some extent, but I doubt if it would have the effect of removing it altogether, and this is no doubt the reason why Mr. Chambers suggests that Government should encourage chrome tanning and finishing of leather in this country by granting a small bounty for a limited period of years on exports of finished leather. I doubt if this proposal is practicable. A bounty on exports to the United Kingdom would probably be out of the question, and one on exports to foreign countries would probably merely result in the imposition of countervailing duties. In my opinion chrome tanners and manufacturers of finished leather must probably look for their market mainly in this country. The demand for leather in India both for foot-wear and for upholstery

is increasing yearly as the standard of comfort rises, and an enhancement of the customs duty on boots and shoes and other imported leather goods would assist local manufacture. Government could also assist local manufacturers by guaranteeing subject to obvious stipulations as to price and quality to buy from such boots, sandals, belts and belting as are required for Government departments, and I am much in favour of action on these lines being taken.

12. Mr. Tiruvenkata Achari seems to think that there is likely to be a market in England for Indian chrome tanned side leathers, which hitherto have been largely imported into the United Kingdom from enemy countries. In this connection attention is drawn to Mr. Chamber's suggestion that Indian leathers should be sold by a central selling authority in England. I do not feel competent to advise in this suggestion, but I think that it might be put before the Indian Industrial Commission as having been made by one of the principal tanners in Madras.

13. Government have suggested that the establishment of the Leather Trade School in Madras may, to some extent, assist in the development of the tanning industry of the Presidency. This was the object with which the school was founded, the principal aim being "the improvement of leather tanned and dressed for use in this country," by giving a number of operatives a thorough training in all processes of tanning and finishing leather. It was also the intention to carry out investigations into the loss of weight due to the solvent action of the warm water used in the soaks, limes, etc., and generally to conduct scientific research into the methods and processes in use in this country. I believe also that useful experiments could be carried out at the school with various tanning materials not now in use and also to see whether the large quantities of fleshings which accumulate in tanning could not be converted into glue. I also draw attention to Mr. Tiruvenkata Achari's suggestion that the Leather Trade School should energetically take up the question of re-tanning and finishing East India kips so as to suit market requirements in London. I agree therefore that the school ought to be able to play a useful part in the development of the tanning industry in Madras and that important work lies before it. Unfortunately however at present the usefulness of the school is limited. Up to date only five students have presented themselves for training, and only two of these come from Madras. The small number of students is partly due to the Leather Expert's absence, but in any case, as things are at present, the number could not be greatly increased. Strictly speaking, the school does not exist. The original idea was to build the Government Trades School at Washermanpet, and to construct near it a small model tannery. But the whole scheme has not yet been carried out, and the model tannery alone has been constructed. Accommodation in it for students is limited. Again a mistake was made in building the tannery on the present site. It has been built on a marsh where the water level is within two or three feet of the surface of the ground. Many of the concrete leech and bate pits are some feet deep in water, and are perfectly useless for the purpose for which they were constructed. Finally the Assistant Leather Expert, though he does his best, is not sufficiently well known and does not command sufficient confidence to enable us to get full value out of the school either as a training school or as a research institution. If I may say so, without disrespect, I cannot help feeling that a mistake was made in allowing Mr. Guthrie to join the Indian Army Reserve of officers. A leather expert cannot easily be replaced, and I venture to submit that Mr. Guthrie would be of more use to his country here in Madras than he is in the fighting line. There is important work for him to do at and in connection with the Leather Trade School, and as this file shows, there are important questions to be decided in connection with the tanning industry, on which his advice is most necessary. If it is possible, I think that he ought to be recalled from his military duties.

14. I append to this report copies of the letters received from the Chamber of Commerce, Madras, the South Indian Chamber of Commerce, Messrs. Shaw Wallace and Co., the Chrome Leather Company, Best and Company, Limited and M.R.Ry. Tiruvenkata Achari of the Berhampore Leather Factory and a copy of a note by the Assistant Leather Expert. Alfred Young and Company, Limited and Messrs. Gordon Woodroffe and Company, who were also consulted, referred me to the Chamber of Commerce. It will be observed that most of these letters have been received within the last few days. Hence the delay in replying to Government memorandum.

ENCLOSURES

(1)

Letter—from the Chamber of Commerce, Madras.
To—the Director of Industries.
Dated—the 6th January 1917.

I beg to acknowledge receipt of your letter No. G. Cur. 32, dated 5th December 1916, forwarding copy of a letter addressed by you to the firms interested in the tanning trade on the possibility of improving the tanning industry and eliminating Germans from the Indian Export in hides. In reply I have to inform you that the Chamber is of opinion that after the war the demand for vegetable tanned kips will not be very greatly in excess of the demand prior to the war. The reason for this is that the civilian demand is largely for semi-chrome or full chrome leather, though there is always a certain demand for purely vegetable tanned leather. For semi-chrome leather, vegetable tanned kips such as are exported from Madras, are suitable but for full chrome, raw hides are required. The demand from boot manufacturers for chrome or semi-chrome leather depends largely upon the comparative price. To encourage vegetable tanning the Chamber would suggest—

(a) That Government assist in fully exploiting and cheapening the numerous tanning materials available in this country. Nothing much can be taught to the Indian tanner about tanning with the materials he already uses, but there are many tanning agents in India which are not at present used at all.

(b) That Government impose an export tax of not less than 10 per cent on all raw hides exported, giving a preferential rebate to Great Britain and the Colonies of 5 per cent.

The Chamber, however, believe that even this export duty cannot force manufacturers to buy vegetable tanned leather only. The future lies very largely with the chrome system of tanning, and if Government are prepared to foster and develop this, the Chamber thinks that the tanning industry in India could be extended almost indefinitely. Chrome tanning is however quite unsuitable for the ordinary Indian tannery and is only practicable if carried on in factories equipped with adequate machinery and on a large scale.

(2)

Letter—from the President, the Southern India Chamber of Commerce, Madras.
To—the Director of Industries.
Dated—the 11th January 1917.

With reference to your circular letter No. G. 32, dated the 6th December last, and your subsequent reminders, I have the honour to inform you that at a special meeting of the tanners and shippers of hides held in this Chamber on the 6th instant, the subject of the increase of the output of tanned hides was considered, and the views of those interested in the industry are embodied in the subjoined extract from the statement I made to the Hon'ble Sir George Barnes, who was good enough to meet our members on the 9th instant. I then said—

As regards tanned hides, since the commencement of purchases on Government account, the cost of tanning materials especially of bark and myrabolams has considerably gone up. The bark that we used to buy at Rs. 25 a candy could not now be got for more than three times the amount. To add to our difficulties, the Government in the Forest Department, have stopped the sale by auction of *Konnai* bark, under the mistaken belief that the tree, apart from the bark, serves other useful purposes. There is also an erroneous impression in certain quarters that tanning by means of this bark weakens the hide. In the present circumstances a free sale of this bark by the Forest Department, for the assistance of the tanning industry, seems to me to be the first requisite. I have also to bring to your notice the fact that the rates at which purchases of hides are made on behalf of the Government involve much loss to the tanners. The prices at which raw hides are available for tanning continue to be high, and notwithstanding the kind offers of the Wheat Commissioner to secure a reduction in such prices, nothing as yet has been done and the tanners have consequently been driven to such sore straits that either the prices offered by Government have to be raised or qualities of hides, other than those specially selected for the army requirements, should be permitted to be freely exported without any restrictions?

2. I may also add that special railway facilities are necessary for the transport of raw hides from Cawnpore and Calcutta to Madras.

3. I may also observe that the most effective way of increasing the output for emergencies will be to offer better prices than are offered at present.

4. I daresay you have noted the remarks of Sir George Barnes on the points, in his reply to my statement (vide the newspapers of last night).

(3)

Letter—from Messrs. SHAW, WALLACE & Co., Madras.

To—the Director of Industries.

Dated—the 10th November 1916.

I beg to acknowledge receipt of your favour of 27th/28th ultimo with reference to hides and skins and in reply would say that I see no reason why tanning operations in this Presidency should not be considerably enlarged, provided markets were found for the finished product. The tanning process as carried on here is the cheapest in the world in as much as the raw material is produced locally. Supplies of bark and myrabolams could I understand be largely increased with the assistance of the Forest Department. I see no reason why a very large number of the raw hides which formerly went to Germany and Austria could not be tanned in this country and sent Home in the rough-tanned state, to be curried and finished in Britain provided the Tanneries there were able to cope with the increased turnover this would entail.

In conclusion I would say that I regret that, as I am leaving for Home to-morrow, I have not leisure meantime to go more fully into this question but when I return I shall be pleased to give you any further information I possess on the subject.

(4)

Letter—from the Chrome Leather Company, Madras.

To—the Director of Industries.

Dated—the 28th November 1916.

I find I have omitted to reply to yours of the 28th October. It might perhaps be well to preface my remarks by stating that I have been actively connected with the East Indian leather trade for 33 years (11 years in London and 22 years in Madras) and am head partner of Messrs. Chambers & Co., one of the largest exporters in Madras and sole proprietor of the Chrome Leather Company, the largest tanning and leather goods manufacturing concern in Southern India.

Time and present circumstances of high prices and unlimited demand have themselves answered your first question as to whether the extent to which hides were tanned in India in pre-war days could be materially increased as the output of tanned hides in this country is now about double that of 1913-14.

Given reasonable time and adequate Government assistance, there is almost unlimited scope for the development of the leather industry in this country.

Vegetable tanned leather production is limited only by the extent of the supply of tanning barks, pods, nuts, etc., and of these India exports considerable quantities (myrabolams, divi divi, etc.), which might well be used in this country and there are several other descriptions which so far are but little used and of some other descriptions, such as avaram, (*Cassia auriculata*) the supply could be considerably increased if Government were to give the subject serious attention.

As regards the chrome tanning and finishing of hides and skins in India it has been proved conclusively that the climate of this country is not an insuperable obstacle, but whereas bark tanning can be worked without machinery in a small or large way and if needs be, spasmodically according to market conditions and with but little lock-up of capital in premises and plant, yet chrome tanning and finishing necessitates considerable outlay for machinery and plant and must be worked continuously on a large scale to be successful as regards quality, production and financial results. Further expert superintendence is absolutely essential and labour has also to be trained.

At present the necessary chemicals for tanning have to be imported, but given a large enough demand they could be made in this country in unlimited quantities.

To make the chrome tanning industry sufficiently attractive to capitalists Government assistance is absolutely necessary.

Under conditions fiscal and otherwise as existant before the war the industry was not sufficiently attractive to any but a few individuals other than myself (an optimistic enthusiast) who having once ventured was compelled to go on or go under.

In the interests of the general tanning trade of India I consider that an export duty of say 5 per cent should be levied on all shipments of raw hides to all countries other than Great Britain and if needs be the allies also, but subject to their imposing a like duty on their raw hide exports or re-exports.

I would next suggest that in order to encourage the chrome tanning and finishing of leathers in this country a small bounty for say five years be granted on finished leather exports, failing this perhaps financial assistance might be rendered in the carrying of stocks and the sale of same by a central authority in England; for, as things are today London factors charge a high commission (4 per cent plus interest) and a discount of 2½ per cent and 30 days credit is customary to buyers—added to which there is of course packing, shipping, freight,

landing and insurance expenses. At present there is also the drawback that until the output of chrome tanned finished leather in India is of sufficient quantity and quality to attract general competition in the English market the leather will not be saleable at its full market value.

A central selling authority in England could classify the finished leathers received and assuming the quality be fairly uniform the product of various small tanners could be bulked and the larger quantities thus regularly available would be of greater attraction to buyers.

I do not believe it likely that after the war there will be a much larger demand in England for East India bark tanned hides than was the case in pre-war days for practically the whole of the raw hides shipped from India were and are chrome tanned and even of the Indian bark tanned hides shipped before the war a large proportion was re-tanned in chrome before being finished. Consequently I do not think it reasonable to assume that the Germans or any other people will be forced into buying bark tanned hides when the demand is all for chrome tanned leathers.

(5)

Letter—from Messrs. Best & Co., Madras.

To—the Director of Industries.

Dated—the 8th January 1917.

I have the honour to acknowledge receipt of your letter No. 32 of the 28th October inviting my views as to the possibility of extending and improving the tanning industry in the Madras Presidency.

2. Broadly speaking the tanning of hides will steadily increase so long as tanners and merchants see some profit in the business and not otherwise.

3. Our experience in the past has been that as soon as the output reaches a certain point prices have declined, tending to prove that at the prices current the demand is a limited one.

4. It is stated in the circular attached that the production of cow hides in India is about eleven millions annually, and that of this quantity only three millions are tanned in India, the remaining eight millions being exported as raw hides.

5. The Indian raw hides market has been a happy hunting ground for foreign leather manufacturers, especially German and American. The vegetable tanned hides shipped from this country have therefore been in competition in consuming markets with the Indian hides chrome tanned in America and Germany, and consequently shipments of increased quantities of Indian tanned hides to the London market have generally had a depressing effect on prices and this has in turn re-acted on the output here.

6. The foreign buyers go in for the raw hides of good quality, and so long as the free export of three-quarters of the total quantity of raw hides available in India is permitted, I see little hope of any substantial development of the hides tanning industry in this Presidency.

7. The only open market we have for tanned hides is the United Kingdom, as countries, such as Germany, America and Australia, etc., place a prohibitive duty on the importation of the tanned leather whilst on the other hand permitting the raw material free entry.

8. I understand that in Australia the importation of raw skins is permitted free of duty, but that tanned skins are taxed to such an extent as to make the importation of same impossible.

9. In order to develop the hides tanning industry I think Government must seriously consider the imposition of an export duty on raw hides shipped to such countries as impose a heavy duty on the importation of tanned hides from India.

10. The question of the supply of suitable tanning materials is one that also requires the serious consideration of Government. During the past few months the price of bark used by the tanners in this Presidency for tanning hides has been subject to the manipulation of contractors who have made large profits at the expense of the tanners. The bark is practically a Government monopoly, and under the circumstances it ought to be possible for Government to devise some method of supplying tanners direct at reasonable prices. Also there is no doubt that there are many tanning agencies available in Southern India hitherto untried, and I would recommend to Government the advisability of investigating this matter. There are no large tannery works in South India, the business being done by numerous small tanners working on restricted capital, and under the circumstances it is hardly likely that any tannery owners will go to the expense of research work to discover new tanning material. This is a question that Government might well take in hand for the benefit of the industry as a whole.

11. The suggestion that Government should purchase the whole of the supply of raw hides available in India in order that British tanners may be able to secure all the raw hides they require is hardly likely to appeal to the Indian tanners. What the Indian tanner wants is to develop the tanning industry in India and not the export of hides in the raw state. I think, however, if Government were to place a substantial duty on the export of raw hides to foreign countries it would ensure the Indian and British tanners securing ample supplies of the raw material at prices which would enable them to compete in consuming markets with the Indian hides chrome tanned in foreign countries.

12. The demand for vegetable tanned hides is a limited one, and it appears to me that the direction in which we must look for the development of the tanning industry is in chrome tanning. As mentioned above the vegetable tanning industry is carried on in Southern India by a number of firms with small capital. On the other hand to work chrome tanning on a commercial scale would require a large factory well equipped with machinery, and for this purpose a substantial amount of capital would be necessary. The process of chrome tanning is also I believe more or less of a trade secret, and the pioneer in the industry might lose heavily before hitting on the right process. Under the circumstances it does not appear likely that a chrome tanning will be developed on a large scale under the present existing conditions. A company investing capital in chrome tanning would have very few free markets in which to dispose of its output, and even in these markets it would be in active competition with the foreign leather manufacturers who obtain their supplies of raw material from India, buying on level terms with the local company. The protective duties in most foreign countries, including the British Colonies, would make it impossible for a local company to compete in those countries.

13. I am sorry I cannot give you an opinion as to the possibility of improving the present methods of tanning and the finishing of the leather, as these are technical matters.

14. The bulk of the tanned leather shipped from India is practically semi-manufactured material, as it is re-tanned in the United Kingdom before becoming finished leather.

15. Now that more attention is being paid to the hides trade by Government, it is possible that improved methods may be introduced, and the leather shipped from this Presidency sent forward as finished leather instead of the semi-manufactured article. The main point to remember, however, is that it is impossible to expect any industry to develop unless it offers a fair return on capital invested.

16. Up to date this has not been the case with the hides industry, nor do I think it will be until measures are taken to protect the Indian tanner from the severe foreign competition for the raw hides. The fact that only 25 per cent of the raw hides produced are tanned in this country points to the Indian tanner being squeezed out of most of the consuming markets of the world by the heavy import duties on leather prevailing in most countries.

17. A heavy export duty on tanned hides from India would not, in my opinion, reduce the price of raw hides to any appreciable extent and would not be injurious to the first seller.

(6)

Letter—from M.R.Ry. N. S. THIRUVENKATA ACHARI of Messrs. Chari & Co., Calcutta.

To—the Director of Industries, Madras.

Dated—the 9th January 1917.

Your letter No. G. Cur. No. 32, dated the 6th December 1916, together with your G. Cur. No. 32, dated the 27th December 1916, was received by me only two, three, days back, on account of my long absence from this place.

2. The question of eliminating the German from the Indian export trade in hides is one which I have specially studied, in the last year or two, and as far as I can see, the only satisfactory way of doing this would be to popularize the adoption of the chrome process at least for the better class of hides. During normal times, the hides that are produced in Northern India were practically shut out for the Madras tanners, on account of the high prices generally ruling for these. The very lowest grades or rejections from consignments, earmarked for export were all that the Madras tanners could buy and even with these, what with the damage in soaking and other defects, inherent in these low grade hides, the profit which the tanner in Madras could make was purely nominal.

3. It seems to be the fashion nowadays to say that a levy of an export duty of say 20 per cent for foreign countries and a preferential tariff of 10 per cent for British Empire would mean an enormous increase of tanned hides in the country. But, I am very sceptical as to the wisdom of such a course by itself. At any rate, the effect of such a measure, taken singly, would be the lowering of values all round and a general loss to the country, while the expansion in the tanning would simply mean the lowering of prices of the tanned stuff in the London market, without any corresponding benefit to this country.

4. A large portion of the raw hides, hitherto exported to Hamburg, has been used by Austrian and German tanners for chrome tannage into box sides leather and the import of these sides leathers into England from these enemy countries has been very large. I don't see any reason why these leathers could not be successfully manufactured in India, and in fact I have been doing a lot of pioneer work in this direction, and our attempts in this line both in the Mysore Tannery and the Berhampore Leather Manufacturing Company, Bengal, have been a good success both from the point of view of the extent of sales and the profits earned, and we are confident of a rapid and expanding trade between India and England in this particular line. At least another big tannery in Madras—the Chrome Leather Company, Pallavaram, is about to embark on this enterprise and I am myself hoping to start a big tannery in Calcutta with a capital of 20 lakhs for this purpose, early next year.

5. Regarding the lower class hides, attempts must be made to manufacture patent and russet leathers in India, and the East India kips which are now exported to Leeds must be finished completely in the country itself, so as to export them in a form immediately useful to the boot maker, for cutting up into boots and shoes. A large portion of these kips were in normal times converted into waxed kip butts in Leeds, the bellies and shoulders, being used for other work, while a large portion of the better class kips from Bombay and Madras used to be worked up into—

- (1) semi-chrome upper leathers, and
- (2) bag leathers.

It is not at all a difficult matter to finish these kips properly in this country itself and such finished products will be easily marketable, not only throughout the British Empire, but in other parts of the world as well.

Co-operation of the forest authorities will no doubt be necessary for the purpose of creating an extra supply of tanning barks and for raising the new vegetable tannins involved in such finishing operations, but till this supply is increased and new sources tapped in the country itself for the fresh tannins such as sumach, the necessary materials can be imported.

What is of immediate importance is that the Madras Tanning School should energetically take up this question of re-tanning and finishing the East India kips, so as to suit market requirements in London and I am sure, tangible results, like which Government have in view, could be produced on a large scale in the space of two, three years.

No Government assistance in India is necessary merely for the purchase of raw hides by British tanners in this country, and any action which the Home Government or the Government of India might take in this matter is likely to arouse very keen resentment in India, unless such action is accompanied by an even more vigorous effort to promote the manufacture of finished leathers in this country itself.

Thus, the question of being prepared for trade eventualities after the war is not merely one of creating Government monopolies for the benefit of certain classes in England or elsewhere; but the problem must be studied in close relation to the raising or lowering of values in India itself, and the opportunities which any such scheme might give rise to for the employment of Indian labour, supervision and capital and from this latter view-point, all available energies and money must be concentrated on the manufacture and sale of such finished (as distinguished from half tanned) leathers as could be conveniently made from the East India kips, and the raw hides that are exported so largely.

(7)

*Note on the development of the tanning industry in the Madras Presidency
by the Assistant Leather Expert.*

The sixty or more tanneries that exist in the Madras Presidency turn out a sort of rough tanned leather which is mainly exported to Europe and other places, where there is a great demand for such goods. The foreign manufacturers dress the leather, i.e., they dye and finish it thus improving its appearance and quality. Rough tanned leather, as it is, is unfit for most purposes and it is only after dyeing and finishing that it becomes suitable for different purposes. The work of the Madras tanners therefore is only a part of that involved in the conversion of the raw material into the finished product and is consequently capable of great developments in the direction of completing the manufacture. There are at present in this Presidency only two tanneries turning out finished leather and the results of their working show that such developments could be successfully and profitably carried out. Instead of exporting the rough-tanned or partially manufactured article to foreign countries to be worked up there (and in part reimported) there is no reason why we should not export the finished article, after meeting our own requirements in India, so that it can be utilized directly by the people in the importing countries.

2. One of the obstacles in the way of such development has been the large amount of capital that is required for installing the machinery needed. The country tanner has a great advantage in this respect. His stock in trade consists only of a few tubs and knives, and all the capital invested is used as working capital. In the case of the leather dresser, the plant and machinery consume a large part of the capital and once the plant is installed, it will have to be kept working at its full capacity. If it is allowed to remain idle for even part of the time, loss occurs; so that a large working capital is also necessary. The country tanner has the advantage in this respect also, that he can turn out leather at any rate of output he likes.

3. Another important obstacle, so far, has been the lack of specialized and expert knowledge that is necessary for the proper carrying out of the processes. This obstacle is being gradually overcome and there are now in India many young men who have had good training both in the theory and practice of the manufacture as carried on in Europe and other places, and some of whom are carrying out the work successfully in other parts of India. The advice and services of the Government experts are also at the disposal of the intending leather dresser.

4. If one wishes to start the business on a modest scale and he finds that the services of these experts are beyond his means, he has got another class of men to select from, thanks to the Leather Trades School established by the Madras Government. In the school instruction is given both in the theory and practice of leather manufacture and extends over a course of three years. Though the institution is mainly intended for sons and relatives of tanners and others in the leather trade, admission is not restricted to them. Private students are also admitted sometimes. Besides training up students for taking up positions of responsibility, the institution serves also as an object lesson to the native tanners in showing the improvements that could be made in the quality and quantity of the output by the adoption of up-to-date machinery. The school is only in the second year of its existence and consequently no batch of students has yet been turned out by the school.

5. The leather industry in Madras is not one which requires much of Government help. All that the latter need to do is to give every facility to the intending leather dresser for obtaining specialized knowledge and a good way of doing it is by maintaining the school in a high state of efficiency. No amount of trouble or money should be spared in bringing the institution up to the same standard of excellence as that of similar schools in Europe and other places. The instruction imparted should be more practical than theoretical and carried out under conditions as closely approximate as possible to industrial conditions. It is only then that the training given becomes of real utility. The tanners in this Presidency and elsewhere should be made to understand the advantages of undergoing a course at the school by their sons and others who would have to take charge of their business later on; at present they do not seem to be aware of the existence of the school. The institution of a few stipends would also be very encouraging.

6. As regards the agency through which leather-finishing factories should be established, the work must be left to private capitalists and those who are in the trade. The Government need not take up this work but, as was said before, should make arrangements for the supply of expert knowledge. The large quantity of leather needed by the Government for military purposes is at present supplied by Indian factories, and the quantity needed for other purposes is comparatively small so that there is little more the Government can do to help the industry in this direction.

7. In this connection I would like to suggest a plan which greatly commends itself to me. A few of the leading tanners who tan for export should join together and start a factory for finishing the leather and carry it on as a subsidiary business to their main business of exporting. Every one of these tanners should send leather for finishing to this factory. Only such leather need be sent as do not command a good price in the market due to some defect or other; when these are suitably finished they would fetch higher prices. The process takes only a few days more and large working capital is not necessary. I think the plan a safe one to work on and the whole capital invested will not be appreciably great.

8. As regards the improvement of the existing industry, that of tanning for export, I am afraid there is very little scope for improvement except in one direction and that consists in a more economical use of the tanning material. The present day method of using the bark is very wasteful of tannin as about 10-20 per cent of tannin and sometimes as much as 40 per cent is wasted, the tannin being left in the bark, which is thrown away. A system of leaches for the better extraction of the material involves a little more trouble and cost than the present one of stewing the bark between the hides, but in these days when the price of bark has more than doubled, better and more economical use of the material is highly desirable.

9. I would therefore suggest the opening of an extract factory to manufacture tanning extracts from the bark. An extract manufacturer can extract more tanning matter from a tanning material and produce a better coloured and stronger extract than a tanner who extracts his own materials. The former alone is in a position to adopt such improved appliances and methods which are beyond the means of the tanner. The extract factory should be situated near those centres where large quantities of bark are produced.

10. The opening of an extract factory is advantageous in many ways. Firstly there is a better extraction of the material. It has been shown by Mr. Guthrie in a recent monograph that avaram bark, the bark mainly used by the Madras tanners, is more costly than any other Indian tanning material when compared on the basis of percentage of tan contained in them. Prices have since then gone up, and it behoves the tanner to utilize the bark in the best way possible.

11. Secondly there is a saving in freight on the material. Many tanneries are situated far away from the centres where bark is produced. Since bark is a bulky material, of which tannin forms only a certain percentage (avaram contains 17 per cent tan), the latter of which alone is of use to the tanner, it is seen that the freight per ton of tan amounts to a good sum. By transporting the tan in the form of extract (usually containing 60-70 per cent of tan) the freight per ton of tan is cut down which will greatly help the tanners of those places which are away from the bark-producing areas.

12. Thirdly extracts save trouble to the tanner as they have merely to be dissolved in water before use. By using extracts, the time of tannage is also shortened and, though quick

tanning is not always to be recommended, it is not unsuitable for rough-tanned leather intended for export. The tanner is also enabled to use stronger liquors and thus get better weight.

13. There is still another advantage to be gained by the opening of an extract factory. At present the tanners are restricted to the use of avaram bark and myrabolams and perhaps a little konna bark, and though there are many other materials containing tannin in the forests and elsewhere, they are not in general use owing to either their low tannin content, heavy cost of transport, irregular supply or resulting bad colour on the leather. It is only by converting them into extracts that they can come into general use. The factory should, however, be located at a suitable place where different materials are easily obtainable in large quantities.

14. Such being the benefits to be derived from the opening of an extract factory, due to the absence of which considerable loss and trouble is incurred by the tanners, it is highly desirable in the interests of the country that the question be taken up. But to start such an extract factory requires a large capital and highly-specialised knowledge. The Government alone are in a good position to take up the work as they have at their disposal the necessary expert knowledge. A good plan will be for the Forest department to take up the question as the materials are obtainable mainly in forests and the department has every facility for the collection. The Imperial Tannin Expert is at present engaged in another part of India in trying to find out the possibilities of making tanning extracts from the materials available in those forests. How far the quality and quantity of the materials available in South Indian forests lend themselves to such exploitation is a question which well deserves his attention when his work elsewhere is finished, if not earlier.

Order—No. 448, Home (Education), dated 5th April 1917.

Recorded.

(True Extract)

E. A. HARVEY,
Acting Secretary to Government.

Copy to the Financial (Separate Revenue) Department.

NOTES CONNECTED WITH G.O. No. 448, HOME (EDUCATION),
DATED 5TH APRIL 1917

[SUBJECT.—*Indian export trade in raw hides.*]

*Extract from the notes to G.O. No. 957, Financial (Separate Revenue),
dated 15th November 1916.*

FINANCIAL (SEPARATE REVENUE) DEPARTMENT.

4. The encouragement and development of the local tanning industry so as to absorb the raw hide output of India is undoubtedly the line of policy which is to the best interests of India. This is a matter which is already engaging the special attention of Mr. McWatters, the Wheat Commissioner, whose headquarters are now in Madras, and the issue is one which primarily concerns Home (Education) to which the file should be remitted for consideration of this aspect.

L. DAVIDSON—9-10-16.

HOME (EDUCATION) DEPARTMENT.

In paragraph 4 of their letter, dated the 13th June 1916, the Government of India suggest that the question whether the extent to which hides are at present tanned in this country cannot be materially increased should be examined and the views of the Government of Madras placed before the Industrial Commission. The question has been remitted to this department for consideration. It is submitted that towards the close of last year the Government of India enquired whether any steps could be taken by this Government to increase the output of tanned hides which could be utilised for the manufacture of army boots. Enquiries then made showed that Messrs. Chambers & Co. and the Mysore Tannery were the only two firms in this part of the country which could produce fully tanned leather. Messrs. Walker & Co., Madras, after experimenting with the manufacture of tanned leather, offered to undertake the was however, taken as the Government of India stated that other arrangements had been made for securing an adequate supply of tanned leather for army boot purposes.

Page 3 of G.O. 957, Financial (Separate Revenue), 15th November 1916.

Page 1 of demi-official 3330-1, 4th October 1915.

Page 14 of demi-official 4507-3, 27th March 1916.

supply of such leather. No further action

Page 28 *ibid.*

2. This Government have recently established a school in Madras to impart instruction in leather trade. It is not known what disabilities exist at present in the way of the development of the tanning industry of this Presidency and what special measures are required to improve it and to extend its scope. The Collector of

G.O. 613, 10th July 1912.

Customs, who was referred to by the Separate Revenue section, states that Mr. Tressler had no remarks of value to offer. It is for orders whether the Hon'ble Mr. Couchman may be consulted u.o. on the subject. He may consult local tanners and offer valuable suggestions.

S.K.—11-10-16.
N.K.—13-10-16.

The officer in charge of the Department of Industries may be asked to submit a report on the possibility of improving and developing the tanning industry in this Presidency. The enquiry will doubtless take time and there seems to be no necessity to delay the disposal of the case by sending the case u.o. to the officer. Necessary papers in the current file may be sent him.

E. A. HARVEY—15-10-16.

Yes. Please include in the reference to Mr. Couchman as much as possible of the information at page 1 supra.

P. RAJAGOPALA ACHARIYAN—16-10-16.

A draft memorandum is submitted for approval. After issue the file may be returned to the Financial (Separate Revenue) Department (relevant extracts from the current and notes files will be taken before the file is returned).

S.K.—17-10-16.
N.K.—18-10-16.

P.R.—19-10-16.

[Memorandum No. 3603-1, dated the 19th October 1916.]

Mr. Innes' reply to memorandum No. 3603-1, dated the 19th October 1916, has not yet been received. The Government of India have asked that the views of this Government on the improvement of the local tanning industry should be placed before the Industrial Commission. As the Commission is expected at Madras on the 21st instant Mr. Innes may be requested to expedite his suggestions.

S.K.—10-1-17.
N.K.—10-1-17.

E.A.H.—10-1-17.

Yes. Please telephone to him. I presume he is in Madras just now.

P.R.—10-1-17.

From the officer in charge of the Department of Industries, dated the 13th January 1917, No. 32.

Mr. Innes submits the report called for in memorandum No. 3603-1, dated the 19th October 1916, on the possibility of improving and developing the tanning industry in this Presidency. The principal recommendations made in the report are noticed below.

2. *Levy of an export duty on raw hides.*—For the reasons explained in paragraphs 4 and 5 of his letter, Mr. Innes recommends the imposition of an export tax of 10 per cent on the raw Indian hides and skins shipped to countries which tax imported leather, a proportionate rebate being allowed in favour of allied countries and colonies which give India and the United Kingdom concessions in the matter of their import duties on finished leather and leather goods. Mr. Innes considers that the proposed tax would greatly benefit the local tanning trade as it would enable Madras tanners to compete for raw hides in the Calcutta market on favourable terms and would tend to increase the market for Madras kips and Madras chrome-tanned leather. He does not think that the tax will seriously injure the interests of the Madras producer as the local supplies are not sufficient for the requirements of the Madras tanners and have to be supplemented by import from the Calcutta market. He is of the opinion that it may be left to the Governments of the Northern and Central India to state their objections to the tax, if any. Attention is solicited to the Honourable Member's notes on pages 6 and 7 of notes to G.O. No. 957-58,

Financial (Separate Revenue), dated the 15th November 1916, and to paragraph 2 of letter No. 958, Financial (Separate Revenue) of the same date. Questions connected with tariff reform are outside the scope of the Indian Industrial Commission, but Mr. Innes' suggestions may be considered in the Public (War) section in connection with the recent reference received from the Government of India about the trade policy to be pursued after the war. If approved, the necessary extract will be sent to that department for consideration.

E.A.H.—26-1-17.

Yes. P.R.—29-1-17.

3. *Increase in the supply of barks used in tanning.*—Mr. Innes states that the output of tanned hides in Madras is now double that of pre-war days and that consequently the prices of barks and myrobolams for which there is great demand have gone up. Whether the demand for barks will continue to outrun the supply depends on how long the war lasts and on the position of the tanning industry after it is over. Mr. Innes points out that there are over 70 tannin-yielding shrubs and trees in the Presidency and suggests that systematic experiments with the different tannin-yielding barks might well be made in the Leather Trade school when the permanent Principal, Mr. Guthrie, returns to civil employment. In the meanwhile he suggests that the Director of Agriculture might well be asked to consider the question of the planting up of waste lands in suitable localities with the shrub *avaram* and that the Forest Department might also be consulted whether anything could be done to increase the supply of myrobolams. These suggestions may be remitted to the Revenue Department for consideration.

E.A.H.—26-1-17.

Yes. P.R.—29-1-17.

4. *Use of bark extracts instead of bark for tanning.*—The advantages in using bark extracts instead of bark in tanning are fully explained in the letter from the Assistant Leather Expert (M.R.Ry. Raghava Kurup). It is suggested that the Forest Department should in the first instance establish a factory for the extraction of tannin from barks and shrubs. The Government of India have appointed a Tannin Expert, and Mr. Innes suggests that that Government should be asked when the Expert will visit Madras, it being pointed out to that Government that the resources of this Presidency in tannin-yielding shrubs and trees are the richest in India. The Government of India may be addressed as proposed and the question of the establishment of a factory can be considered on receipt of the Tannin Expert's report.

E.A.H.—26-1-17.

Yes. P.R.—29-1-17.

5. *Prevention of adulteration of hides.*—In paragraph 10 of his letter Mr. Innes refers to the question of the prevention of adulteration of hides. The question was raised in 1913 by the London Chamber of Commerce whether regulations could be framed with a view to discouraging the production of leather adulterated with barium sulphate or barium compound and for preventing its exportation from India. After consulting local Governments the Government of India decided against the proposal. But at their desire the Board of Revenue was asked to issue a circular to the principal tanners in the Presidency that the use of barium salts was objected to by the English manufacturers and that any tanner who persisted in the practice ran the risk of losing his export trade. Mr. Innes considers that, if possible, adulteration of hides may be declared an offence under the Defence of the Realm Act. It is doubtful whether the proposal is a feasible one. But the question may be remitted to the Public (War) section for consideration.

E.A.H.—26-1-17.

I think that the proposal is not practicable. It is for Public (War) to decide.

P.R.—29-1-17.

6. *Extension of the manufacture of finished leather and leather goods in India.*—The Madras Chamber of Commerce considers that the future lies very largely with the chrome system of tanning, and if the Government are prepared to foster and develop this, the tanning industry in India can be extended almost indefinitely. The principal difficulties in the way of the extension of chrome tanning are stated to be three in number, namely, (i) heavy capital outlay, (ii) need for expert supervision, and (iii) adequate market for the manufactured goods. Mr. Innes points out that the first two difficulties are not insurmountable, but, in view of the uncertainty of the market outside India and to encourage local consumption he recommends an enhancement of the customs duty on boots and shoes and other imported leather goods. Such an enhancement of the duty must apparently be treated as part of the fiscal policy to be adopted after the war and may be considered in the Public (War) section along with the other proposal for the imposition of an export duty.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

Mr. Innes is not in favour of Mr. Chambers' proposal that the Government should encourage chrome tanning and finishing of leather in this country by granting

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

Mr. Innes is of the opinion that Government can assist local manufacturers by guaranteeing, subject to obvious stipulations as to price and quality, to buy from them such boots, sandals, belts and belting as are required for Government departments. As pointed out by the Assistant Leather Expert almost all the leather needed by the Government for military purposes is at present supplied by Indian factories, and as the chrome tanning industry is now in a flourishing condition, it is for consideration whether any Government guarantee as to purchase is necessary as regards this industry. Mr. Innes is unable to form an opinion on Mr. Chambers' suggestion that Indian leather should be sold by a central selling authority in England, but recommends that it may be put before the Indian Industrial Commission as having been made by one of the principal tanners in Madras. The proposal may be brought to the notice of the Commission (as suggested) by a letter addressed to the Secretary to the Commission.

7. *Leather Trade School in Madras.*—The school was started with the object of giving a number of operatives thorough training in all processes of tanning and finishing leather. Mr. Innes also considers that useful experiments may be carried out at the school with various tanning materials not now in use and also to see whether the large quantities of fleshings which accumulate in tanning could not be converted into glue. As there are now important questions pending in connection with the tanning industry, Mr. Innes suggests that Mr. Guthrie, the Principal of the

Very desirable.

E.A.H.—26-1-17.

I hardly think we can press this just now. It is for Public (War) to decide.

P.R.—29-1-17.

E.A.H.—26-1-17.

Indian Industrial Commission. The only suggestions that can be so placed are—

(1) the constitution of a central authority in England for the sale of Indian leather and

(2) the offer of a guarantee on the part of Government to purchase leather and leather goods needed for their requirements from the Indian factories subject to certain stipulations. The latter point is however one essentially for the consideration of the Government of India in the Army Department.

N.K.—25-1-17.

This report was called for chiefly with a view to getting matter to put before the Industries Commission (vide paragraph 4, Commerce and Industries Department, letter No. 4408, dated 18th June 1916). Quite so. There is not much in the report that need be put before that Commission; most of it has probably been given in evidence before the Commission. For orders whether the Commission should be addressed.

P.R.—29-1-17.

E. A. HARVEY—26-1-17.

Please consult Mr. Innes. You may do it in person. He should know best.

P. RAJAGOPALA ACHARIAR—26-1-17.

Mr. Innes consulted Mr. Low who stated that the Commission was not prepared to deal with fiscal problems nor to give any advice or make any recommendations except in their final report. It would be ready to consider any views this Government may wish to propound on the tanning industry, especially on the question of subsidising the manufacture of finished leather, and on tannin (bark extracts), etc. These views may be embodied in a memorandum and forwarded to the Commission for consideration. There is no urgency. The question now is whether such a memorandum should be prepared and forwarded and whether it should contain any matter outside what has been put forward by Mr. Innes in the report under consideration. For orders.

E.A.H.—29-1-17.

His Excellency for perusal. I do not think that there is any need for the Local Government to address the Commission just now.

P.R.—29-1-17.

I agree: but please ascertain from Mr. Innes whether and how far he communicated to the Industries Commission his views, as in his memorandum at page 1 of the current file or otherwise?

P[ENTLAND]—31-1-17.

Mr. Innes u.o.

P.R.—1-2-17.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

Resubmitted.

My evidence for the Commission was written before I wrote my report on the tanning industry, and I did not refer in it to that industry. Nor was I cross-examined on the subject. Mr. Chambers of course had much to say on the subject.

Perhaps it would suffice if I sent a copy of my report confidentially to the Commission. It is based mainly on the opinions of Madras tanners, and from that point of view might be useful to the Commission.

C. A. INNES—6-2-17.

HOME (EDUCATION) DEPARTMENT.

Submitted for orders whether Mr. Innes may be allowed to send to the Commission a copy of his report. It will presumably be edited prior to despatch.

S.K.—9-2-17.

N.K.—10-2-17.

Mr. Innes' suggestion may be approved.

E.A.H.—10-2-7.

P.R.—10-2-17.

P[ENTLAND]—13-2-17.

A draft demi-official to Mr. Innes is submitted for approval. Extracts to other departments with reference to the notes in paragraphs 2, 3, 5, 6 and 7 on pages 2 to 4 ante are submitted below for Secretary's initials.

A draft letter to the Government of India is submitted with reference to the concluding portion of paragraph 4 of the note on page 3 ante. After issue the file may be sent in original to the Public (War) section as it may be of use in the disposal of the various questions concerning that section.

S.K.—15-2-17.

N.K.—15-2-17.

E. A. HARVEY—16-2-17.

Demi-official—from E. A. HARVEY, Esq., I.C.S., Acting Secretary to Government, Home (Education) Department.
To—C. A. INNES, Esq., I.C.S., Officer in charge of the Department of Industries.
Dated—the 16th February 1917.
No.—3603/16-3.

With reference to your un-official note of the 6th instant, I am desired to say that the Government approve your proposal to send to the Secretary to the Indian Industrial Commission confidentially a copy of your letter No. 32, dated the 13th January 1917, on the subject of the improvement of the tanning industry in this Presidency.

PUBLIC (WAR) DEPARTMENT.

The Home (Education) Department propose that the following questions should be dealt with in this department :—

- (1) Levy of an export duty on raw hides.
- (2) Enhancement of the customs duty on boots and shoes and other imported leather goods.
- (3) Prevention of the adulteration of hides.
- (4) Recall of Mr. Guthrie from military duty.

Questions (1) and (2) above are, it is submitted, for Financial (Separate Revenue). Relevant extracts from the notes and from the current file have been given to that department.

The copy of the extract from the current file and notes relating to question (3) above is separately submitted. It is also for disposal in Financial (Separate Revenue).

The extracts relating to subject number (4) have been separately submitted to the Chief Secretary. It is for Home (Education) to first decide whether Mr. Guthrie A should be recalled. After they have taken His Excellency the Governor's orders on the point, this department will take steps to move the military authorities.

2. In the result, submitted that there is nothing for this department to do on this file which may be returned to Home (Education) with thanks, through Financial (Separate Revenue).

C.V.—22-2-17.

J. P. BEDFORD—23-2-17.

FINANCIAL (SEPARATE REVENUE) DEPARTMENT.

Submitted that the Home (Education) Department may be requested to deal with the question of recalling Mr. Guthrie (as at A above) and then return the file to this department for further action. The Board of Revenue has been consulted on the general question of treatment of imports and exports in connection with the trade problems after the war and when its report is received, the question of import duty on leather goods and export duty on raw hides referred to in this file will be dealt

with. The Home (Education) Department has sent to this department through Public (War) an extract from Mr. Innes' letter relating to adulteration of leather and this will be noted on separately.

K.C.V.—24-2-17.

R. H. COURTENAY—26-2-17.

HOME (EDUCATION) DEPARTMENT.

Action is being taken separately on the proposal to recall Mr. Guthrie from military duty. This file may be sent to the Financial (Separate Revenue) Department as requested by them.

S.K.—1-3-17.

N.K.—2-3-17.

The case should be printed up as soon as convenient.

E. A. HARVEY—3-3-17.

FINANCIAL (SEPARATE REVENUE) DEPARTMENT.

As the Board's reply on the general question of treatment of exports and imports in connection with the trade problems after the war has not yet been received, the file may be returned to Home (Education) with the request that, as ordered by the Home Secretary (vide note above), the current file and notes may be printed urgently and a copy of each sent to this department as soon as possible.

C.V.R.—13-3-17.

K.C.V.—13-3-17.

R.H.C.—13-3-17.

HOME (EDUCATION) DEPARTMENT.

The current and notes have been printed and are submitted.

2. As no further action has to be taken on this file in this department it is for orders whether the papers may be recorded, copy being communicated to Financial (Separate Revenue).

S.K.—27-3-17.

N.K.—3-4-17.

E.A.H.—4-4-17.

[G.O. No. 448, Home (Education), dated 5th April 1917.]

Home (Ev.) DEPARTMENT

Fanning

Recording the report submitted by
the officer in charge of the ^(development of the) Dept. of
Industries on the Industrial industry in
the Madras Presidency.

NAME	AGE	SEX	DATE	PLACE	REMARKS
LEAD AGAIN G.O. No.					Residency.
"	"	"	"	957	Res. (Exp. Rev.) 8/15-11.

READ ALSO:—

Q. No., From the *officers in ch. No. 32*, dated *13/11-1. 1917*
of the Dept. of Industries

” ” ” ” ” ” ” ” 191

ORDER.

Arise.

No. 448, dated 5-4-1917

[Printed for recd only]

Recorded.
(2) E. A. H.

Copy to Mr. Lin! (Sep. Rev.)
Sept 17

(103) (103)

Journal

Presenting the report submitted by
the Officer in charge of the
Tanning Industry on the
the Tanning Industry
10.11.17 (103) (103)

Office in charge of
the Tanning Industry
10.11.17

10.11.17

(103) (103)

Scott II-8-1-17.

DEPARTMENT.

CURRENT No. 1000 Col 15

From _____

Received _____ 191 . Registered 3. 3 1917

Subject.



GOVERNMENT HOUSE,

Guindy

- 3-MAR-1917. 2nd March 1917

My dear Harvey,

I am to ask you kindly to send for
His Excellency's perusal Innes's report on the
Tanning Industry and the papers relating to it.

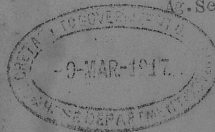
Yours sincerely,

Let/for

E. A. Harvey Esq., I.C.S.,

As Secretary to Government, Home Dept.,

Fort St. George, Madras.



Home (E. A.) Dept.

The file containing Mr Innes' report
on the Tanning industry is submitted below.

Returned with

Thanks.

(103) Let/for

814

3.3.17

P.S.G. u.

814

3.3.17

8-3-17

enc 4/3
Rehd 9/3

NOTES CONNECTED WITH G.O. No. , HOME (EDUCATION),
DATED MARCH 1917

[SUBJECT.—Indian export trade in raw hides.]

FINANCIAL (SEP. REV.) DEPARTMENT.

*Extract from the note
to Mr. McWatters (Sep. Rev.)
dated 15.11.16.*

4. The encouragement and development of the local tanning industry so as to absorb the raw hide output of India is undoubtedly the line of policy which is to the best interests of India. This is a matter which is already engaging the special attention of Mr. McWatters, the Wheat Commissioner, whose headquarters are now in Madras, and the issue is one which primarily concerns Home (Education) to which the file should be remitted for consideration of this aspect.

L. DAVIDSON—9-10-16.

HOME (EDUCATION) DEPARTMENT.

In paragraph 4 of their letter, dated the 13th June 1916, the Government of India suggest that the question whether the extent to which hides are at present tanned in this country cannot be materially

increased should be examined and the views of the Government of Madras placed before the Industrial Commission. The question has been remitted to this department for consideration. It is submitted that towards the close of last year the Government of India enquired whether

any steps could be taken by this Government to increase the output of tanned

hides which could be utilised for the manufacture of army boots. Enquiries then made showed that Messrs. Chambers & Co., and the Mysore Tannery were the only two firms in this part of the country which could produce fully tanned leather.

Messrs. Walker & Co., Madras, after experimenting with the manufacture of tanned leather, offered to undertake the

supply of such leather. No further action was however, taken as the Government of India stated that other arrangements had

Page 28 *ibid*.

2. This Government have recently established a school in Madras to impart instruction in leather trade. It is not known what disabilities exist at present

in the way of the development of the tanning industry of this Presidency and what special measures are required to improve it and to extend its scope. The Collector of Customs, who was referred to by the Separate Revenue section, states that Mr. Tressler

had no remarks of value to offer. It is for orders whether the Hon'ble Mr. Couchman may be consulted u.o. on the subject.

He may consult local tanners and offer valuable suggestions.

S.K.—11-10-16.

N.K.—13-10-16.

X

The officer in charge of the Department of Industries may be asked to submit a report on the possibility of improving and developing the tanning industry in this Presidency. The enquiry will doubtless take time and there seems to be no necessity to delay the disposal of the case by sending the case u.o. to the officer. Necessary papers in the current file may be sent him.

E. A. HARVEY—15-10-16.

Yes. Please include in the reference to Mr. Couchman as much as possible of the information at page 1 to 2 of the note file.

P. RAJAGOPALA ACHARIYAR—16-10-16.

A draft memorandum is submitted for approval. After issue the file may be returned to the Financial (Separate Revenue) Department (relevant extracts from the current and notes files will be taken before the file is returned).

S.K.—17-10-16.

N.K.—18-10-16.

P.R.—19-10-16.

[Memorandum No. 3603-1, dated the 19th October 1916.]

Mr. Innes' reply to memorandum No. 3603-1, dated the 19th October 1916, has not yet been received. The Government of India have asked that the views of this Government on the improvement of

Paragraph 4, page 3 of G.O. 957, Financial, the local tanning industry should be placed before the Industrial Commission. (Separate Revenue), 15th November 1916.

As the Commission is expected at Madras on the 21st instant Mr. Innes may be requested to expedite his suggestions.

S.K.—10-1-17.

N.K.—10-1-17.

E.A.H.—10-1-17.

Yes. Please telephone to him. I presume he is in Madras just now.

P.R.—10-1-17.

From the officer in charge of the Department of Industries, dated the 13th January 1917, No. 32.

Mr. Innes submits the report called for in memorandum No. 3603-1, dated the 19th October 1916, on the possibility of improving and developing the tanning industry in this Presidency. The principal recommendations made in the report are noticed below.

2. *Levy of an export duty on raw hides.*—For the reasons explained in paragraphs 4 and 5 of his letter, Mr. Innes recommends the imposition of an export tax of 10 per cent on the raw Indian hides and skins shipped to countries which tax imported leather, a proportionate rebate being allowed in favour of allied countries and colonies which give India and the United Kingdom concessions in the matter of their import duties on finished leather and leather goods. Mr. Innes considers that the proposed tax would greatly benefit the local tanning trade as it would enable Madras tanners to compete for raw hides in the Calcutta market on favourable terms and would tend to increase the market for Madras kips and Madras chrome-tanned leather. He does not think that the tax will seriously injure the interests of the Madras producer as the local supplies are not sufficient for the requirements of the Madras tanners and have to be supplemented by import from the Calcutta market. He is of the opinion that it may be left to the Governments of the Northern and Central India to state their objections to the tax, if any. Attention is solicited to the Honourable Member's notes on pages 6 and 7 of notes to G.O. No. 957-58,

Financial (Separate Revenue), dated the 15th November 1916, and to paragraph 2 of letter No. 953, Financial (Separate Revenue) of the same date. Questions connected with tariff reform are outside the scope of the Indian Industrial Commission, but Mr. Innes' suggestions may be considered in the Public (War) section in connection with the recent reference received from the Government of India about the trade policy to be pursued after the war. If approved, the necessary extract will be sent to that department for consideration.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

3. *Increase in the supply of barks used in tanning.*—Mr. Innes states that the output of tanned hides in Madras is now double that of pre-war days and that consequently the prices of barks and myrobalams for which there is great demand have gone up. Whether the demand for barks will continue to outrun the supply depends on how long the war lasts and on the position of the tanning industry after it is over. Mr. Innes points out that there are over 70 tannin-yielding shrubs and trees in the Presidency and suggests that systematic experiments with the different tannin-yielding barks might well be made in the Leather Trade school when the permanent Principal, Mr. Guthrie, returns to civil employment. In the meanwhile he suggests that the Director of Agriculture might well be asked to consider the question of the planting up of waste lands in suitable localities with the shrub *avaram* and that the Forest Department might also be consulted whether anything could be done to increase the supply of myrobalams. These suggestions may be remitted to the Revenue Department for consideration.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

4. *Use of bark extracts instead of bark for tanning.*—The advantages in using bark extracts instead of bark in tanning are fully explained in the letter from the Assistant Leather Expert (M.R.Ry. Raghava Kurup). It is suggested that the Forest Department should in the first instance establish a factory for the extraction of tannin from barks and shrubs. The Government of India have appointed a Tannin Expert, and Mr. Innes suggests that that Government should be asked when the Expert will visit Madras, it being pointed out to that Government that the resources of this Presidency in tannin-yielding shrubs and trees are the richest in India. The Government of India may be addressed as proposed and the question of the establishment of a factory can be considered on receipt of the Tannin Expert's report.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

5. *Prevention of adulteration of hides.*—In paragraph 10 of his letter Mr. Innes refers to the question of the prevention of adulteration of hides. The question was raised in 1913 by the London Chamber of Commerce whether regulations could be framed with a view to discouraging the production of leather adulterated with barium sulphate or barium compound and for preventing its exportation from India. After consulting local Governments the Government of India decided against

G.O. 366, Revenue, 4th February 1914.

the proposal. But at their desire the Board of Revenue was asked to issue a circular to the principal tanners in the Presidency that the use of barium salts was objected to by the English manufacturers and that any tanner who persisted in the practice ran the risk of losing his export trade. Mr. Innes considers that, if possible, adulteration of hides may be declared an offence under the Defence of the Realm Act. It is doubtful whether the proposal is a feasible one. But the question may be remitted to the Public (War) section for consideration.

E.A.H.—26-1-17.
I think that the proposal is not practicable. It is for Public (War) to decide.

P.R.—29-1-17.

6. *Extension of the manufacture of finished leather and leather goods in India.*—The Madras Chamber of Commerce considers that the future lies very largely with the chrome system of tanning, and if the Government are prepared to foster and develop this, the tanning industry in India can be extended almost indefinitely. The principal difficulties in the way of the extension of chrome tanning are stated to be three in number, namely, (i) heavy capital outlay, (ii) need for expert supervision, and (iii) adequate market for the manufactured goods. Mr. Innes points out that the first two difficulties are not insurmountable, but, in view of the uncertainty of the market outside India and to encourage local consumption he recommends an enhancement of the customs duty on boots and shoes and other imported leather goods. Such an enhancement of the duty must apparently be treated as part of the fiscal policy to be adopted after the war and may be considered in the Public (War) section along with the other proposal for the imposition of an export duty.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

Mr. Innes is not in favour of Mr. Chambers' proposal that the Government should encourage chrome tanning and finishing of leather in this country by granting a small bounty for a limited period of years on exports of finished leather. His view may, it is submitted, be concurred in.

E.A.H.—26-1-17.

Yes.

P.R.—29-1-17.

Mr. Innes is of the opinion that Government can assist local manufacturers by guaranteeing, subject to obvious stipulations as to price and quality, to buy from them such boots, sandals, belts and belting as are required for Government departments. As pointed out by the Assistant Leather Expert almost all the leather needed by the Government for military purposes is at present supplied by Indian factories, and as the chrome tanning industry is now in a flourishing condition, it is for consideration whether any Government guarantee as to purchase is necessary as regards this industry. Mr. Innes is unable to form an opinion on Mr. Chambers' suggestion that Indian leather should be sold by a central selling authority in England, but recommends that it may be put before the Indian Industrial Commission as having been made by one of the principal tanners in Madras. The proposal may be brought to the notice of the Commission (as suggested) by a letter addressed to the Secretary to the Commission.

7. *Leather Trade School in Madras.*—The school was started with the object of giving a number of operatives thorough training in all processes of tanning and finishing leather. Mr. Innes also considers that useful experiments may be carried out at the school with various tanning materials not now in use and also to see whether the large quantities of fleshings which accumulate in tanning could not be converted into glue. As there are now important questions pending in connection with the tanning industry, Mr. Innes suggests that Mr. Guthrie, the Principal of the

Very desirable.

E.A.H.—26-1-17.

I hardly think we can press this just now. It is for Public (War) to decide.

P.R.—29-1-17.

E.A.H.—26-1-17.

Indian Industrial Commission. The only suggestions that can be so placed are—
(1) the constitution of a central authority in England for the sale of Indian leather and

(2) the offer of a guarantee on the part of Government to purchase leather and leather goods needed for their requirements from the Indian factories subject to certain stipulations. The latter point is however one essentially for the consideration of the Government of India in the Army Department.

N.K.—25-1-17.

This report was called for chiefly with a view to getting matter to put before the Industries Commission (vide paragraph 4, Commerce and Industries Department letter No. 4408, dated 13th June 1916).

Quite so.

P.R.—29-1-17.

There is not much in the report that need be put before that Commission; most of it has probably been given in evidence before the Commission. For orders whether the Commission should be addressed.

E. A. HARVEY—26-1-17.

Under Secretary Please consult Mr. Innes. You may do it in person. He should know best.

P. RAJAGOPALA ACHARIYAR—26-1-17.

Mr. Innes consulted Mr. Low who stated that the Commission was not prepared to deal with fiscal problems nor to give any advice or make any recommendations except in their final report. It would be ready to consider any views this Government may wish to propound on the tanning industry, especially on the question of subsidising the manufacture of finished leather, and on tannin (bark extracts), etc. These views may be embodied in a memorandum and forwarded to the Commission for consideration. There is no urgency. The question now is whether such a memorandum should be prepared and forwarded and whether it should contain any matter outside what has been put forward by Mr. Innes in the report under consideration. For orders.

E.A.H.—29-1-17.

His Excellency for perusal. I do not think that there is any need for the Local Government to address the Commission just now.

P.R.—29-1-17.

I agree: but please ascertain from Mr. Innes whether and how far he communicated to the Industries Commission his views, as in his memorandum at page 1 of the current file or otherwise?

P[RENTLAND]—31-1-17.

Mr. Innes u.o.

P.R.—1-2-17.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

Resubmitted.

My evidence for the Commission was written before I wrote my report on the tanning industry, and I did not refer in it to that industry. Nor was I cross examined on the subject. Mr. Chambers of course had much to say on the subject.

Perhaps it would suffice if I sent a copy of my report confidentially to the Commission. It is based mainly on the opinions of Madras tanners, and from that point of view might be useful to the Commission.

C. A. INNES—6-2-17.

HOME (EDUCATION) DEPARTMENT.

Submitted for orders whether Mr. Innes may be allowed to send to the Commission a copy of his report. It will presumably be edited prior to despatch.
S.K.—9-2-17.

N.K.—10-2-17.

Mr. Innes' suggestion may be approved.

E. A. HARVEY—10-2-17.

P. RAJAGOPALA ACHARIYAR—10-2-17.

P[ENTLAND]—13-2-17.

A draft demi-official to Mr. Innes is submitted for approval. Extracts to other departments with reference to the notes in paragraphs 2, 3, 5, 6 and 7 on pages 9, 11, 12 and 14 supra are submitted below for the Secretary's initials.

A draft letter to the Government of India is submitted with reference to the concluding portion of paragraph 4 of the note on pages 9 and 10 supra. After issue the file may be sent in original to the Public (War) section as it may be of use in the disposal of the various questions concerning that section.

S.K.—15-2-17.

N.K.—15-2-17.

R.A.H.—16-2-17.

Demi-official—from E. A. HARVEY, Esq., I.C.S., Acting Secretary to Government, Home (Education) Department.

To—C. A. Innes, Esq., I.C.S., Officer in charge of the Department of Industries.

Dated—the 16th February 1917.

No.—3603/16-3.

With reference to your un-official note of the 6th instant, I am desired to say that the Government approve your proposal to send to the Secretary to the Indian Industrial Commission confidentially a copy of your letter No. 32, dated the 13th January 1917, on the subject of the improvement of the tanning industry in this Presidency.

PUBLIC (WAR) DEPARTMENT.

The Home (Education) Department propose that the following questions should be dealt with in this department:—

- (1) Levy of an export duty on raw hides.
- (2) Enhancement of the customs duty on boots and shoes and other imported leather goods.
- (3) Prevention of the adulteration of hides.
- (4) Recall of Mr. Guthrie from military duty.

Questions (1) and (2) above are, it is submitted, for Financial (Separate Revenue). Relevant extracts from the notes and from the current file have been given to that department.

The copy of the extract from the current file and notes relating to question (3) above is separately submitted. It is also for disposal in Financial (Separate Revenue).

The extracts relating to subject number (4) have been separately submitted to the Chief Secretary. It is for Home (Education) to first decide whether Mr. Guthrie should be recalled. After they have taken His Excellency the Governor's orders on the point, this department will take steps to move the military authorities.

2. In the result, submitted that there is nothing for this department to do on this file which may be returned to Home (Education) with thanks, through Financial (Separate Revenue).

C.V.—22-2-17.

J. P. BEDFORD—23-2-17.

E. L. ...

FINANCIAL (SEPARATE REVENUE) DEPARTMENT.

Submitted that the Home (Education) Department may be requested to deal with the question of recalling Mr. Guthrie (as at A on page 6) and the return the file to this department for further action. The Board of Revenue has been consulted on the general question of treatment of imports and exports in connection with the trade problems after the war and when its report is received, the question of import duty on leather goods and export duty on raw hides referred to in this file will be dealt with. The Home (Education) Department has sent to this department through Public (War) an extract from Mr. Innes' letter relating to adulteration of leather and this will be noted on separately.

K.C.V.—24-2-17.

R. H. COURTENAY—26-2-17.

HOME (EDUCATION) DEPARTMENT.

Action is being taken separately on the proposal to recall Mr. Guthrie from military duty. This file may be sent to the Financial (Separate Revenue) Department as requested by them.

S.K.—1-3-17.

N.K.—2-3-17.

The case should be printed up as soon as convenient.

E. A. HARVEY—3-3-17.

FINANCIAL (SEPARATE REVENUE) DEPARTMENT.

As the Board's reply on the general question of treatment of exports and imports in connection with the trade problems after the war has not yet been received, the file may be returned to Home (Education) with the request that, as ordered by the Home Secretary (vide note above), the current file and notes may be printed urgently and a copy of each sent to this department as soon as possible.

C.V.R.—13-3-17.

K.C.V.—13-3-17.

R.H.C.—13-3-17.

The current notes have been printed & are submitted.

2. As no further action has to be taken on this file in this Deptt. it is ordered whether the papers may be recorded, copy being ~~then~~ communicated to Div. (Sep. Revenue).

8A
27.3.17.
NA
8/4/17

CUA
44.17

[Go. No. 448 of 5.4.17]

ORDINARY.

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PREFERENCE.

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FORM. II-38-2-15.

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(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 Referencer 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 marked 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 Secretary of State or to the Government of India should be printed on hand-made paper.

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

(e) The names of the Secretary or of the Under-Secretary should be printed in full when they appear on the right side, only the first letters when they appear on the left side, the full name being printed later.

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