

N. P.

Government of Madras

HOME (EDUCATION) DEPARTMENT

G.O. No. 677, 27th May 1918

Dyes

Approving, subject to certain modifications, the arrangements suggested by the Officer in charge of the Department of Industries to ensure the sale to bona fide dyers of alizarine—imported from time to time by Messrs. Best & Co.

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Approving, subject to certain modifications, the arrangements suggested by the Officer in charge of the Department of Industries to ensure the sale to bona fide dyers of alizarine—imported from time to time by Messrs. Best & Co.

READ—the following papers :—

I

Letter—from C. A. INNES, Esq., I.C.S., Director of Industries, Madras.
To—the Secretary to Government, Home (Education) Department.
Dated—the 4th May 1918.
No.—G.C. 24.

In continuation of my letter No. G.C. 24, dated 20th April 1918, I have the honour to say that the alizarine question has developed more quickly than I expected and that 50 casks or 10 tons of 20 per cent alizarine red paste have already arrived in Madras for Messrs. Best & Co. The Board of Trade at home requires from Messrs. Best & Co. a certificate in respect of each sale of the dye that the dye has been sold to a consumer and not to a dealer and I consider that Government should co-operate with the firm in the distribution of the dye. I fully admit that if possible it would be best to distribute the dye through the ordinary trade channels, but it would be impossible to prevent dealers if they got hold of the dye from profiteering in it; in view of this fact and of the orders of the Board of Trade at home I think that we must make an effort to see that the dye gets direct to the dyers from Messrs. Best & Co. without the intervention of the middleman.

2. Of the 10 tons which have arrived Messrs. Best & Co. propose to reserve about a ton for the Anglo-French Textile Company's mill in Pondicherry and for the Buckingham and Carnatic Mills. These mills could easily absorb the whole 10 tons, but the firm proposes to limit them at any rate in respect of the first consignment to 1 ton.

3. As regards the remaining 9 tons, Messrs. Best & Co. inform me that the most important dyeing centres which have used the British Alizarine Company's alizarine in the past are—

Madura.	Madras.	Masulipatam.
Aruppukkottai.	The Ceded districts.	Guntur.
Kumbakonam.	Vizianagram.	Chirala.
Salem.	Cocanada.	Vaniyambadi.

Conjeeveram, an important dyeing centre, was apparently served from Madras. It should be noticed that Messrs. Best & Co. from the nature of the case know only the centres which used the British Alizarine Company's dye before the war and that there may be other centres which were dependent for alizarine solely on German sources. Messrs. Best & Co., moreover, were merely the shippers. The sole dealer for the British Alizarine Company used to be K. V. Ramachari and Messrs. Best & Co. therefore have no very exact knowledge of the actual quantity of dye taken by the different centres. In spite of these drawbacks, however, the firm and I are agreed that a rough tentative

allotment of the 9 ton of 20 per cent paste should be made among the centres mentioned above, and we propose that the allotment should be made as below :—

	TONS.
(1) Madura and Aruppukkottai	3
(2) Salem	1
(3) Kumbakonam	1
(4) Madras	1
(5) Conjeeveram	1
(6) Vizianagram	1
(7) Cocanada	1
(8) Masulipatam	1
(9) Guntur	1
(10) Ceded districts	1 { Proddatur $\frac{1}{2}$ Adoni $\frac{1}{2}$
(11) Vaniyambadi and Chirala	$\frac{1}{2}$
	9

4. We now want to devise some system corresponding to the priority system in respect of indents from home, whereby actual dyers who used alizarine shall be certified as such to Messrs. Best & Co., and shall be authorized to indent direct upon Messrs. Best & Co. for limited quantities of alizarine 20 per cent paste. After consulting Messrs. Best & Co., I propose that ordinarily any one dyer should be limited to 14 lb. of dye from one shipment. This will suffice for at least 140 lb. of yarn.

5. Madura is the most important centre and we have allotted 3 tons to Madura inclusive of Aruppukkottai. I have consulted Mr. Paddison, the Collector, who has taken a great interest in the alizarine question. He is anxious, I understand, to open a depot in Madura to establish a Priority Committee and to arrange for the distribution himself. Messrs. Best & Co. of course want nothing better, and I have wired to Mr. Paddison to report to Government direct what his detailed proposals are. I presume that he proposes (1) to buy the alizarine from Messrs. Best & Co., (2) to rent a godown in Madura, (3) to sell only to dyers certified to be dyers by the Priority Committee and (4) to recoup himself from the sale-proceeds. If so, obviously, his scheme will require the sanction of Government. His sale price must of course be fixed so as to cover (1) the first cost of the dye, (2) railage to Madura, (3) godown rent and establishment charges and (4) risk of loss and wastage. There is a good deal of wastage in selling paste in small lots, and in view of this fact Messrs. Best & Co. propose to fix their retail selling price at Rs. 2 per lb. They may reduce the price to Re. 1-14-0 or so if Mr. Paddison undertakes the retail sale, but this would be a matter for negotiation.

6. I have only a brief letter from Mr. Paddison and do not know enough about the details of his scheme to criticize it. Personally, however, I should be in favour of his scheme if he could arrange to stock the dye at the Treasury and sell it through the Treasury staff. Messrs. Best & Co. hope to get supplies of alizarine regularly but they cannot be guaranteed and in the absence of this guarantee I doubt whether it would be worth while to open a depot. If sales cannot be made from the Treasury it would be better, I think, for the Priority Committee merely to certify the dyers and allow these dyers to get their supplies from Madras. The dyers may not use the dye: they may trade in it, but this cannot be helped. However, Mr. Paddison will submit his detailed proposals to Government.

7. It is proposed to include the Aruppukkottai requirements in the 3 tons allotted to Madura. But if Mr. Paddison would prefer it Aruppukkottai could be given a separate allotment of, say, half a ton and be dealt with as proposed below.

8. As regards the remaining centres, I suggest the following arrangements. Messrs. Best & Co. will stock the dye in Madras and will sell it at a fixed price of Rs. 2 per lb. This price is fixed, I understand, as below :—

	Per lb.
C.I.F. price	AS.
Duty	15
Warehouse	12
Transport } charges and charge to cover loss, wastage, etc.	5
Total	32 or Rs. 2

No one dyer will be allowed more than 14 lb. of dye from this consignment and need not necessarily be allowed so much. He will indent in a prescribed form, get this indent certified by the local authority, come to Madras with the money, hand the certified indent with the money to Messrs. Best & Co. and obtain the dye. Messrs. Best & Co. consider it essential that the indentors should come personally to Madras for the dye and the dye is being sold at so much below the present market price and is so valuable that there is no hardship in this.

9. As regards the local authority to certify the dyers, Collectors in my opinion should exercise their discretion. In my opinion a small committee should be formed in each centre consisting of two dyers with the Tahsildar or Sub-Magistrate as Chairman. Applications should be presented to the president of the committee. They will be entered in a register and given a serial number. After satisfying themselves that the applicant is an actual dyer the committee will endorse the application. Applications should be made in triplicate, one copy should be sent direct to Best & Co., one copy should be returned to the indentors and one copy should be kept for record. Forms of application should, I think, be printed locally in the vernacular and English and should be stocked by the president of the committee. A careful record should be kept of the applications passed and the indents recommended so that when the allotment for the centre is exhausted, further applications should not be granted and the indentors asked to make a fruitless journey to Madras.

10. These proposals are admittedly rough and provisional but there is not much time. The dye is already in Madras and we cannot ask the firm to stock it for an excessive time. As we get more experience we can correct the defects of the scheme. In the meantime we must make a beginning. If Government agree to the principle of the proposals I request that the Collectors concerned may be asked to constitute the alizarine committees and to set them to work with the least possible delay.

11. If Mr. Paddison is allowed to carry out his proposals, he must give Messrs. Best & Co. a certificate that the dye will be sold only to dyers. The certificate as already noted is required by the Board of Trade. In other cases the priority application will serve as a certificate.

ENCLOSURE

Madura and Aruppukkottai	} Centre.
Salem	
Kumbakonam	
Madras	
Conjeeveram	
Vizianagram	
Cocanada	
Masulipatam	
Guntur	
Ceded districts	
Vaniyambadi or Chirala	

Indent for alizarine 20 per cent paste.

To

Messrs. Best & Co.,
First Line Beach, Madras.

Please supply us of 20 per cent alizarine red paste at Rs. 2 per lb.

(Name of dyer.)

I certify that I own a dye-house in
district.

village,

taluk,

(Name of dyer.)

Certified that the above
and that he is recommended for

lb. of alizarine paste.

is an actual dyer

(Signed)

President of Alizarine Committee,
Centre.

Seal

NOTE.—One copy of this indent will be sent direct to Messrs. Best & Co. by the President of the Committee. One copy will be returned to the indentor and must be presented by the indentor with the money at Messrs. Best & Co.'s office in Madras. One copy will be retained for record by the Alizarine Committee.

II

Letter—from G. F. PADDISON, Esq., I.C.S., Collector of Madura.
To—the Secretary to Government, Home (Education) Department.
Dated—the 7th May 1918.
No.—R.O.C. 1535.

With reference to Mr. Innes' letter No. G.A. 24 of 4th May 1918, to Government regarding the supply and distribution of alizarine dye, I have the honour to state that the conditions in Madura are so different from those ruling in the rest of the Presidency that Madura requires separate treatment as I have already stated. From Mr. Innes' letter it would appear that 10 tons of alizarine dye has already arrived in Madras and it is to be sold at low rates on condition that it goes to the dyers and not to the dealers. Mr. Innes' proposal that no one would be allowed to buy from this consignment unless he is certified to be a bona fide dyer would, I submit, do good as far as it goes; but as he himself admits, it is impossible to prevent in this way the dyer from being converted into a dealer. In other centres where the dyers are not, as in Madura, concentrated in one quarter of the town all belonging to one caste with a separate Dyers' Association and a habit of working together, it may not be possible to ensure that the dye would actually be used for dyeing purposes and not for profiteering. In Madura town I have consulted representatives of Sourashtras and those whom I have consulted agree with me that it can be done. A committee will be formed including non-officials and officials to deal with applications. The dye will be stored in the taluk office on receipt from Messrs. Best & Co. Applications will then be called for from bona fide dyers. It was suggested by the Sourashtras that no dyer should be given more than 28 lb. from one consignment. I observe that Mr. Innes suggests a limit of 14 lb. of dye and I will bring this suggestion before the committee. It was also proposed by the Sourashtras that preference should be given to persons dyeing coloured cloths in the first instance, and in the second instance to persons dyeing coloured borders, over dyers of yarn as in the first two cases the comparatively small amount of dye we hope to receive will go much further. Lastly we propose that any one who does not use his share for actual dyeing will be refused any share in future consignments. Suggestions were made as to how this may be checked and we hope that the fact that the dyers all live near each other and will all be eager to get larger shares will make them ready to inform us at once if the dye is sold instead of being used for dyeing. A day will be fixed before which applications should be sent in. The committee will then decide how much should be given to each applicant and the successful applicants will be directed to go and take charge of it on a fixed day at the taluk office, bringing cash payment with them. If regular consignments are to be received hereafter and if the system be found to work well it may possibly be necessary to employ special establishment whose pay would be met from the increased prices of the dye. Surely this would be a better way of distributing dye than to make a man only going to get Rs. 28 worth of dye take a special trip to Madras to secure it. The Sourashtras in this town have been suffering very considerably ever since the war began from lack of the staple material of their profession. They are eager to try this system of distribution and I earnestly request the sanction of Government to give the system a trial. Dr. Marsden, the Tinctorial Expert, cordially supports the proposal and though it is possible that in some cases the dye will be sold and not used for dyeing I am certain that if the dye is distributed as I propose and if regular supplies are obtained there will be a revival of dyeing in this town, the largest centre of dyeing in India.

2. With regard to paragraph 5 of Mr. Innes' letter, I would much prefer that separate arrangements be made for Aruppukottai, which is outside of my jurisdiction and where it would be impossible to check whether the dye was being used.

3. It is hoped to obtain the permission of the Accountant-General to receive payments for the dye in personal deposit in the treasury and to pay Messrs. Best & Co. by remittance transfer receipts local.

4. I am presuming in this that Messrs. Best & Co. will supply the dyes on credit and payment would be made as it was sold. If the price quoted Rs. 2 per pound is correct, as it must be correct, the Sourashtras are unanimously of opinion that whole consignment of 3 tons will be sold in a week.

III

Letter—from the Manager, Messrs. Best & Co. (Ltd.).
To—the Secretary to Government, Home (Education) Department.
Dated—Madras, the 21st May 1918.

We have the honour to confirm the following telegram despatched to you today:—

Alizarine dye with reference to correspondence sent to Government by Director of Industries and Collector of Madura we request that early orders may be passed as we wish to begin selling. We have a shipment lying here unsold for three weeks and are expecting another shortly.

As soon as this shipment of dye arrived, the first since the outbreak of war, we got into communication with the Director of Industries and made various suggestions to him by means of which sales of dye could be made in co-operation with Government in such a way as to keep prices down to a proper level and do away with the immense profiteering that has been taking place in alizarine dye.

We understand that the Director of Industries has addressed Government recommending that Collectors of districts, where dye is sold, should appoint committees of Indian gentlemen who were likely to be in touch with those concerned in the dyeing trade and that we should sell only to dyers whose indents were endorsed by these committees. In the case of Madura only the procedure was to be rather different, the suggestion being that at the Collector's request we should consign dye to him and he would arrange for sales to bona fide dyers. The proposals made by the Director of Industries seem to us very workable ones and we have so far taken no further action in the matter pending Government's reply.

We would, however, submit to Government that we have now had this shipment which we could have disposed of on the day it arrived, lying here for three weeks.

We have constantly represented to the British Alizarine Company the urgent want that existed for dye in this Presidency and they have in turn passed on these representations to the Board of Trade.

It puts us, therefore, in rather an unfortunate position that, when the Board of Trade have at last sanctioned the shipment of small quantities of dye by each steamer, we should be keeping the first of these shipments lying in godown undistributed.

We, therefore, ask that Government will sanction at once a trial of the proposed schemes or failing this will leave the selling of the dye in our hands. Needless to say we shall make every effort to see that it does not get into the hands of profiteers but we would be very much assisted in doing so had we the co-operation of the Director of Industries and the various Collectors of districts.

Order—No. 677, Home (Education), dated 27th May 1918.

The Government approve, subject to certain modifications, the arrangements suggested by the Officer in charge of the Department of Industries to ensure the sale to bona fide dyers of alizarine dyes imported from time to time by Messrs. Best & Co.

2. Of the ten tons of alizarine red paste already received in Madras, Messrs. Best & Co. propose to reserve one ton for the Anglo-French Textile Company's Mill in Pondicherry and the Buckingham and Carnatic Mills. The remaining nine tons will be allotted to the undermentioned centres for sale to actual dyers:—

Name of centre.	Quantity in ton assigned.	Name of centre.	Quantity in ton assigned.
Madura	3	Cocanada	$\frac{1}{2}$
Aruppukottai	$\frac{1}{4}$	Masulipatam	$\frac{1}{4}$
Salem	$\frac{1}{4}$	Guntur	$\frac{1}{4}$
Kumbakonam	$\frac{1}{4}$	Proddatur	$\frac{1}{4}$
Madras	$\frac{1}{4}$	Adoni	$\frac{1}{4}$
Conjeeveram	$\frac{1}{4}$	Vaniyambadi	$\frac{1}{4}$
Vizianagram	$\frac{1}{4}$	Chirala	$\frac{1}{4}$
		Total	9

As regards future consignments the distribution will be settled by Mr. Innes in consultation with Messrs. Best & Co. and intimated direct to Collectors concerned.

3. The scheme proposed by the Collector of Madura in his letter No. 1535, dated the 7th May 1918, for the sale of alizarine dyes to dyers in that town appears to be suitable and is approved. The retail sale price per pound (lb.) should be fixed so as to cover not only the amount due to Messrs. Best & Co., but all other incidental expenses, such as, railage, cooly charges, etc., and also risk of loss and wastage. Each sale should be covered by a certificate to the satisfaction of the Board of Trade that the dye was sold to an actual dyer and not to a dealer. A copy of the certificate should be furnished to Messrs. Best & Co.

The Accountant-General is requested to make the necessary arrangements for opening a personal ledger account in the treasury in the Collector's name with all possible expedition. Pending receipt of sanction of the Comptroller-General, the sums realized by the sale of dyes may be placed in deposit in the treasury.

4. The Collectors of districts noted in the margin are requested to take immediate steps for the constitution of local committees in the centres mentioned to deal with applications for dyes from bona fide dyers. The president of the committee should be a Government official of standing and he should be assisted by two well-known dyers of the locality. The constitution of

Ramnad,	Gōdāvari,
Salem,	Kistna,
Tanjore,	Guntūr,
Madras,	Cuddapah,
Chingleput,	Bellary, and
Vizagapatam,	North Arcot.

the committee should be reported as soon as accomplished to Government and to Messrs. Best & Co. direct, and as stocks are now lying on hand in Madras, the Government would impress upon the Collectors concerned the necessity of avoiding all delay in rendering these accessible to buyers by means of prompt and widespread notification. The Government consider it essential that the working of each committee should be closely supervised by the Collector of the district to ensure that no legitimate ground for complaint arises in the working of the scheme.

5. Mr. Innes suggests that applicants for dyes in centres other than Madura should first get their indents passed by the local committee and afterwards should themselves proceed to Madras and obtain their supply of dye direct from Messrs. Best & Co. The Government apprehend that, under the arrangement suggested, dyers of poor means would be subjected to unnecessary expense and trouble involved in a long journey to Madras. They consider it desirable that the quantity of dye allotted to a centre should be made available for sale in the centre itself and, to enable Messrs. Best & Co. to comply with their wishes, they would make themselves responsible for the realization and payment to the firm of the value of each consignment. Collectors of districts are requested to intimate direct to Messrs. Best & Co. the name and address of the Government official in each centre to whom the quantity of dye allotted for the centre should be sent. On receipt, the consignment should be kept in a Government building under safe custody and the dye issued under the orders of the president of the local committee only to bona fide dyers whose indents have been passed by the committee. Great care should be exercised in this respect and ordinarily no one dyer should be given more than 14 lb. from a single consignment. The retail sale price per lb. for each centre should be fixed by the Collector of the district and in fixing the price due attention should be paid to the considerations set forth in paragraph 3 supra. It should be a rule that whenever the sale-proceeds on hand exceed Rs. 100, the amount due to Messrs. Best & Co. should at once be remitted accompanied by certificates of sale in the prescribed form.

6. Applications for dyes from bona fide dyers should be in the form annexed to these proceedings. The form should be printed in English and in the vernacular of the district and stocked by the president of the committee. To avoid delay in printing the forms may be cyclostyled to begin with. Each application should be prepared in triplicate. One copy of the application, if accepted, will be retained by the committee, one furnished to Messrs. Best & Co., after the sale is effected, and the third copy forwarded to the Collector of the district for information and record in his office. Each indent passed should bear the official seal of the president of the committee.

The local committee should be instructed to keep a careful record of the applications received and the sales effected by them and to see that when the allotment for the centre is exhausted further applications are not entertained.

7. Collectors are authorized to correspond direct with Mr. Innes and with Messrs. Best & Co. for any further particulars that may be required.

(True extract)

R. RAMACHANDRA RAO,
Secretary to Government.

To the Officer in charge of the Department of Industries.
" the Collectors of Madura, Ramnad, Salem, Tanjore, Madras, Chingleput, Vizagapatam, Godavari,
Kistna, Guntur, Cuddapah, Bellary and North Arcot.
" the Accountant-General.
" Messrs. Best & Co., Madras.

ANNEXURE.

Form of application.

No. —

To

President of Alizarine Committee,
— Centre.

Please supply 20 per cent alizarine red paste at Rs. — per lb.

Name of dyer.

I certify that I own a dye-house in — village, — taluk, — district.

Name of dyer.

Certified that the above — is an actual dyer and that he is recommended for — lb. of alizarine paste.

Seal.

President of Alizarine Committee,
— Centre.

Entry of sale.

The quantity passed was sold to the applicant — for Rs. — annas — pies —.

(NOTE.—The application should be prepared in triplicate, one copy will be retained by the president of the local committee, one furnished to Messrs. Best & Co. as soon as the sale is effected, and the third copy forwarded to the Collector of the district for information and record in his office.)

HOME (EDUCATION) DEPARTMENT.

NOTES CONNECTED WITH G.O. No. 677, HOME (EDUCATION),
DATED 27TH MAY 1918.

[SUBJECT.—Supply and distribution of dyes.]

REVENUE DEPARTMENT.

Extract from the notes to G.O. Nos. 374-75, Revenue, dated 30th January 1918.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

I have consulted Dr. Marsden, but he says that he is rather out of touch with the dyestuff position. He states, however, that firms with representatives or agents in England appear to have had little difficulty in obtaining licences for the export of dyes from England, and that this appears to have been especially the case with certain Bombay houses. Madras dealers have been at a disadvantage in that they had no connexion with England before the war except through Bombay firms. Messrs. Chari and Ram are an established firm of dealers in dyes. They know the requirements of the trade and are in touch with dyes, and Dr. Marsden is in favour of the application being supported.

2. Best & Co. (Ltd.) are the agents for the import of alizarine from the British Alizarine Company, but before the war they were required to sell through one dealer K. V. Ramachari of Madura. This arrangement arose out of some rebate system. Best & Co. doubt if the arrangement is still in force, but the Hon'ble Mr. Gordon Fraser tells me that K. V. Ramachari has just secured a consignment of

5 tons* of alizarine from the British Alizarine Company and that if this consignment has not arrived already it will arrive very soon. K. V. Ramachari is paying current prices at home for the dye and is going to make a small fortune out of the consignment. He is getting the supply in execution of an old order.

3. Mr. G. Fraser says that his firm has tried hard to get alizarine from the British Alizarine Company but without success. The company's works were blown up about a year ago, and probably there is not enough to go round. What I feel is that if Best & Co., the agents of the company, cannot get supplies, there is little chance of Messrs. Chari and Ram being successful even if Government support this application. Further the fact of this 5-ton consignment rather queers the pitch on which Mr. Paddison takes his stand.

4. In the circumstances I am doubtful if much would be gained by supporting the application, but unless Government know more about the position than I do, I would be inclined to send it on. If there is alizarine available for export to India, it seems to me that some machinery should be set up in India (1) to see that it is distributed to the centres which mainly used alizarine before the war, (2) to take measures to ensure that it is distributed direct to actual dyers and (3) to control the price. It is a difficult question but I think that the Government of India and Local Government should tackle it.

C. A. INNES—7-1-18.

REVENUE DEPARTMENT.

In paragraph 1 of his note Mr. Innes states that Dr. Marsden is in favour of supporting the application of Messrs. Chari and Ram of Madura for alizarine dyes. But subsequently he doubts whether the firm will be able to procure the material

in view of the fact that Messrs. Best & Co., who are the agents of the British Alizarine Company, have not been able to get any. He also says that one K. V. Ramachari of Madura is getting 5 tons*

* or $5 \times 2,240 \text{ lb.} = 11,200 \text{ lb.}$ of the alizarine. Perhaps this may be pointed out to the Collector of Madura and he may be requested to state whether, in view of this 5-ton consignment, he considers that the application of Messrs. Chari and Ram should be supported.

2. After receipt of the Collector's reply the suggestion in paragraph 4 of Mr. Innes' note may be considered and forwarded to India.

D.T.—17-1-18.

For orders whether we need make any further reference to the Collector or should address India.

G. B. JACKSON—17-1-18.

Support and address India at once.

2. But paragraph 4 of Mr. Innes' note is, I think, of supreme importance and the question should be taken up without delay. We have not the data for a case and the trade returns (sea-borne and rail-borne) for India as well as for Madras should be examined. Treat it as a separate 'case'.

F. J. RICHARDS—18-1-18.

Messrs. Chari and Ram have not given the name of their export agents in England. The Government of India would require this information before addressing the Secretary of State on the subject. Before therefore we send up the petition, it seems desirable to ascertain this from the firm. A draft telegram to the Collector of Madura is put up for approval.

D.T.—19-1-18.

Issue.

G.H.J.—19-1-18.

[Telegram to the Collector of Madura, dated 19th January 1918, No. 25.]

From the Collector of Madura, dated 22nd January 1918, D. Dis. No. 221/Rev.

A draft order and a letter to the Government of India are submitted for approval.

2. After issue of the drafts, extracts of the notes with reference to paragraph 2 of the Deputy Secretary's note above will be taken and a separate case opened to consider the question therein raised.

D.T.—25-1-18.

To Deputy Secretary with draft.

G.H.J.—25-1-18.

To the Honourable Member (Trade) for perusal before issue.

F.J.R.—28-1-18.

P. R[AJAGOPALA ACHARIYAR]—29-1-18.

Issue.

F.J.R.—29-1-18.

[Issued as G.O. Nos. 374-75, Revenue, dated 30th January 1918.]

With reference to the Deputy Secretary's note, dated 18th January 1918, above the sea-borne trade volumes for India and Madras and the rail-borne trade returns for Madras have been examined and the import statistics about the coal tar dyes (alizarine, aniline and others) and synthetic indigo have been extracted for a period of five years so far as figures were available and will be found below. The quantity of dyes

imported by rail is given in maunds. The maunds have been converted to lb. for facility of reference:—

IMPORT OF DYES INTO MADRAS PRESIDENCY.

Countries from which imported.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.
<i>By sea.</i>					
<i>Coal tar dyes.</i>	LB.	LB.	LB.	LB.	LB.
(1) Alizarine—					
United Kingdom	51,408	104,720	148,928	..	50,772
Germany	1,011,564	672,952	362,400	10,528	..
Holland	4,255	6,048	..	..	..
Belgium	694,481	695,404	259,840	20,720	..
Total ..	1,761,709	1,479,124	771,168	31,248	50,772
(2) Aniline—					
British Empire. { United Kingdom	1,690	5,872	5,506	3,008	45,717
.. { Ceylon	..	140	128	158	357
.. { Other countries	..	..	..	23	1
Foreign countries—					
Germany	393,363	392,220	106,900	4,034	..
Holland	2,132	1,308	..	..	..
Belgium	55,567	77,429	29,218	3,422	..
France	..	..	..	..	1,120
Switzerland	2,980	5,550	..	400	784
Italy	560	1,792	..	..	..
United States of America (Atlantic Coast)	..	200	..	310	1,261
Other countries	..	500	..	..	..
Total ..	457,292	486,011	141,752	11,355	49,240
(3) Others—					
United Kingdom	..	1,232	112	..	12,686
Germany	19,981	27,076	26,996	1,120	..
Belgium	32,284	37,809	16,128	..	..
Other countries	..	..	560	5	..
Total ..	52,265	66,117	43,796	1,125	12,686
Total of coal tar dyes ..	2,271,266	2,031,252	956,716	43,728	112,698
Indigo (synthetic)—					
United Kingdom	..	2,240	4,928	16	448
Egypt	..	1,232	..	..	..
Other countries (British Empire)	..	112	..	..	..
Germany	114,352	54,096	30,800	6,272	..
Belgium	7,056	61,936	20,508	..	..
Total ..	121,408	119,616	56,336	6,288	448
Other sorts (including lac-dye)—					
United Kingdom	340,928	214,368	274,176	112,336	136,640
Ceylon	105,056	118,608	60,592	66,640	575,344
Straits Settlements	35,840	8,512	17,136	33,152	10,304
Germany	250,096	334,656	125,552	1,680	672
Belgium	110,656	67,312	29,120	..	..
United States of America (Atlantic Coast)	..	..	4,928	113,120	69,888
Other countries	..	560	9,184	..	..
Total ..	842,576	744,016	510,688	327,028	792,849
<i>By rail.</i>					
Alizarine and aniline dyes	755,104	657,664	381,808	255,024	Not available
Indigo	15,344	15,232	22,176	22,064	
Others	170,128	125,328	5,153,232	5,445,664	

TOTAL IMPORTS OF DYES INTO BRITISH INDIA BY SEA.

	1911-12.	1912-13.	1913-14.	1914-15.	1915-16.
<i>Coal tar dyes.</i>	LB.	LB.	LB.	LB.	LB.
Share of—					
Bengal	1,245,290	1,381,061	1,473,362	660,021	63,701
Bombay	10,642,769	13,858,785	11,886,515	5,926,363	591,336
Sind	472,771	711,860	676,573	363,701	15,766
Madras	1,568,183	2,271,256	2,031,252	956,716	43,738
Burma	104,886	148,758	179,193	55,206	1,836
Total ..	14,033,899	18,308,730	16,245,895	7,962,007	716,367
<i>Indigo (synthetic).</i>					
Share of—					
Bengal	..	224	1,008	..	..
Bombay	411,600	511,248	527,856	29,724	11,872
Sind	4,480	36,176	29,232	20,720	..
Madras	19,488	121,408	119,616	56,336	6,272
Burma	..	..	..	224	..
Total ..	424,668	679,066	677,712	107,004	18,144

2. It will be observed from the previous page that the import of coal tar dyes and synthetic indigo has enormously decreased when compared with pre-war figures and that is due to the stoppage of imports from Germany and Belgium which have

We all know this.

F.J.R.—14-2-18.

We all know this,
F.J.R.—14-2-18.

been the principal suppliers of such goods. Import of aniline dyes from the United Kingdom has gradually increased but it is not sufficient to meet the large demand which exists in Madras for such dyes. The imports by rail into the Presidency of dyestuffs extracted on the previous page show

Comparatively little after all.

F.J.R.—14-2-18.

page 11 of G.O. No. 1209, Home (Education), dated 19th September 1917, where it is stated that "although dye-making firms in England and America have increased their output considerably the quantities which they have been able to produce are hardly likely to be comparable with those produced in Germany before the war" and that the energies of the English firms were first devoted largely to the production of dyes required for cloth for the fighting forces and only later were the requirements of the dyeing trade considered. It is also said that the demands made upon the industries of the country for war purposes have made it impossible for the dye-makers to meet the requirements of a special trade like the Indian one. It is therefore unlikely that large quantities of the dyes will be available for distribution among the dyers of this Presidency. The damage caused to the only alizarine works in England referred to at page 12 of G.O. No. 1209, Home (Education), dated 19th September 1917, confirms this view. The very fact that only a limited quantity of the dyestuffs required is available makes it more imperative that some sort of control as that suggested by Mr. Innes should be exercised over the distribution and the prices of the commodity. The question of controlling the distribution and the price of the dyestuffs available is, however, one which affects the whole of India since Bombay and Calcutta have been importing equal quantities of the dyes (vide statement at page 3 ante).

3. Before proceeding further and laying the matter for the consideration of the Government of India, it would be well to obtain the latest import figures by sea for 1917-18 and by rail for 1916-17 and 1917-18 and ascertain the several dyeing centres of the Presidency which were using them in pre-war times. Paragraph 3 of the letter from the Collector of Customs at page 5 of G.O. No. 440, Separate Revenue, dated 31st May 1916, gives some information about the several silk-dyeing centres of the Presidency, viz., Kumbakonam, Conjeeveram, Madura, Salem and Berhampur. More complete information about this may be available with Home (Education) Department which deals with industries. In the last sub-paragraph of paragraph 25 at page 14 of G.O. No. 1209, Home (Education), dated 19th September 1917, it is stated that "attempts have not ceased to get dyes to the dyers at prices which would permit of their free use and thus assist the general textile trade of the Presidency." The Home (Education) Department may also be requested to furnish any information available on the subject. As regards the import statistics both the Collector of

By telephone.

F.J.R.—14-2-18.

Customs and the Board of Revenue (Revenue Settlement) may be requested to furnish the latest figures with the names of the principal importers. For orders,

D.T.—8-1-18.

Demi-official—from C. A. INNES, Esq., I.C.S., Director of Industries.

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

Dated—Madras, the 11th February 1918.

No.—R.O.C. 2307.

In conversation on the telephone some days ago, I promised to let you know the result of my further researches into the alizarine question. Since writing my u.o. note No. 357, dated 7th January 1918, I have been to Madura and seen Mr. Rangachari of Messrs. Chari and Ram, and Gordon Fraser has also let me see his office file on the subject.

2. Before the war, as you know, there was an alizarine convention to which I believe practically all the firms manufacturing alizarine adhered. The contracting firms bound themselves to sell at uniform prices subject to a rebate on contracts. The bigger the contract the bigger was the rebate. The scale of rebates was revised, I believe, in 1913, and a rebate of 5 per cent was allowed on 150 tons contracts and of 6 per cent on 200 tons contracts. Under the rebate system naturally the alizarine firms found it advantageous to enter into large contracts with a few large dealers, but the German firms, so Mr. Rangachari tells me, found it sufficient to appoint different dealers sole agents for different marks. Thus, alizarine red I.C.R. was marketed under such labels as 'Baby Krishna', 'Two deer heads' and so on, and different contractors were given monopolies for these different labels. But the British Alizarine Company, probably because it had a hard struggle against the German firms and did not sell so much in India, appointed a sole dealer for all its products. Best & Co. imported the alizarine as agents and one K. V. Ramachari of Madura was the sole dealer. German alizarine of course is not now coming out, and K. V. Ramachari would have been in clover had he been able to get supplies from the British Alizarine Company. But he has received very little since the war began. He received a certain amount at the end of 1914 in the execution of orders placed before the war. But since the outbreak of war, the British Alizarine Company has accepted only one order from him. This was in August 1914 when an order was accepted for 10 tons of 40 per cent paste or 20 tons of 20 per cent. In 1915 he received 5 tons of 40 per cent against this order and in 1917 5 tons of 20 per cent. Five tons of 20 per cent have still to be delivered against the order. When this amount is delivered, the contract will be complete, and Best & Co. inform me that they then propose to terminate the arrangement whereby they deliver the British Alizarine Company's alizarine only to K. V. Ramachari. They propose to keep the contract in their own hands and to distribute the alizarine to other dealers as well as K. V. Ramachari. I think that they are dissatisfied with Ramachari because of the price he charged for such supplies as he has received. In December 1914, they remonstrated with him for selling 1 cwt. casks of 16 per cent paste at Rs. 105 against a C.I.F. price of Rs. 43-12-0 and after extracting from him a promise that he would sell at prices fixed by them they fixed in January 1915 the prices as below:—

							RS.	A.	P.
16 per cent	1 cwt. casks	...	...	...	...	...	46	0	0
"	2 "	...	...	...	...	...	88	0	0
"	4 "	...	...	...	...	...	167	0	0
20 per cent	1 "	...	...	...	...	...	55	8	0
"	2 "	...	...	...	...	...	107	8	0
40 per cent	4 "	...	...	...	...	...	487	0	0

But I don't for a moment suppose that Ramachari stuck to these prices. Mr. Rangachari says (I can't vouch for the truth of the statement) that he sold the 5 tons of 20 per cent paste he received in 1917 mostly in Bombay where I have no doubt he was offered enormous prices.

3. Two facts emerge. In the three years before the war Madras imported annually about one and a half million pounds of alizarine. In the last three years the British Alizarine Company has sent to Madras 5 tons of 40 per cent paste and 5 tons of 20 per cent paste and probably not all of that has been sold in the Presidency. Secondly the present system under which the British Alizarine Company sells through a single dealer is the worst possible system in present circumstances. Best & Co. have done their best to control that dealer but without much success, and there is no guarantee at present either that the dealer will sell in the Presidency or that he will sell to dyers at a reasonable price.

4. What we want to get at therefore is (1) much greater supplies of alizarine and (2) a system whereby that alizarine will be supplied to dyers at a reasonable price.

5. As regards (1) the difficulty is the arrangements at home in regard to the export of dyes. Dyes cannot be exported except under licence, and further that licence is not given unless the applicant firm can produce a certificate from the manufacturers that the dyes covered by the application were manufactured expressly for export to the country specified in the application. As regards alizarine therefore which Madras dyers chiefly want, we are entirely in the hands of the British Alizarine Company and since they still owe Ramachari 5 tons out of an order placed in August 1914 naturally they won't give the certificate. Thus in August 1917 Messrs. J. R. White & Co. of Bradford offered to supply Chari and Ram with 400 lb. of 20 per cent paste, but when they applied to the British Alizarine Company for the necessary certificate it was refused.

6. The object of the restrictions placed on the export of dyes from home obviously is to ensure that British demands are satisfied before any export is allowed. The prohibition of export is probably conceived in the interests of Glasgow and Lancashire and the stipulation about the certificate from the manufacturers may be intended to prevent what Harveys did in 1915, viz., collect 30 tons of alizarine up and down the United Kingdom and bring it to Madras for sale. At any rate the effect of the restrictions is disastrous for Madras. We require one and a half million pounds of alizarine a year and we are getting practically nothing. I consider that all these facts should be placed before the Government of India and the Secretary of State and that a strong representation should be made for special arrangements whereby the British Alizarine Company should be required to release a definite quantity of alizarine for Madras. What that quantity will be will naturally depend largely on the English and other demands but we ought to ask at least for the equivalent of 50 or 100 tons of 20 per cent paste per annum.

7. At the same time I think that Government ought to offer to make itself in some way responsible for the distribution of the dye to actual dyers. As Mr. Rangachari says in one of his letters to me, the dye business is a peculiar one, and it is not one in which I am anxious to dabble. It would be better in many ways to stick to ordinary trade channels and to work through ordinary dealers. Government could fix maximum prices under the Articles of Commerce Regulation or the Defence of India Rules. But I doubt if the fixation of prices would be effective. Dealers would sell to their relatives or get round the regulations somehow, and if we want such limited supplies of alizarine as we may expect to receive to get to actual dyers at a reasonable price I believe that Government would have to assist if not take over the distribution. The scheme to be workable would probably have to be conceived on broad lines, and I don't pretend to have thought one out in detail. Probably one would have to divide the dye among a few important centres, Madras getting of course the largest share. In those centres actual dye-houses would be registered and the allotment for the centre would be distributed among these dye-houses. If we were not too ambitious and limited the allotment to places which need alizarine most I don't see why such a scheme should not be easily worked, and I have ascertained that Best & Co. would co-operate with us. That is, they would import the dye, store it and sell it at the British Alizarine Company's C.I.F. prices (on which they get a commission) to indentors whose indents were supported by certificates from the Collector of the district or by my department. Probably it would be necessary to make over a portion to the mills to be sold in the form of dyed yarn.

8. But I am sure that the main line of action is (1) for Government to represent the Madras case and to try to get earmarked for Madras a definite quantity of alizarine per annum and (2) to offer to make itself responsible for seeing that the dye gets to actual dyers at a reasonable price.

I should begin with alizarine and ask Best & Co. to co-operate. The other dyes are not so important. Ramachari would of course have to get his 5 tons of 20 per cent paste before the British Alizarine Company could co-operate with us, but if necessary we could commandeer it.

Please look up imports by sea and rail since 1913. The present position is monstrous, and I think Mr. Innes' proposals should be pushed hard.

F. J. RICHARDS—13-2-18.

With reference to the Deputy Secretary's note above attention is invited to statement at page 3 ante which gives the imports of dyestuffs into Madras by sea and by rail and into India by sea. The difficulties of dyers in this Presidency as set out by Mr. Innes in his demi-official above are confirmed by the statements in the correspondence received from Messrs. Chari and Ram. It will be seen from the figures given for 1912-13 and 1913-14 at page 3 ante that as stated by Mr. Innes in paragraph 3 of his demi-official at page 5 ante about 1,500,000 lb. of alizarine have been imported prior to the war, while only 50,772 lb. have been got in 1916-17. The figures for 1917-18 are not available in the office. The imports by rail given at bottom of page 3 ante show also a decrease.

2. Mr. Innes in paragraphs 6-8 states that though about one and a half million pounds or 670 tons of alizarine per year were imported prior to the war, the Government should endeavour to procure at least 50 to 100 tons per annum and suggests that Messrs. Best & Co. may be permitted to import the stuff and sell it at the British Alizarine Company's C.I.F. price to indentors on certificates issued by Collectors of districts or by the Department of Industries. The Local Government can frame rules for this under section 9 of the Article of Commerce Ordinance, 1914. It is for consideration whether Messrs. Chari and Ram, whose application we have forwarded to India in G.O. Nos. 374-75, Revenue, dated 30th January 1918, should also be permitted to import the dyes along with Messrs. Best & Co. and sell under the same restrictions or whether Messrs. Best & Co. alone will be given the monopoly of import into Madras.

3. For orders whether the latest figures of dye imports into Madras, which will help us to see if there has been any further reduction since 1916-17, should be called for as suggested at page 4 ante before addressing India. The information about the dyeing centres may be got from Mr. Innes later on if India supports this Government's proposal.

D.T.—13-2-18.

G. H. JACKSON—14-2-18.

Telephone messages may be sent to the Board of Revenue and the Collector of Customs for later statistics, but I do not think details need be examined more minutely as the data available seem sufficient to make out a case. Please therefore draft on the information available putting the case to India, and the views of Home (Education) and the Honourable Member will then be ascertained.

F. J. RICHARDS—14-2-18.

Draft telephonic message to the Board and the Collector of Customs are submitted. After issue of the messages, a draft letter to India will be put up for consideration.

D.T.—14-2-18.

Despatch.

G. H. JACKSON—14-2-18.

[Telephone despatched on 14th February 1918.]

In connexion with this file, which has come to me incidentally, I may note as a matter of interest another possible reason which perhaps obstructs the export of dye-stuffs to India by the British Alizarine Company. At the beginning of the war attempts were made to get that company to try and increase their exports but they showed a curious reluctance to do so. It was then rumoured that, under the terms of a combine into which they had entered with German companies, they were precluded from sending to India more than the fixed quantity—I think 100 tons—per annum. Any breach of this agreement would have brought down on them the vengeance of the infinitely more powerful German companies who would have invaded the other markets set apart for the British Alizarine Company and by underselling the latter have driven it out of the business. The impression was that the British Alizarine Company at the beginning anticipated that the war would not last very long and were afraid to take advantage of the opportunity and depart from their agreement lest worse things should befall them later. It may well be that they are still influenced by the same fear.

2. I do not quite understand how this file comes to be in Revenue in its present state. Home (Industries), I believe, deals generally with dyes and this is evidenced by the fact that all the references in this case have had to be to Messrs. Innes and Marsden. The provision of dyes for use in Madras can hardly be called essentially a matter of trade even though the actual export may come into that sphere. Revenue has already assimilated so many strange subjects which were new to it that I should prefer that caution should be exercised in adding to its burden any files which may properly be held to belong to another department.

A. R. KNAPP—15-2-18.

I have my own doubts as to whether I should continue to deal with this case, or whether I am poaching on the preserves of Home (Education). The case arose out of a 'Trade Priority' case and it is not always easy to draw the line between Trade and Industry. Mr. Innes has dealt with the case as Controller of Munitions, as well as Director of Industries. Questions of 'Priority' are also involved, and Mr. Innes' proposals foreshadow a general policy of control of prices, a matter which is bound to arise in the near future.

A I don't want to start an academic discussion at this stage and I solicit the orders of the Honourable Member as to which department should take up the questions now raised.

F.J.R.—16-2-18.

Demi-official—from C. A. INNES, Esq., I.C.S., Director of Industries.

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

Dated—the 20th/21st February 1918.

No.—R.O.C. 2307.

In continuation of my demi-official letter R.O.C. 2307 of the 11th instant regarding alizarine I enclose herewith for your perusal and return the November issue of "The Dyer Calico Printer, Bleacher, Finisher and Textile Review." Please see passages marked on page 184.

To Deputy Secretary for perusal.

G. H. JACKSON—23-2-18.

Home (Industries) u.o. for perusal.

I should like to see again Mr. Innes' R.O.C. 2307, if there be no objection, please.

F. J. RICHARDS—26-2-18.

Letter—from G. S. HARDY, Esq., I.C.S., Under Secretary to the Government of India, Department of Commerce and Industry.

To—the Chief Secretary to the Government of Madras.

Dated—Delhi, the 16th February 1918.

No.—1979-D.

With reference to the correspondence ending with your letter No. 840, dated the 23rd June 1917, on the subject of the Indian demand for dyes, I am directed to forward a copy of a letter, dated the 29th November 1917, from the Board of Trade, which summarizes the position as to the extent to which Indian requirements of dyes can be met from British sources.

2. I am to add that the Government of India do not consider it advisable to publish broadcast the information contained therein so far as the names of individual firms in the United Kingdom are concerned, but that there is no objection to the general purport of the letter being made public nor to the names of the firms mentioned therein being furnished to individual enquirers.

ENCLOSURE

C. 15675.

BOARD OF TRADE (COMMERCIAL DEPARTMENT),
GWYDYR HOUSE, WHITEHALL, LONDON, S.W. 1.
29th November 1917.

SIR,

With further reference to your letter of the 19th October last, No. R. & S/W.T. 5887/17, and in confirmation of certain informal communications relative to the supply of dyes to India, I am directed by the Board of Trade to state, for Mr. Secretary Montagu's information, that in consequence of the fact that it is not possible to collate the particulars given in the enclosure to your letter of the consumption of dyes in the various provinces of India it is impossible for the Board to express any opinion as to the precise extent to which the demands of India for dyes can be met from British sources.

2. It would appear, however, that India's requirements may be divided roughly into the following main classes, viz. :—

Direct colours, which include congo red, benzopurpurine, direct black, etc.

Acid colours, including acid black, acid red, etc.

Chrome colours, including alizarine red, chrome black, etc.

Basic colours, including methyl violet, rhodamine, methylene blue, auramine, malachite green, magenta, etc.

Vat colours, including indigo, indanthrene blue, etc.

Sulphur colours, including sulphur black, sulphur blue, etc.

3. Of the above there should be no great difficulty in supplying a substantial proportion of the quantities of most of the sulphur colours required, as this class of dyestuff is now being produced on a very large scale in this country. As regards the other categories the position may be summarized as follows :—

(i) *Direct colours*.—At present these colours are only being made in any appreciable quantity by two firms, British Dyes (Limited), Huddersfield, and Messrs. Levinstein (Limited), Manchester. Both these companies have been exporting considerable quantities to India through their respective representatives, Messrs. Duncan Stratton & Co. and Messrs. Killick Nixon & Co. of Bombay. Other firms are, however, proposing to take up the manufacture of these dyes, but it will be some time before the needs of India can be wholly supplied.

(ii) *Acid colours*.—A great deal of progress has been made in the manufacture of a wide range of these colours although certain brands are still somewhat difficult to obtain. It should be possible, nevertheless, to meet the requirements of India for those colours to a large extent.

(iii) *Acid chrome colours*.—The principal colours in this series are the alizarines, which are made only by the British Alizarine Company (Limited), Silverton, E. The output is limited by the plant and materials available, and up to the present the British Alizarine Company have not felt able to export any considerable quantities to India. Their agents in India, Messrs. Latham Abercrombie of Bombay, have certain contracts outstanding for the supply of alizarine to native dealers, and they hope to be able to fulfil these in the near future as the output of alizarine is being steadily increased.

Quantities of alizarine have been exported to India during the war, but the bulk of such supplies have been obtained from consumers in the United Kingdom out of the quantities obtained by them from the manufacturers ostensibly for their own use. To stop this practice which is obviously objectionable and has resulted in abnormal prices owing to the number of intermediate profits (as the dye often passed through several hands before purchase by the exporters) it has recently been decided to restrict the issue of export licences for dyes to those cases in which it can be shown that the goods have been bought expressly for export with the knowledge and approval of the manufacturers. This action has already brought about a great reduction in the open market price of alizarine, and will shortly result in larger supplies being available for export to India although for the moment the supply obtained by the abovementioned means has been stopped.

Apart from the alizarines, fair supplies of chrome colours for wool dyeing are available, although those required for calico-printing are not so plentiful.

(iv) *Basic colours*.—In the case of these colours the question depends entirely on the particular colour required. Certain types, e.g., bismark brown and chrysoidine, are available in almost any quantity, whilst other colours, such as methyl violet, auramine, rhodamine, methylene blue, malachite green and magenta, are more or less scarce. In fact rhodamine is not yet manufactured in the United Kingdom, the only available supplies coming from Switzerland. Methyl violet, auramine, magenta and methylene blue are being made in increasing quantities and fair supplies for export to India should shortly be available. Malachite green is still scarce, but the total quantity required is not very large.

(v) *Vat colours*.—With the exception of synthetic indigo, these are only produced in very small quantities, whilst the range is strictly limited. They are the most difficult dyes to manufacture on a commercial scale, but a good deal of attention is being devoted to their production, and at least one firm, the Solway Dyes Company, Carlisle, has specialized solely on them. There is no doubt that owing to their peculiar qualities of fastness to light, bleaching, milling, etc., the demand for vat colours will increase, and when adequate supplies are available they will probably replace certain acid, chrome and direct colours now being used.

4. In furnishing the above information, the Board desire me to point out that in this country consumers have to a large extent found it possible to meet their requirements for dyes, sufficiently to enable them to carry on their trade under existing conditions, by the substitution of some of the colours formerly utilized by dyes now obtainable, and by the general adaptation of their business to the supplies available and in this manner it may be possible for India also to satisfy her need for dyes to a larger extent than would at first appear.

I am to add that the Board are satisfied that British manufacturers are anxious to give all possible consideration to the requirements of India and they trust that, with the co-operation of the Indian consumers in simplifying their demands, it will be possible for rapid progress to be made in the direction of the permanent substitution of British made for German dyes in the Indian market.

The Under Secretary of State,
India Office, S.W. 1.

I have, etc.
H. FOUNTAIN.

HOME (EDUCATION) DEPARTMENT.

Please see Mr. Innes' letter on pages 4 to 6 supra. In paragraph 4 of his letter Mr. Innes suggests that the Government should take steps to ensure a steadier and larger supply of alizarine from the United Kingdom and to introduce a system whereby alizarine will be supplied to actual dyers at a reasonable price.

2. With regard to the first suggestion it is submitted that the requirements of this Presidency in alizarine and other dyes have already been made known to the Home Government through the Government of India and the desirability of sending out to this country a fair proportion of the output of dyes in England so as to keep the dyeing industry in Southern India going has also been pointed out to them. Please see correspondence in G.Os. No. 148, Revenue, dated 15th January 1915, No. 321, dated 20th March 1915, No. 402, dated 14th April 1915, and page 2 of G.O. No. 840, dated 23rd June 1917, and also letter in this Government Order. The Government of India were last addressed on the subject in Letter No. 840, Home (Education), dated the 23rd June 1917. That Government have just forwarded a copy of the reply received from the Board of Trade. As regards alizarine the Board states that the output of the British Alizarine Company which alone manufactures this dye is limited by the plant and materials available and that up to the present the company have not felt able to export any considerable quantities to India. It is however pointed out that the output is being steadily increased. Presumably the supply to India will also be gradually increased.

3. In paragraph 5 of his letter on page 5 supra Mr. Innes refers to the restrictions placed by the Home Government on the export of dyes from England, viz., that the export can be only under licence and that such licence is not given unless the applicant firm can produce a certificate from the manufacturers that the dyes covered by the application were manufactured expressly for export to the country specified in the application. With regard to these it is submitted that from a note by Mr. Wakely of the Board of Trade received in 1917 it is observed that licences for export are not generally refused except under special circumstances—page 4 of G.O. No. 840, Home (Education), dated 23rd June 1917. Please see also the Government of India's letter in G.O. No. 3040, Revenue, dated the 28th September 1917. In their letter printed above the Board states that the restriction in regard to the production of the special certificate is imposed in order to stop the practice of exporting to India dyes obtained from consumers in the United Kingdom out of the quantities taken by them from the manufacturers ostensibly for their own use. This practice has been found to be very objectionable and the Board of Trade will not therefore be prepared to relax the restriction referred to. Mr. Innes has not seen the letter of the Board of Trade. The file may be sent to him u.o. for perusal of that letter and he may be requested to advise whether any further action should now be taken with reference to it.

4. With regard to the second suggestion made by Mr. Innes that the Government should introduce a system whereby the dye gets to actual dyers at a reasonable price it is submitted that a Government scheme for distribution of alizarine may be useful only if a steady supply of the dye from England can be ensured. Last year Mr. Innes proposed that the Government should get dyes worth about Rs. 50,000 and entrust the distribution to some firm on a commission basis—pages 24 to 26 of G.O. No. 840, dated 23rd June 1917. The Government considered that action in this direction might be deferred till the results of the representation made by this Government in Letter No. 840, Home (Education), dated the 23rd June 1917, could be gauged—page 51 of G.O. No. 840, Home (Education), dated 23rd June 1917. The Government of India's letter with enclosure now received is in reply to the above communication. It will be seen therefrom that there is at present no guarantee that regular supplies of alizarine can be expected from England. Further Mr. Innes, when he proposed his scheme last year, stated that alizarine should be bought only if it was possible to obtain it at a price not exceeding Rs. 600 per cwt. of alizarine 20 per cent—paragraph 15, page 24 of G.O. No. 840, Home (Education), dated 23rd June 1917. There is no information before the Government as to the price at which the dye can now be obtained from England. Mr. Innes now proposes that the Government should co-operate with Messrs. Best & Co. in the purchase and distribution of alizarine. In the circumstances explained in the Board of Trade's letter he may be requested to state whether any action is necessary in the matter.

5. Mr. Innes may also be requested to advise whether it is necessary to publish the purport of the Board of Trade's letter and, if so, in what form.

6. On page 8 supra the Deputy Secretary, Revenue Department, has asked that this file may be sent to him for perusal of Mr. Innes' letter on pages 4 to 6 supra. On return from Mr. Innes, the file may be sent to him u.o.

S.K.—14-3-18.

T.K.—14-3-18.

Perhaps the best thing would be to send the file u.o. to Mr. Innes with reference to the points raised above and obtain his views on the Board of Trade's letter.

C. H. BROWN—15-3-18.

Mr. C. A. Innes, I.C.S. (u.o.).

L. D. SWAMIKANNU—18-3-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

The alizarine position has developed since I wrote my letter of the 11th February to Mr. Richards.

2. In the first place, 25 casks of alizarine have arrived in Madras for K. V. Ramachari. He pays, I think, 15 pence a pound for the dye plus landing charges,

duty, etc., and probably he will get free delivery in Madras at something like Rs. 120 per cwt. It will be interesting to know (1) whether he sells in the Presidency and (2) if so at what price.

3. This consignment completes all the British Alizarine Company's Indian contracts, and the company is now free to make fresh arrangement for the sale of whatever alizarine it may be able to spare, from time to time, for the Indian market.

4. In its letter to Best & Co., of which Mr. Gordon Fraser has kindly sent me a copy, the British Alizarine Company mentions that one of the difficulties it has had to contend with was the condition that the name of the 'purchaser abroad' had to be stated in the application to the War Trade Department for a licence to export. This condition precluded the possibility of sending supplies to agents 'on consignment' but the Board of Trade has now agreed to such supplies "provided that the names and addresses of the consumers who must be bona fide consumers are given later".

5. The British Alizarine Company therefore proposes to ship alizarine to Best & Co. as often as possible on condition that Best & Co. render account sales monthly giving names and addresses of actual buyers (who must be the actual users of the alizarine sold) and also details making up the actual price charged, as the Board of Trade may require this information.

6. The selling price in Madras must be 15 pence per pound net for 20 per cent alizarine thin paste in 4 cwt. casks plus landing charges, duty and all expenses to warehouse.

7. In order to ensure against profiteering, it will be necessary that with all orders given there must be written above the signature: "We guarantee that the alizarine mentioned herein is for ^{our}_{my} own consumption and not for resale".

8. The British Alizarine Company suggested that in view of services rendered K. V. Ramachari should be appointed as sub-agent in order to assist in distributing the dye to actual consumers, but Best & Co. have replied that in order to ensure against profiteering they would prefer to open their own depots and sell through their own men. The matter is one for settlement between Messrs. Best & Co. and the British Alizarine Company.

9. It will be seen that the Board of Trade at home has taken measures to cut out the middleman and to ensure that the alizarine should reach the consumer at a reasonable price. The British Alizarine Company and Messrs. Best & Co. are concerting their plans accordingly, and I consider that Government should co-operate.

10. I think that Messrs. Best & Co. should now be addressed on the lines of the above note and asked where they propose to open their depots. In those places Government, I think, should co-operate by prescribing that applications to buy alizarine should pass through the Collector who should have them verified and should certify that the applicant is a bona fide dyer. An arrangement of this kind would satisfy the British Alizarine Company that dye will reach the consumer without intermediate profiteering and will probably lead to larger supplies being sent to Madras.

11. In the circumstances now reported I don't think that any other action by Government is necessary except that I consider that the substance of the Board of Trade letter should be made known to the public.

C. A. INNES—25-3-18.

HOME (EDUCATION) DEPARTMENT.

With reference to the last paragraph of Mr. Innes' note the purport of the Government of India's letter may be published in the form of a press communiqué. A draft order is submitted for approval. It may be sent (u.o.) to Mr. Innes for any amendment he may have to suggest.

2. As regards paragraph 10 of Mr. Innes' note it is for orders whether action should be taken as suggested therein or whether the result of the new arrangement for the export and distribution of alizarine dye may not be watched before Government intervene in the matter. If the former, it is for consideration whether Mr. Innes may

not himself be asked to communicate with Messrs. Best & Co. and ascertain their wishes in the matter. The file may be sent u.o. to Revenue for perusal of Mr. Innes' note and for any remarks that department may have to offer.

S.K.—29-3-18.

N.K.—3-4-18.

The proposed press communiqué may first go to Mr. Innes.

C. H. BROWN—4-4-18.

L. D. SWAMIKANNU—5-4-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

A press communiqué has been published in the Indian Trade Journal for March 22nd. In the circumstances it seems doubtful whether anything more need be done. If a press communiqué is published, the one in the Indian Trade Journal may be followed.

C. A. INNES—8-4-18.

HOME (EDUCATION) DEPARTMENT.

The press communiqué in the Indian Trade Journal of the 22nd March 1918 is an abstract of the Board of Trade's letter on pages 8 and 9 ante. It is for consideration whether a similar communiqué should again be published by this Government.

2. Orders are solicited on paragraph 2 of the office-note above.

S.K.—11-4-18.

N.K.—11-4-18.

A It seems unnecessary to issue another press communiqué. May the file now go to Revenue for their remarks on Mr. Innes' proposal in paragraph 10 of his note (page 11 ante)?

C.H.B.—16-4-18.

A I agree.

B Yes. The matter now is one relating to Trade (Distribution). Perhaps Revenue will take charge of the case.

R. RAMACHANDRA RAO—17-4-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

Please see Government u.o. reference to me, No. 450 A-1, dated 18th March 1918, regarding the import of alizarine paste and my reply of the 25th March.

2. Mr. Paul of Best & Co. rang me up recently on the telephone and told me that Best & Co. have received advice from the British Alizarine Company that that company has shipped to their address 5 tons of alizarine paste.

3. The firm proposes to keep the retail sale arrangements in its own hands, to open its own depots and to sell in small quantities to actual dyers. The sale price will be regulated as explained in paragraph 6 of my note referred to above.

4. We don't want anything better than this and Mr. Paul thinks that the firm can get on without Government assistance. In the circumstances I think that the idea of Government intervention may be dropped.

C.A.I.—18-4-18.

HOME (EDUCATION) DEPARTMENT.

The file relating to the purchase and distribution of alizarine dyes was sent to the Revenue Department with this department u.o. No. 450-A-3, dated the 18th April 1918. This may also be sent to that department.

S.K.—22-4-18.

N.K.—23-4-18.

C.H.B.—24-4-18.

R.R.—25-4-18.

Demi-official—from the Hon'ble Mr. GORDON FRASER, Messrs. Best & Co. (Ltd.).
To—the Hon'ble Mr. A. R. KNAPP, I.C.S., Acting Secretary to Government,
Revenue Department.

Dated—the 24th April 1918.

The enclosed letter from K. R. V. Krishna Rao, and Paul's covering letter will interest you, in view of the remarks made by K. R. V. in Council. Please return after perusal.

2. I also enclose a letter from Paul and one addressed by Paul to Innes, regarding supplies of alizarine. It is going to be no easy matter to distribute the alizarine satisfactorily and stop profiteering, as we will sell at a little over Rs. 100 per cwt., while the market rate now, I suppose, is Rs. 2,000 to Rs. 3,000. I think we will have to ask the help of Government as suggested in Paul's letter to Innes.

3. One difficulty will be dividing up the contents of a cask, as we can only sell in units of a cask, while the actual consumers require a pound or so at a time.

4. Please let me have the letter back. It might be a good thing to refer the matter to Paddison if he is still in Madura.

ENCLOSURES

(1)

Demi-official—from W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.), Madras.

To—the Hon'ble Mr. GORDON FRASER, Messrs. Best & Co. (Ltd.).

Dated—the 17th April 1918.

We received a telegram yesterday from Galbraith & Grant, Ltd., reading as follows:—

"Shipped fifty casks alizarine I.P. Each steamers *Mandala, Merkara*."

I wrote to the Collector about a week ago pointing out that we were getting out dye, the C.I.F. price of which is 15 annas a lb. but that the present tariff value is Rs. 10 a lb. He sent his head appraiser yesterday to point out that the tariff value was based on the present selling price but I told him we were making special arrangements to sell direct to dyers at 15 annas plus charges and he promised to write to the Government of India last night asking them to sanction a reduction in the tariff value to 15 annas.

I have also written to Latham Abercrombie & Co., telling them how we propose dealing with the dye and asking them if they have any suggestions to make.

I told Innes about it last night and he asked if there was anything he could do to help. I told him that we proposed opening depots in all the big towns and having our own men who would be responsible for seeing that the dye was sold to genuine dyers and that only in small quantities. He said that if we were going to do this, he did not see that there was anything for him to do but said that he was very glad to hear the stuff was coming.

(2)

Demi-official—from W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.), Madras.

To—C. A. INNES, Esq., I.C.S., Director of Industries.

Dated—the 18th April 1918.

Alizarine dye.

I have been thinking over the best methods of selling the dye which is coming out to us so as to ensure its going into the hands of the actual dyers and not into the hands of dealers.

I said to you that we proposed opening shops in the various dyeing centres and putting men in charge who could be relied upon to see that sales were made only to genuine dyers. On further consideration, however, I have come to the conclusion that it will be impossible to get men on whom we can depend to conduct these sales as the pressure put upon them to sell by holders of stocks of dye will be very great. These holders who are selling at an enormous profit will naturally, when they see the stuff put upon the market at about one-tenth of the price at which they are selling, leave no stone unturned to secure the new stocks and thus prevent a slump in prices. My idea now is to keep all the dye in Madras but to thoroughly advertise the fact that it is here and let those who want it come and take it.

To ensure that the people who come to Madras to buy are bona fide consumers, I would suggest that a similar arrangement be made in each dyeing district to the one in existence in Madras with regard to supplies of coal.

I would suggest that the Collector of each district be asked to arrange for the appointment, in the important towns in his district, of a committee of two or three men of standing who are in touch with the people and that dyers coming to Madras for supplies must first get their indents countersigned by this committee. For your information the following are the principal places at which dye is sold in this Presidency:—

Aruppukottai.	Salem.	Vizianagram.	Guntur.
Madura.	Madras.	Cocanada.	Chirala.
Kumbakonam.	The Ceded Districts.	Masulipatam.	Vaniyambadi.

Will you let me know if you think that such a scheme as this is workable?

(3)

Letter—from C. A. INNES, Esq., I.C.S., Director of Industries.
To—W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.), Madras.
Dated—the 20th April 1918.

Thanks for your letter of the 18th April regarding alizarine dye. I will think over the matter and write to you again.

REVENUE DEPARTMENT.

Please see notes at pages 10-12 ante and the demi-official with enclosures at page 13 ante. Copies of the above correspondence regarding dyes will be kept in this file and the originals returned to the Hon'ble Mr. Gordon Fraser as desired by him at page 13 ante.

2. This file has been sent to this department for perusal or remarks on Mr. Innes' proposal in paragraph 10 of his note at page 11 ante regarding the distribution of the dyes available to actual consumers. In this connexion the Secretary, Home Department, has stated that the matter is now one relating to Trade (Distribution) and that perhaps Revenue will take up the case (vide page 12 ante). It is submitted that though the question is one about the distribution of an article of merchandise by the manufacturer's agent to the actual consumer in Madras, it appears that the Home (Industries) Department which is in touch with the dyers of this Presidency through Mr. Innes and Mr. Marsden, and which has so far been dealing with the question of the distribution of the dyestuffs, is in a better position to deal with the matter than the Revenue Department. Moreover, the question of the distribution of the dyes to the actual consumers to keep the dyeing industry going appears to appertain more to Industries than to Trade. It is, however, for orders whether the file may be taken up by this department for further action in the matter.

3. As regards Government intervention in the matter, Mr. Innes in his note, dated 18th April 1918, at page 12 ante says that the idea may be dropped in view of the statement of Mr. Paul that Messrs. Best & Co. can get on without Government assistance in the matter. Attention is, however, invited to the further correspondence between Mr. Innes and Mr. Paul at page 13 ante in which the latter has proposed the appointment of a committee in each dyeing district to ensure that the dyes reach the actual consumer and to which Mr. Innes has replied that he will think over the matter. In these circumstances, it appears that it is better to obtain Mr. Innes' opinion before proceeding further in the matter.

4. Attention is also invited to page 8 of notes ante wherein the Deputy Secretary expressed a wish to see this file again.

D.T.—29-4-18.

Secretary for orders on AA above.

2. No further action seems called for pending report from Mr. Innes.

G. H. JACKSON—29-4-18.

As this question now deals rather with profiteering and high prices than with the maintenance of the weavers I propose to take it in Revenue. Mr. Gordon Fraser spoke to me about this and was very anxious that we should fall in with his suggestion of getting local committees appointed in each place where the dye is to be used. A list of such places is given above. In modification however of the suggestion contained on that page Mr. Gordon Fraser agreed that, if a responsible local committee could be appointed which could be trusted to issue the dye, it might be possible to send the stuff to them direct and not insist on indentors coming to Madras.

2. There seems no reason why Collectors should not help in this matter and if the Honourable Member approves of Government intervention an extract from the letter on page 13 may be sent to the Collectors concerned and they may be asked to get into touch with Mr. Gordon Fraser and arrange for the appointment of the committees that he wants. I may mention that in 1914 when there was still a little alizarine dye available, I made arrangements to form such a committee in Madura.

A. R. KNAPP—30-4-18.

I am afraid that I must ask to be excused from dealing with this file.

So long as the thoroughly indefensible arrangement continues under which Industries is treated as part of Home (Education), it has nothing to do with the Revenue Department and I cannot encroach on the sphere of influence of the Honourable Member in charge of Home (Education).

A. G. C[ARDEW]—1-5-18.

Home (Education) u.o.

A. R. KNAPP—2-5-18.

HOME (EDUCATION) DEPARTMENT.

From the Officer in charge of the Department of Industries,
dated the 4th May 1918, No. 24.

Please see pages 13 and 14 ante. Mr. Innes submits proposals for the distribution of the ten tons of alizarine dyes just received by Messrs. Best & Co. from England and of future supplies of the dye expected by that firm. The object in view is to ensure that the dye reaches the actual consumer without the intervention of the middleman. The Board of Trade in England has asked for a certificate to this effect from Messrs. Best & Co. This firm originally proposed to open depots for the retail sale of the dye in the principal dyeing centres of this Presidency. They have, however, since given up that proposal as it will not by itself prevent the dye from falling into the hands of dealers. Mr. Innes has therefore submitted his present proposals for Government co-operation.

2. According to Mr. Innes' scheme small committees will be formed in the important dyeing centres, which will certify whether applicants for dyes are actual dyers. Thereafter the applicants will proceed to Madras and get the dyestuff from Messrs. Best & Co. In regard to Madura, however, Mr. Innes states that the Collector, Mr. Paddison, proposes to buy a portion of the consignment received by Messrs. Best & Co., and then to make arrangements for the retail sale. Mr. Paddison will, it is stated, submit his detailed proposals to the Government for approval. In the meanwhile it is for orders whether Mr. Innes' general proposals may be approved. If so, his letter may be communicated to the Collectors concerned who may be asked to take steps at once to appoint the committees suggested.

S.K.—7-5-18.

N.K.—8-5-18.

There are two plans: (1) the committee idea and (2) Mr. Paddison's idea of the Collector buying up and arranging for the retail. Personally, I like the second idea better but the first would probably appeal more to the general public. We have not Mr. Paddison's details of course, but it would seem to me that as all we want is a guarantee that the indentor is a bona fide dyer and not a prospective profiteer, an ordinary endorsement on his application by the Collector would be sufficient. It will come, in practice, to much the same thing and will avoid the cumbrous business of appointing committees. There is now no intention, so far as Messrs. Best & Co., of selling the dye at the various mufassal centres and Mr. Paddison's proposal, which would almost seem to amount to taking over of the stock by Government, goes rather beyond what Messrs. Best & Co. intend. The shortness of the time already emphasized by Mr. Innes would be another argument in favour of the simpler process of a Collector's endorsement.

C. H. BROWN—9-5-18.

Please see Mr. Knapp's note above. Local committees and sales at local depots there suggested by the Hon'ble Mr. Gordon Fraser with ample powers for the Collector to interfere so as to see that the actual dyer is the buyer and (2) that the price is the prescribed one.

Mr. Innes for favour of remarks.

R. RAMACHANDRA RAO—9-5-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

Mr. Paddison has sent up his scheme direct to Government and has sent me a copy of his letter. I have passed it on to Mr. Paul of Best & Co. for remarks. Mr. Paddison proposes that Best & Co. should issue him the dye on credit and that he should arrange to distribute it through a local committee. I see no objection to the scheme if Best & Co. agree. I will write again as soon as I hear from Mr. Paul.

2. As regards remaining places in which Aruppukottai should be included my scheme is the same as that of Mr. Knapp, viz., local committees the work of which the Collector will of course supervise. The scheme was framed in consultation with Mr. Paul.

C. A. INNES—11-5-18.

II

From the Collector of Madura, dated the 7th May 1918, R.O.C. No. 1535.

The file dealing with Mr. Innes' letter relating to the distribution of dyes imported by Messrs. Best & Co. has been referred back to him for further remarks. Mr. Paddison now submits his scheme for the distribution of dyes in Madura. From paragraphs 3 and 4 of his letter it is observed that he presumes that he will be able to obtain the dyes on credit from Messrs. Best & Co., and then to pay them back by remittance transfer receipts. With regard to payment in this manner he hopes to consult the Accountant-General. Submitted that the file may be sent to Mr. Innes u.o. to ascertain if Messrs. Best & Co. will supply dyes to Madura on credit as desired by Mr. Paddison.

S.K.—11-5-18.

2. He may be asked to return the file through the Accountant-General to enable the latter officer to offer any remarks he may have to make

N.K.—11-5-18.

May go to Mr. Innes in continuation and come back through the Accountant-General.

C. H. BROWN—11-5-18.

R. RAMACHANDRA RAO—11-5-18.

HOME (EDUCATION) DEPARTMENT.

Mr. Innes' proposal is to form local committees to certify as to the bona fides of indentors of dyes and then to leave the latter to go to Madras and obtain the dye from Messrs. Best & Co. The suggestion in the Revenue Secretary's note on page 14 ante is that if responsible local committees could be appointed which could be trusted to issue the dye, it might be possible to send the dye to them direct instead of insisting on the dyes coming to Madras. Under such an arrangement the Collector or the president of the proposed committee may collect money from accepted applicants beforehand, and remit it to Messrs. Best & Co., furnishing them at the same time with the necessary certificates. Messrs. Best & Co. will then supply the quantity of dye required in a single consignment addressed to the Collector or the president of the committee as the case may be, and the latter will distribute the dye among those who have already paid for it. Mr. Innes has not offered his views on this proposal. Apparently he considers that local committees should, to begin with, issue only certificates in the prescribed form and that their functions could be enlarged later on in the light of actual experience. For orders whether orders in the sense of Mr. Innes' recommendations may issue at once.

2. Mr. Paddison's letter dealing with his scheme for the distribution of dyes in Madura has been sent to Mr. Innes separately for remarks.

S.K.—16-5-18.

N.K.—16-5-18.

Await return of file with Mr. Paddison's scheme; then combine.

C.H.B.—16-5-18.

From Messrs. Best & Co., Madras, dated 21st May 1918.

Messrs. Best & Co. ask for early orders with regard to the scheme for the distribution of dyes. Mr. Innes has not yet returned the file dealing with Mr. Paddison's scheme. It is for orders whether he may be reminded by telegram or orders may be passed at once in respect of centres other than Madura and the Madura scheme dealt with separately.

S.K.—22-5-18.

N.K.—22-5-18.

I think we should have one uniform scheme. Shall I wire to Mr. Innes?

C. H. BROWN—22-5-18.

Please.

R. RAMACHANDRA RAO—22-5-18.

Issue the following telegram to Mr. C. A. Innes, I.C.S. :—

"Unofficial reference 1228-1, 11th instant. Alizarine dye distribution. Bests pressing for early orders. Please expedite return of files."

C.H.B.—22-5-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

I have consulted Messrs. Best & Co. regarding Mr. Paddison's scheme. They think that it is well worth a trial, and are prepared "to supply the dye on credit on the understanding that the Collector is responsible to us for payment when the dye is sold." The 'Collector', I presume, means 'Government.'

C. A. INNES—16-5-18.

ACCOUNTANT-GENERAL'S OFFICE.

The sanction of the Comptroller-General is necessary to open a new personal ledger account in a treasury and it will be obtained if Government approve the proposal of the Collector of Madura.

U. L. MAJUMDAR—21-5-18.

III

HOME (EDUCATION) DEPARTMENT.

Please see Messrs. Best & Co.'s letter dated 21st May 1918. The firm seem to accept the scheme proposed by Mr. Innes for the distribution of dyes in centres other than Madura. It is for orders whether it may be approved. As Messrs. Best & Co. request very early orders, it does not appear desirable to insist on the adoption of a uniform scheme for all districts at this stage. Mr. Paddison's scheme for Madura may also be approved. Subject to approval, a draft order is submitted.

S.K.—23-5-18.

After issue of the order, the suggestion at **M** on page 16 ante may be put to Mr. Innes and a supplementary order issued in case Messrs. Best & Co. accept the proposal made therein.

N.K.—24-5-18.

We had better, I think, also send a wire to Best & Co. telling them what we have done. As they say, the delay is putting them in a difficult position.

C.H.B.—24-5-18.

As this is the first consignment there has been some delay. Express our regret to Messrs. Best & Co. and say orders are issuing.

2. *I—Madura.*—The Collector proposes to stock 3 tons in the taluk treasury and sell in small consignments. Discussed this matter with Mr. Paddison and the Honourable Mr. Rajagopala Achariyar. Arrangements approved. His proposals are generally acceptable but we leave the matter entirely in his hands subject to the condition that there be no loss to Government. The retail price should cover not only the price due to Messrs. Best & Co. but all incidental expenses.

Name of Centre.	Quantity in ton assigned.
Madura	3
Aruppukottai	$\frac{1}{4}$
Salem	$\frac{1}{4}$
Kumbakonam	2
Madras	$\frac{1}{2}$
Conjeevaram	$\frac{1}{2}$
Vijianagram	$\frac{1}{2}$
Cocanaga	$\frac{1}{2}$
Masulipatam	$\frac{1}{2}$
Guntur	$\frac{1}{2}$
Proddattur	$\frac{1}{2}$
Adoni	$\frac{1}{2}$
Vaniyambadi	$\frac{1}{4}$
Chirala	$\frac{1}{4}$
	9

As regards future consignments the distribution will be settled by Mr. Innes in consultation with Messrs. Best & Co. and intimated direct to Collectors concerned.

3. The scheme proposed by the Collector of Madura in his letter No. 1535, dated the 7th May 1918, for the sale of alizarine dyes to dyers in that town appears to be suitable and is approved. The retail sale price per pound (lb) should be fixed so as to cover not only the amount due to Messrs. Best & Co, but all other incidental expenses, such as,

AG's note 8.21.5.18
on page 48 Notes file

Ramnad
Salem
Tanjore
Madras
Chingleput
Vizagapatam
Godavari
Kistna
Guntur
Cuddapah
Bellary, and
North Arcot.

para 7, p. 11 of c.f.

addition
original draft placed before c.f.

dye was sold to an actual dyer and not to a dealer. A copy of the certificate should be furnished to Messrs. Best & Co.

The Accountant General is requested to make the necessary arrangements for opening a personal ledger account in the treasury in the Collector's name with all possible expedition. Pending receipt of sanction of the Comptroller General, the sums realised by the sale of dyes may be placed in deposit in the treasury.

4. The Collectors of districts noted in the margin are requested to take immediate steps for the constitution of

local committees in the centres mentioned to deal with applications for dyes from bona fide dyers. The President of the committee should be a Govt. official of standing and he should be assisted by 3 well-known dyers of the locality. The constitution of the committee should be reported as soon as accomplished to Government and to

Best & Co, direct, and as stocks are lying on hand in Madras the Govt. impress upon the Collectors concerned the necessity of avoiding all delay in rendering these accessible to buyers by means of prompt and widespread notification. The Govt. consider it essential that the working of each committee should be closely supervised by the Collector of the district to ensure the

no legitimate ground for complaint arises in the working of the scheme.

5. Mr. Innes suggests that applicants for dyes in ~~the~~ centres other than Madura should first get their indents passed by the local committee and afterwards should themselves proceed to Madras and obtain their supply of dye direct from Messrs. Best & Co. The Govt. apprehend that under the arrangement suggested, dyers of poor means would be subjected to unnecessary expense and trouble involved in a long journey to Madras. They consider it desirable that the quantity of dye allotted to a centre should be made available for sale in the centre itself and to enable Messrs. Best & Co. to comply with their wishes, they would make themselves responsible for the realisation and payment to the firm of the value of each consignment. Collectors of districts are requested to intimate direct to Messrs. Best & Co. the name and address of the Govt. Official in each centre to whom the quantity of dye allotted for the centre should be sent. On receipt, the consignment should be kept in a Govt. building under safe custody and the dye issued under the orders of the President of the local committee only to bona fide dyers whose indents have been passed by the committee. Great care should be exercised in this respect and ordinarily no one dyer should be given more than 14 lbs. from a single consignment. The retail sale price per lb for each centre should be fixed by the Collector of the district and in fixing the price due attention should be paid to the considerations set forth in para 3 supra. It should be a rule that whenever the sale proceeds on hand exceed Rs. 100/- the

para 8, p. 11 of 1

The President of the Committee is a Govt. Official (handwritten note)
It is noted that there is a B in the margin of the original document.

(2)

para 4, p. 11 of 1

(3)

amount due to Messrs. Best & Co. should at once be remitted accompanied by certificates of sale in the prescribed form.

6. Applications for dyes from bona fide dyers should be in the form annexed to these proceedings. The form should be printed in English and in the vernacular of the district and stocked by the President of the committee. To avoid delay in printing the forms may be cyclostyled to begin with. Each application should be prepared in triplicate. One copy of the application, if accepted, will be retained by the committee, one furnished to Messrs. Best & Co. after the sale is effected, and the third copy forwarded to the Collector of the district for information and record in his office. Each indent passed should bear the official seal of the President of the committee. The local committee should be instructed to keep a careful record of the applications received and the sales effected by them and to see that when the allotment for the centre is exhausted further applications are not entertained.

7. Collectors are authorised to correspond direct with Mr. Innes and with Messrs. Best & Co. for any further particulars that may be required.

N.K.
26-5-18.

To
The Officer in charge of the
Deptt. of Industries.
The Collector of
Madura, Rampad, Salem,
Tanjore, Madras, Chingleput,
Vizagapatam, Golconda, Kistna,
Sungur, Cuddapah, Bellary,
North Arcot.
10 The Accountant-General,
Messrs. Best & Co. Madras.

p. 6 infra

with 20/5/18

13x6

Annexure

Annexure

FORM OF APPLICATION.

No. —

To

President of Alizarine Committee,

.....centre.

Please supply 30 lb alizarine red paste at Rs.....per lb.

Name of dyer.

I certify that I own a dye house invillage,

.....taluk,.....district.

Name of dyer.

Certified that the above.....is an actual dyer and that

he is recommended for.....lb of alizarine paste.

Seal.

Signed.

President of Alizarine Committee,
.....centre.

ENTRY OF SALE.

The quantity passed was sold to the applicant.....for Rs.....

as.....rs.

(Note. The application should be prepared in triplicate, one copy will be retained by the President of the local committee, one furnished to Messrs. Best & Co. as soon as the sale is effected, and the third copy forwarded to the Collector of the district for information and record in his office.)

P. J. O.

Repts. TT-38-1702-17-1-18.

C.

POSTS  TELEGRAPHS.

NOTICE.

This form must accompany any inquiry made respecting this Telegram.

Charges to pay.

Rs.

As.

Office Stamp

Handed in at (Office of Origin).

Date.

Hour.

Minute.

Service Instructions.

Words.

TO

Recd. here at

B.

M.

your twenty second, unofficial
file alizarine dyer sent
through accountant General.
on sixteenth.

N.B.—The name of the Sender, if telegraphed, is written after the text.

Lal Chand & Sons—838—1917—1,00,000 Bks (Edn. 1).

In approval May 10 approval
 SK
 10/6/18
 May
 June
 state
 MS
 10/6/18
 10/6/18

HOME (EDUCATION) DEPARTMENT.
NOTES CONNECTED WITH G.O. No. 677, HOME (EDUCATION),
DATED 27TH MAY 1918.

[SUBJECT.—*Supply and distribution of dyes.*]

REVENUE DEPARTMENT.

Extract from the notes to G.O. Nos. 374-5, Revenue, dated 30th January 1918.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

I have consulted Dr. Marsden, but he says that he is rather out of touch with the dyestuff position. He states, however, that firms with representatives or agents in England appear to have had little difficulty in obtaining licences for the export of dyes from England, and that this appears to have been especially the case with certain Bombay houses. Madras dealers have been at a disadvantage in that they had no connexion with England before the war except through Bombay firms. Messrs. Chari and Ram are an established firm of dealers in dyes. They know the requirements of the trade and are in touch with dyes, and Dr. Marsden is in favour of the application being supported.

2. Best & Co. (Ltd.) are the agents for the import of alizarine from the British Alizarine Company, but before the war they were required to sell through one dealer K. V. Ramachari of Madura. This arrangement arose out of some rebate system. Best & Co. doubt if the arrangement is still in force, but the Hon'ble Mr. Gordon Fraser tells me that K. V. Ramachari has just secured a consignment of

* or $5 \times 2,240 \text{ lb.} = 11,200 \text{ lb.}$

5 tons* of alizarine from the British Alizarine Company and that if this con-

consignment has not arrived already it will arrive very soon. K. V. Ramachari is paying current prices at home for the dye and is going to make a small fortune out of the consignment. He is getting the supply in execution of an old order.

3. Mr. G. Fraser says that his firm has tried hard to get alizarine from the British Alizarine Company but without success. The company's works were blown up about a year ago, and probably there is not enough to go round. What I feel is that if Best & Co., the agents of the company, cannot get supplies, there is little chance of Messrs. Chari and Ram being successful even if Government support this application. Further the fact of this 5-ton consignment rather queers the pitch on which Mr. Paddison takes his stand.

4. In the circumstances I am doubtful if much would be gained by supporting the application, but unless Government know more about the position than I do, I would be inclined to send it on. If there is alizarine available for export to India, it seems to me that some machinery should be set up in India (1) to see that it is distributed to the centres which mainly used alizarine before the war, (2) to take measures to ensure that it is distributed direct to actual dyers and (3) to control the price. It is a difficult question but I think that the Government of India and Local Government should tackle it.

C. A. INNES—7-1-18.

REVENUE DEPARTMENT

In paragraph 1 of his note Mr. Innes states that Dr. Marsden is in favour of supporting the application of Messrs. Chari and Ram of Madura for alizarine dyes. But subsequently he doubts whether the firm will be able to procure the material in view of the fact that Messrs. Best & Co., who are the agents of the British Alizarine Company, have not been able to get any. He also says that one K V

$$+ \text{ or } 5 \times 2,240 \text{ lb.} = 11,200 \text{ lb.}$$

pointed out to the Collector of Madura and he may be requested to state whether, in view of this 5-ton consignment, he considers that the application of Messrs. Chari and Ram should be supported.

2 NOTES TO G.O. No. 677, HOME (EDUCATION), 27TH MAY 1918

2. After receipt of the Collector's reply the suggestion in paragraph 4 of Mr. Innes' note may be considered and forwarded to India.

D.T.—17-1-18.

For orders whether we need make any further reference to the Collector or should address India.

G. H. JACKSON—17-1-18.

Support and address India at once.

2. But paragraph 4 of Mr. Innes' note is, I think, of supreme importance and the question should be taken up without delay. We have not the data for a case and the trade returns (sea-borne and rail-borne) for India as well as for Madras should be examined. Treat it as a separate 'case'.

F. J. RICHARDS—18-1-18.

Messrs. Chari and Ram have not given the name of their export agents in England. The Government of India would require this information before addressing the Secretary of State on the subject. Before therefore we send up the petition, it seems desirable to ascertain this from the firm. A draft telegram to the Collector of Madura is put up for approval.

D.T.—19-1-18.

Issue.

G.H.J.—19-1-18.

[Telegram to the Collector of Madura, dated 19th January 1918, No. 25.]

From the Collector of Madura, dated 22nd January 1918, D. Dis. No. 221/Rev.

A draft order and a letter to the Government of India are submitted for approval.

2. After issue of the drafts, extracts of the notes 10, 11 and 12 of G.O. Nos. 374-5, dated 30th January 1918, will be taken and a separate case opened to consider the question therein raised.

D.T.—25-1-18.

To Deputy Secretary with draft.

G.H.J.—25-1-18.

To the Honourable Member (Trade) for perusal before issue.

F.J.R.—28-1-18.

P. R. [AJAGOPALA ACHARIYAR]—29-1-18.

Issue.

F.J.R.—29-1-18.

[Issued as G.O. Nos. 374-5, Revenue, dated 30th January 1918.]

With reference to the Deputy Secretary's note, dated 18th January 1918, ~~at page 3~~ ^{the} the sea-borne trade volumes for India and Madras and the rail-borne trade returns for Madras have been examined and the import statistics about the coal tar dyes (alizarine, aniline and others) and synthetic indigo have been extracted for a period of five years so far as figures were available and will be found below. The quantity of dyes imported by rail is given in maunds. The maunds have been converted to lb. for facility of reference:—

IMPORT OF DYES INTO MADRAS PRESIDENCY.
By sea.

Countries from which imported.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.
<i>Coal tar dyes.</i>	LB.	LB.	LB.	LB.	LB.
(1) Alizarine—					
United Kingdom	51,408	104,720	148,928	..	50,772
Germany	1,011,564	672,952	362,400	10,628	..
Holland	4,256	6,048	..	..	..
Belgium	694,481	895,404	259,840	20,720	..
Total ..	1,761,709	1,479,124	771,168	31,248	50,772
(2) Aniline—					
British Empire. { United King- dom.	1,690	6,872	5,608	3,008	45,717
{ Ceylon	..	140	128	158	357
{ Other countries	..	..	..	23	1
Foreign countries—					
Germany	893,363	392,220	106,900	4,034	..
Holland	2,132	1,308	..	..	..
Belgium	56,567	77,429	29,218	3,422	..
France	..	..	..	..	1,120
Switzerland	2,980	5,550	..	400	784
Italy	560	1,792	..	..	..
United States of America (Atlantic Coast).	..	200	..	310	1,261
Other countries	..	500	..	..	..
Total ..	467,292	486,011	141,752	11,855	49,240

NOTES TO G.O. No. 677, HOME (EDUCATION), 27TH MAY 1918

3

IMPORT OF DYES INTO MADRAS PRESIDENCY—cont.
By sea—cont.

Countries from which imported.	1912-13.	1913-14.	1914-15.	1915-16.	1916-17.
	LB.	LB.	LB.	LB.	LB.
(3) Others—					
United Kingdom	..	1,232	112	..	12,686
Germany	19,981	27,076	26,996	1,120	..
Belgium	32,284	37,809	16,128	..	..
Other countries	..	..	560	5	..
Total ..	52,265	66,117	43,796	1,125	12,686
Total of coal tar dyes ..	2,271,266	2,031,252	956,716	43,728	112,698
Indigo (synthetic)—					
United Kingdom	..	2,240	4,928	16	448
Egypt	..	1,232	..	..	..
Other countries (British Empire) ..	..	112	..	..	..
Germany	114,352	54,096	30,800	6,272	..
Belgium	7,056	61,936	20,508	..	..
Total ..	121,408	119,616	56,336	6,288	448
Other sorts (including lac-dye)—					
United Kingdom	340,928	214,368	274,176	112,336	136,640
Ceylon	105,056	118,608	60,592	65,640	575,344
Straits Settlements	35,840	8,512	17,136	33,152	10,304
Germany	250,096	334,656	125,552	1,680	672
Belgium	110,556	67,312	29,120	..	..
United States of America (Atlantic Coast) ..	..	..	4,928	113,120	69,888
Other countries	..	560	9,184	..	..
Total ..	842,576	744,016	510,688	327,028	792,849

By rail.

Alizarine and aniline dyes	755,104	657,664	381,808	255,024	Not available
Indigo	15,344	15,232	22,176	22,064	
Others	170,128	125,328	5,153,232	5,445,664	

TOTAL IMPORTS OF DYES INTO BRITISH INDIA BY SEA.

Coal tar dyes.					
Share of—					
Bengal	1,245,290	1,381,061	1,473,362	660,021	63,701
Bombay	10,642,769	13,858,786	11,885,515	5,926,363	591,336
Sind	472,771	711,860	676,673	363,701	15,756
Madras	1,558,183	2,371,256	2,031,252	956,716	43,738
Burma	104,886	148,768	179,193	55,206	1,836
Total ..	14,033,899	18,308,730	16,245,895	7,962,007	716,367
Indigo (synthetic).					
Share of—					
Bengal	..	234	1,008	..	..
Bombay	411,600	511,348	527,856	29,734	11,873
Sind	4,480	36,176	29,239	20,720	..
Madras	19,488	121,408	119,616	56,336	6,272
Burma	..	..	..	224	..
Total ..	424,568	679,066	677,712	106,794	18,144

1911-12

1912-13

1913-14

1914-15

1915-16

107004

4 NOTES TO G.O. No. 677, HOME (EDUCATION), 27TH MAY 1918

2. It will be observed from the previous page that the import of coal tar dyes and synthetic indigo has enormously decreased when compared with pre-war figures and that is due to the stoppage of imports from Germany and Belgium which have

We all know this.

F.J.R.—14-2-18.

been the principal suppliers of such goods. Import of aniline dyes from the United Kingdom has gradually increased but it is not sufficient to meet the large demand which exists in Madras for such dyes. The imports by rail into the Presidency of dyestuffs extracted on the previous page show

Comparatively little after all.

F.J.R.—14-2-18.

that a certain quantity has been got through other provinces in India. Attention is invited to paragraph 25 at page 11 of G.O. No. 1209, Home (Education), dated 19th September 1917, where it is stated that "although dye-making firms in England and America have increased their output considerably the quantities which they have been able to produce are hardly likely to be comparable with those produced in Germany before the war" and that the energies of the English firms were first devoted largely to the production of dyes required for cloth for the fighting forces and only later were the requirements of the dyeing trade considered. It is also said that the demands made upon the industries of the country for war purposes have made it impossible for the dye-makers to meet the requirements of a special trade like the Indian one. It is therefore unlikely that large quantities of the dyes will be available for distribution among the dyers of this Presidency. The damage caused to the only alizarine works in England referred to at page 12 of G.O. No. 1209, Home (Education), dated 19th September 1917, confirms this view. The very fact that only a limited quantity of the dyestuffs required is available makes it more imperative that some sort of control as that suggested by Mr. Innes should be exercised over the distribution and the prices of the commodity. The question of controlling the distribution and the price of the dyestuffs available is, however, one which affects the whole of India since Bombay and Calcutta have been importing equal quantities of the dyes (vide statement at page ante)

3. Before proceeding further and laying the matter for the consideration of the Government of India, it would be well to obtain the latest import figures by sea for 1917-18 and by rail for 1916-17 and 1917-18 and ascertain the several dyeing centres of the Presidency which were using them in pre-war times. Paragraph 3 of the letter from the Collector of Customs at page 5 of G.O. No. 440, Separate Revenue, dated 31st May 1916, gives some information about the several silk-dyeing centres of the Presidency, viz., Kumbakonam, Conjeeveram, Madura, Salem and Berhampore. More complete information about this may be available with Home (Education) Department which deals with industries. In the last sub-paragraph of paragraph 25 at page 14 of G.O. No. 1209, Home (Education), dated 19th September 1917, it is stated that "attempts have not ceased to get dyes to the dyers at prices which would permit of their free use and thus assist the general textile trade of the Presidency." The Home (Education) Department may also be requested to furnish any information available on the subject. As regards the import statistics both the Collector of

By telephone.

F.J.R.—14-2-18.

Customs and the Board of Revenue (Revenue Settlement) may be requested to furnish the latest figures with the names of the principal importers. For orders. D.T.—8-1-18.

Demi-official—from C. A. INNES, Esq., I.C.S., Director of Industries.

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

Dated—Madras, the 11th February 1918.

No.—R.O.C. 2307.

In conversation on the telephone some days ago, I promised to let you know the result of my further researches into the alizarine question. Since writing my u.o. note No. 357, dated 7th January 1918, I have been to Madura and seen Mr. Rangachari of Messrs. Chari and Ram, and Gordon Fraser has also let me see his office file on the subject.

2. Before the war, as you know, there was an alizarine convention to which I believe practically all the firms manufacturing alizarine adhered. The contracting firms bound themselves to sell at uniform prices subject to a rebate on contracts. The bigger the contract the bigger was the rebate. The scale of rebates was revised, I believe, in 1913, and a rebate of 5 per cent was allowed on 150 tons contracts and of 6 per cent on 200 tons contracts. Under the rebate system naturally the alizarine firms found it advantageous to enter into large contracts with a few large dealers, but the German firms, so Mr. Rangachari tells me, found it sufficient to appoint different dealers sole agents for different marks. Thus, alizarine red I.O.R. was marketed under such labels as 'Baby Krishna', 'Two deer heads' and so on, and different contractors were given monopolies for these different labels. But the British Alizarine Company, probably because it had a hard struggle against the German firms and did not sell so much in India, appointed a sole dealer for all its products. Best & Co. imported the alizarine as agents and one K. V. Ramachari of Madura was the sole dealer. German alizarine of course is not now coming out, and K. V. Ramachari would have been in clover had he been able to get supplies from the British Alizarine Company. But he has received very little since the war began. He received a certain amount at the end of 1914 in the execution of orders placed before the war. But since the outbreak of war, the British Alizarine Company has accepted only one order from him. This was in August 1914 when an order was accepted for 10 tons of 40 per cent paste or 20 tons of 20 per cent. In 1915 he received 5 tons of 40 per cent against this order and in 1917 5 tons of 20 per cent. Five tons of 20 per cent have still to be delivered against the order. When this amount is delivered, the contract will be complete, and Best & Co. inform me that they then propose to terminate the arrangement whereby they deliver the British Alizarine Company's alizarine only to K. V. Ramachari. They propose to keep the contract in their own hands and to distribute the alizarine to other dealers as well as K. V. Ramachari. I think that they are dissatisfied with Ramachari because of the price he charged for such supplies as he has received. In December 1914, they remonstrated with him for selling 1 cwt. casks of 16 per cent paste at Rs. 105 against a C.I.F. price of Rs. 43-12-0 and after extracting from him a promise that he would sell at prices fixed by them they fixed in January 1915 the prices as below:—

								RS.	A.	P.
16 per cent	1 cwt. casks	...	...	...	...	...	...	46	0	0
"	2 "	...	...	...	...	...	...	88	0	0
"	4 "	...	...	...	...	...	...	167	0	0
20 per cent	1 "	...	...	...	...	...	...	55	8	0
"	2 "	...	...	...	...	...	...	107	8	0
40 per cent	4 "	...	...	...	...	...	...	487	0	0

But I don't for a moment suppose that Ramachari stuck to these prices. Mr. Rangachari says (I can't vouch for the truth of the statement) that he sold the 5 tons of 20 per cent paste he received in 1917 mostly in Bombay where I have no doubt he was offered enormous prices.

3. Two facts emerge. In the three years before the war Madras imported annually about one and a half million pounds of alizarine. In the last three years the British Alizarine Company has sent to Madras 5 tons of 40 per cent paste and 5 tons of 20 per cent paste and probably not all of that has been sold in the Presidency. Secondly the present system under which the British Alizarine Company sells through a single dealer is the worst possible system in present circumstances. Best & Co. have done their best to control that dealer but without much success, and there is no guarantee at present either that the dealer will sell in the Presidency or that he will sell to dyers at a reasonable price.

4. What we want to get at therefore is (1) much greater supplies of alizarine and (2) a system whereby that alizarine will be supplied to dyers at a reasonable price.

5. As regards (1) the difficulty is the arrangements at home in regard to the export of dyes. Dyes cannot be exported except under licence, and further that licence is not given unless the applicant firm can produce a certificate from the manufacturers that the dyes covered by the application were manufactured expressly for export to the country specified in the application. As regards alizarine therefore which Madras dyers chiefly want, we are entirely in the hands of the British Alizarine Company and since they still owe Ramachari 5 tons out of an order placed in August 1914 naturally they won't give the certificate. Thus in August 1917 Messrs. J. R. White & Co. of Bradford offered to supply Chari and Ram with 400 lb. of 20 per cent paste, but when they applied to the British Alizarine Company for the necessary certificate it was refused.

6. The object of the restrictions placed on the export of dyes from home obviously is to ensure that British demands are satisfied before any export is allowed. The prohibition of export is probably conceived in the interests of Glasgow and Lancashire and the stipulation about the certificate from the manufacturers may be intended to prevent what Harveys did in 1915, viz., collect 30 tons of alizarine up and down the United Kingdom and bring it to Madura for sale. At any rate the effect of the restrictions is disastrous for Madras. We require one and a half million pounds of alizarine a year and we are getting practically nothing. I consider that all these facts should be placed before the Government of India and the Secretary of State and that a strong

representation should be made for special arrangements whereby the British Alizarine Company should be required to release a definite quantity of alizarine for Madras. What that quantity will be will naturally depend largely on the English and other demands but we ought to ask at least for the equivalent of 50 or 100 tons of 20 per cent paste per annum.

7. At the same time I think that Government ought to offer to make itself in some way responsible for the distribution of the dye to actual dyers. As Mr. Rangachari says in one of his letters to me, the dye business is a peculiar one, and it is not one in which I am anxious to dabble. It would be better in many ways to stick to ordinary trade channels and to work through ordinary dealers. Government could fix maximum prices under the Articles of Commerce Regulation or the Defence of India Rules. But I doubt if the fixation of prices would be effective. Dealers would sell to their relatives or get round the regulations somehow, and if we want such limited supplies of alizarine as we may expect to receive to get to actual dyers at a reasonable price I believe that Government would have to assist if not take over the distribution. The scheme to be workable would probably have to be conceived on broad lines, and I don't pretend to have thought one out in detail. Probably one would have to divide the dye among a few important centres, Madura getting of course the largest share. In those centres actual dye-houses would be registered and the allotment for the centre would be distributed among these dye-houses. If we were not too ambitious and limited the allotment to places which need alizarine most I don't see why such a scheme should not be easily worked, and I have ascertained that Best & Co. would co-operate with us. That is, they would import the dye, store it and sell it at the British Alizarine Company's C.I.F. prices (on which they get a commission) to indentors whose indents were supported by certificates from the Collector of the district or by my department. Probably it would be necessary to make over a portion to the mills to be sold in the form of dyed yarn.

8. But I am sure that the main line of action is (1) for Government to represent the Madras case and to try to get earmarked for Madras a definite quantity of alizarine per annum and (2) to offer to make itself responsible for seeing that the dye gets to actual dyers at a reasonable price.

I should begin with alizarine and ask Best & Co. to co-operate. The other dyes are not so important. Ramachari would of course have to get his 5 tons of 20 per cent paste before the British Alizarine Company could co-operate with us, but if necessary we could commandeer it.

Please look up imports by sea and rail since 1913. The present position is monstrous, and I think Mr. Innes' proposals should be pushed hard.

F. J. RICHARDS—13-2-18.

2-3/ (H) With reference to the Deputy Secretary's note above attention is invited to statement at pages 5 & 6 ante which gives the imports of dyestuffs into Madras by sea and by rail and into India by sea. The difficulties of dyers in this Presidency as set out by Mr. Innes in his demi-official at pages 9 & 12 ante are confirmed by the statements in the correspondence received from Messrs. Chari and Ram at pages 22, 23, 26, 29 and 30 and 31, current file, in the linked file. It will be seen from the figures given for 1912-13 and 1913-14 at top of page 8 ante that as stated by Mr. Innes in paragraph 3 of his demi-official at page 12 ante about 1,500,000 lb. of alizarine have been imported prior to the war, while only 50,772 lb. have been got in 1916-17. The figures for 1917-18 are not available in the office. The imports by rail given at bottom of page 8 ante show also a decrease.

2/ (H) 2. Mr. Innes in paragraphs 6 & 8 at pages 11 & 12 ante states that though about one and a half million pounds or 670 tons of alizarine per year were imported prior to the war, the Government should endeavour to procure at least 50 to 100 tons per annum and suggests that Messrs. Best & Co. may be permitted to import the stuff and sell it at the British Alizarine Company's C.I.F. price to indentors on certificates issued by Collectors of districts or by the Department of Industries. The Local Government can frame rules for this under section 9 of the Article of Commerce Ordinance, 1914. It is for consideration whether Messrs. Chari and Ram, whose application we have forwarded to India in G.O. Nos. 374-5, Revenue, dated 30th January 1918, should also be permitted to import the dyes along with Messrs. Best & Co. and sell under the same restrictions or whether Messrs. Best & Co. alone will be given the monopoly of import into Madras.

4/ (H) 3. For orders whether the latest figures of dye imports into Madras, which will help us to see if there has been any further reduction since 1916-17, should be called for as suggested at page 8 ante before addressing India. The information about the dyeing centres may be got from Mr. Innes later on if India supports this Government's proposal.

D.T.—13-2-18.

G. H. JACKSON—14-2-18.

Telephone messages may be sent to the Board of Revenue and the Collector of Customs for later statistics, but I do not think details need be examined more minutely as the data available seem sufficient to make out a case. Please therefore draft on the information available putting the case to India, and the views of Home (Education) and the Honourable Member will then be ascertained.

F. J. RICHARDS—14-2-18.

Draft telephonic message to the Board and the Collector of Customs are submitted. After issue of the messages, a draft letter to India will be put up for consideration.

D.T.—14-2-18.

Despatch.

G.H.J.—14-2-18.

[Telephone despatched on 14th February 1918.]

In connexion with this file, which has come to me incidentally, I may note as a matter of interest another possible reason which perhaps obstructs the export of dye-stuffs to India by the British Alizarine Company. At the beginning of the war attempts were made to get that company to try and increase their exports but they showed a curious reluctance to do so. It was then rumoured that, under the terms of a combine into which they had entered with German companies, they were precluded from sending to India more than the fixed quantity—I think 100 tons—per annum. Any breach of this agreement would have brought down on them the vengeance of the infinitely more powerful German companies who would have invaded the other markets set apart for the British Alizarine Company and by underselling the latter have driven it out of the business. The impression was that the British Alizarine Company at the beginning anticipated that the war would not last very long and were afraid to take advantage of the opportunity and depart from their agreement lest worse things should befall them later. It may well be that they are still influenced by the same fear.

2. I do not quite understand how this file comes to be in Revenue in its present state. Home (Industries), I believe, deals generally with dyes and this is evidenced by the fact that all the references in this case have had to be to Messrs. Innes and Marsden. The provision of dyes for use in Madura can hardly be called essentially a matter of trade even though the actual export may come into that sphere. Revenue has already assimilated so many strange subjects which were new to it that I should prefer that caution should be exercised in adding to its burden any files which may properly be held to belong to another department.

A. R. KNAPP—15-2-18.

I have my own doubts as to whether I should continue to deal with this case, or whether I am poaching in the present of Home (Education). The case arose out of a 'Trade Priority' case and it is not always easy to draw the line between Trade and Industry. Mr. Innes has dealt with the case as Controller of Munitions, as well as Director of Industries. Questions of 'Priority' are also involved, and Mr. Innes' proposals foreshadow a general policy of control of prices, a matter which is bound to arise in the near future.

A I don't want to start an academic discussion at this stage and I solicit the orders of the Honourable Member as to which department should take up the questions now raised.

F. J. RICHARDS—16-2-18.

Demi-official—from C. A. INNES, Esq., I.C.S., Director of Industries.

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

Dated—the 20th/21st February 1918.

No.—R.O.C. 2307.

In continuation of my demi-official letter R.O.C. 2307 of the 11th instant regarding alizarine I enclose herewith for your perusal and return the November issue of "The Dyer Calico Printer, Bleacher, Finisher and Textile Review." Please see passages marked on page 184.

Deputy Secretary for perusal.

G. H. JACKSON—23-2-18.

Home (Industries) u.o. for perusal.

I should like to see again Mr. Innes' R.O.C. 2307, if there be no objection, please.

F. J. RICHARDS—26-2-18.

Letter—from G. S. HARDY, Esq., I.C.S., Under Secretary to the Government of India, Department of Commerce and Industry.

To—the Chief Secretary to the Government of Madras.

Dated—Delhi, the 16th February 1918.

No.—1979-D.

With reference to the correspondence ending with your letter No. 840, dated the 23rd June 1917, on the subject of the Indian demand for dyes, I am directed to forward a copy of a letter, dated the 29th November 1917, from the Board of Trade, which summarizes the position as to the extent to which Indian requirements of dyes can be met from British sources.

2. I am to add that the Government of India do not consider it advisable to publish broadcast the information contained therein so far as the names of individual firms in the United Kingdom are concerned, but that there is no objection to the general purport of the letter being made public nor to the names of the firms mentioned therein being furnished to individual enquirers.

ENCLOSURE

C. 15675.

BOARD OF TRADE (COMMERCIAL DEPARTMENT),
GWYDYR HOUSE, WHITEHALL, LONDON, S.W. 1/
29th November 1917.

SIR,

With further reference to your letter of the 19th October last, No. R. & S/W.T. 5887/17, and in confirmation of certain informal communications relative to the supply of dyes to India, I am directed by the Board of Trade to state, for Mr. Secretary Montagu's information, that in consequence of the fact that it is not possible to collate the particulars given in the enclosure to your letter of the consumption of dyes in the various provinces of India it is impossible for the Board to express any opinion as to the precise extent to which the demands of India for dyes can be met from British sources.

2. It would appear, however, that India's requirements may be divided roughly into the following main classes, viz.:—

Direct colours, which include congo red, benzopurpurine, direct black, etc.

Acid colours, including acid black, acid red, etc.

Chrome colours, including alizarine red, chrome black, etc.

Basic colours, including methyl violet, rhodamine, methylene blue, auramine, malachite green, magenta, etc.

Vat colours, including indigo, indanthrene blue, etc.

Sulphur colours, including sulphur black, sulphur blue, etc.

3. Of the above there should be no great difficulty in supplying a substantial proportion of the quantities of most of the sulphur colours required, as this class of dyestuff is now being produced on a very large scale in this country. As regards the other categories the position may be summarized as follows:—

(i) *Direct colours*.—At present these colours are only being made in any appreciable quantity by two firms, British Dyes (Limited), Huddersfield, and Messrs. Levinstein (Limited), Manchester. Both these companies have been exporting considerable quantities to India through their respective representatives, Messrs. Duncan Stratton & Co. and Messrs. Killick Nixon & Co. of Bombay. Other firms are, however, proposing to take up the manufacture of these dyes, but it will be some time before the needs of India can be wholly supplied.

(ii) *Acid colours*.—A great deal of progress has been made in the manufacture of a wide range of these colours although certain brands are still somewhat difficult to obtain. It should be possible, nevertheless, to meet the requirements of India for those colours to a large extent.

(iii) *Acid chrome colours*.—The principal colours in this series are the alizarines, which are made only by the British Alizarine Company (Limited), Silvertown, E. The output is limited by the plant and materials available, and up to the present the British Alizarine Company have not felt able to export any considerable quantities to India. Their agents in India, Messrs. Latham Abercrombie of Bombay, have certain contracts outstanding for the supply of alizarine to native dealers, and they hope to be able to fulfil these in the near future as the output of alizarine is being steadily increased.

NOTES TO G.O. No. 677, HOME (EDUCATION), 27TH MAY 1918

9

Quantities of alizarine have been exported to India during the war, but the bulk of such supplies have been obtained from consumers in the United Kingdom out of the quantities obtained by them from the manufacturers ostensibly for their own use. To stop this practice which is obviously objectionable and has resulted in abnormal prices owing to the number of intermediate profits (as the dye often passed through several hands before purchase by the exporters) it has recently been decided to restrict the issue of export licences for dyes to those cases in which it can be shown that the goods have been bought expressly for export with the knowledge and approval of the manufacturers. This action has already brought about a great reduction in the open market price of alizarine, and will shortly result in larger supplies being available for export to India although for the moment the supply obtained by the abovementioned means has been stopped.

Apart from the alizarines, fair supplies of chrome colours for wool dyeing are available, although those required for calico-printing are not so plentiful.

(iv) Basic colours.—In the case of these colours the question depends entirely on the particular colour required. Certain types, e.g., bismark brown and chrysoidine, are available in almost any quantity, whilst other colours, such as methyl violet, auramine, rhodamine, methylene blue, malachite green and magenta, are more or less scarce. In fact rhodamine is not yet manufactured in the United Kingdom, the only available supplies coming from Switzerland. Methyl violet, auramine, magenta and methylene blue are being made in increasing quantities and fair supplies for export to India should shortly be available. Malachite green is still scarce, but the total quantity required is not very large.

(v) Vat colours.—With the exception of synthetic indigo, these are only produced in very small quantities, whilst the range is strictly limited. They are the most difficult dyes to manufacture on a commercial scale, but a good deal of attention is being devoted to their production, and at least one firm, the Solway Dyes Company, Carlisle, has specialized solely on them. There is no doubt that owing to their peculiar qualities of fastness to light, bleaching, milling, etc., the demand for vat colours will increase, and when adequate supplies are available they will probably replace certain acid, chrome and direct colours now being used.

4. In furnishing the above information, the Board desire me to point out that in this country consumers have to a large extent found it possible to meet their requirements for dyes, sufficiently to enable them to carry on their trade under existing conditions, by the substitution of some of the colours formerly utilized by dyes now obtainable, and by the general adaptation of their business to the supplies available and in this manner it may be possible for India also to satisfy her need for dyes to a larger extent than would at first appear.

I am to add that the Board are satisfied that British manufacturers are anxious to give all possible consideration to the requirements of India and they trust that, with the co-operation of the Indian consumers in simplifying their demands, it will be possible for rapid progress to be made in the direction of the permanent substitution of British made for German dyes in the Indian market.

The Under Secretary of State,
India Office, S.W. 1.

I have, etc.
H. FOUNTAIN.

HOME (EDUCATION) DEPARTMENT.

Please see Mr. Innes' letter on pages 3 to 12 supra. In paragraph 4 of his letter Mr. Innes suggests that the Government should take steps to ensure a steadier and larger supply of alizarine from the United Kingdom and to introduce a system whereby alizarine will be supplied to actual dyers at a reasonable price.

2. With regard to the first suggestion it is submitted that the requirements of this Presidency in alizarine and other dyes have already been made known to the Home Government through the Government of India and the desirability of sending out to this country a fair proportion of the output of dyes in England so as to keep the dyeing industry in Southern India going has also been pointed out to them. Please see correspondence in G.Os. No. 148, Revenue, dated 15th January 1915, No. 321, dated 20th March 1915, No. 402, dated 14th April 1915, and page 2 of G.O. No. 840, dated 23rd June 1917, and also letter in Government Order ibid. The Government of India were last addressed on the subject in Letter No. 840, Home (Education), dated the 23rd June 1917. That Government have just forwarded a copy of the reply received from the Board of Trade, which is in the current file. As regards alizarine the Board states that the output of the British Alizarine Company which alone manufactures this dye is limited by the plant and materials available and that up to the present the company have not felt able to export any considerable quantities to India. It is however pointed out that the output is being steadily increased. Presumably the supply to India will also be gradually increased.

This

3. In paragraph 5 of his letter on page 10 and 11 supra Mr. Innes refers to the restrictions placed by the Home Government on the export of dyes from England, viz., that the export can be only under licence and that such licence is not given unless the applicant firm can produce a certificate from the manufacturers that the dyes covered by the application were manufactured expressly for export to the country specified in the application. With regard to these it is submitted that from a note by Mr. Wakely of the Board of Trade received in 1917 it is observed that licences for export are not generally refused except under special circumstances—page 4 of G.O. No. 840, Home (Education), dated 23rd June 1917. Please see also the Government of India's letter in G.O. No. 3040, Home (Education), dated the 28th September 1917. In their letter in the current file the Board states that the restriction in regard to the production of the special certificate is imposed in order to stop the practice of exporting to India dyes obtained from consumers in the United Kingdom out of the quantities taken by them from the manufacturers ostensibly for their own use. This practice has been found to be very objectionable and the Board of Trade will not therefore be prepared to relax the restriction referred to. Mr. Innes has not seen the letter of the Board of Trade in the current file. The file may be sent to him u.o. for perusal of that letter and he may be requested to advise whether any further action should now be taken with reference to it.

4. With regard to the second suggestion made by Mr. Innes that the Government should introduce a system whereby the dye gets to actual dyers at a reasonable price it is submitted that a Government scheme for distribution of alizarine may be useful only if a steady supply of the dye from England can be ensured. Last year Mr. Innes proposed that the Government should get dyes worth about Rs. 50,000 and entrust the distribution to some firm on a commission basis—pages 24 to 26 of G.O. No. 840, dated 23rd June 1917. The Government considered that action in this direction might be deferred till the results of the representation made by this Government in Letter No. 840, Home (Education), dated the 23rd June 1917, could be gauged—page 51 of G.O. No. 840, Home (Education), dated 23rd June 1917. The Government of India's letter with enclosure which is in the current file is in reply to the above communication. It will be seen therefrom that there is at present no guarantee that regular supplies of alizarine can be expected from England. Further Mr. Innes, when he proposed his scheme last year, stated that alizarine should be bought only if it was possible to obtain it at a price not exceeding Rs. 600 per cwt. of alizarine 20 per cent—paragraph 15, page 24 of G.O. No. 840, Home (Education), dated 23rd June 1917. There is no information before the Government as to the price at which the dye can now be obtained from England. Mr. Innes now proposes that the Government should co-operate with Messrs. Best & Co. in the purchase and distribution of alizarine. In the circumstances explained in the Board of Trade's letter in the current file he may be requested to state whether any action is necessary in the matter.

5. Mr. Innes may also be requested to advise whether it is necessary to publish the purport of the Board of Trade's letter and, if so, in what form.

6. On page 20 supra the Deputy Secretary, Revenue Department, has asked that this file may be sent to him for perusal of Mr. Innes' letter on page 9 supra. On return from Mr. Innes, the file may be sent to him u.o.

S.K.—14-3-18.

T.K.—14-3-18.

Perhaps the best thing would be to send the file u.o. to Mr. Innes with reference to the points raised above and obtain his views on the Board of Trade's letter.

C. H. BROWN—15-3-18.

Mr. C. A. Innes, I.C.S. (u.o.).

L. D. SWAMIKANNU—18-3-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

The alizarine position has developed since I wrote my letter of the 11th February to Mr. Richards.

2. In the first place, 25 casks of alizarine have arrived in Madras for K. V. Ramachari. He pays, I think, 15 pence a pound for the dye plus landing charges, duty, etc., and probably he will get free delivery in Madras at something like Rs. 120 per cwt. It will be interesting to know (1) whether he sells in the Presidency and (2) if so at what price.

3. This consignment completes all the British Alizarine Company's Indian contracts, and the company is now free to make fresh arrangement for the sale of whatever alizarine it may be able to spare, from time to time, for the Indian market.

4. In its letter to Best & Co., of which Mr. Gordon Fraser has kindly sent me a copy, the British Alizarine Company mentions that one of the difficulties it has had to contend with was the condition that the name of the 'purchaser abroad' had to be stated in the application to the War Trade Department for a license to export. This condition precluded the possibility of sending supplies to agents 'on consignment' but the Board of Trade has now agreed to such supplies "provided that the names and addresses of the consumers who must be bona fide consumers are given later".

5. The British Alizarine Company therefore proposes to ship alizarine to Best & Co. as often as possible on condition that Best & Co. render account sales monthly giving names and addresses of actual buyers (who must be the actual users of the alizarine sold) and also details making up the actual price charged, as the Board of Trade may require this information.

6. The selling price in Madras must be 15 pence per pound net for 20 per cent alizarine thin paste in 4 cwt. casks plus landing charges, duty and all expenses to warehouse.

7. In order to ensure against profiteering, it will be necessary that with all orders given there must be written above the signature: " $\frac{w}{I}$ guarantee that the alizarine mentioned herein is for $\frac{our}{my}$ own consumption and not for resale".

8. The British Alizarine Company suggested that in view of services rendered K. V. Ramachari should be appointed as sub-agent in order to assist in distributing the dye to actual consumers, but Best & Co. have replied that in order to ensure against profiteering they would prefer to open their own depots and sell through their own men. The matter is one for settlement between Messrs. Best & Co. and the British Alizarine Company.

9. It will be seen that the Board of Trade at home has taken measures to cut out the middleman and to ensure that the alizarine should reach the consumer at a reasonable price. The British Alizarine Company and Messrs. Best & Co. are concerting their plans accordingly, and I consider that Government should co-operate.

10. I think that Messrs. Best & Co. should now be addressed on the lines of the above note and asked where they propose to open their depots. In those places Government, I think, should co-operate by prescribing that applications to buy alizarine should pass through the Collector who should have them verified and should certify that the applicant is a bona fide dyer. An arrangement of this kind would satisfy the British Alizarine Company that dye will reach the consumer without intermediate profiteering and will probably lead to larger supplies being sent to Madras.

11. In the circumstances now reported I don't think that any other action by Government is necessary except that I consider that the substance of the Board of Trade letter should be made known to the public.

C. A. INNES—25-3-18.

HOME (EDUCATION) DEPARTMENT.

With reference to the last paragraph of Mr. Innes' note the purport of the Government of India's letter in the current file may be published in the form of a press communiqué. A draft order is submitted for approval. It may be sent (u.o.) to Mr. Innes for any amendment he may have to suggest.

2. As regards paragraph 10 of Mr. Innes' note it is for orders whether action should be taken as suggested therein or whether the result of the new arrangement for the export and distribution of alizarine dye may not be watched before Government intervene in the matter. If the former, it is for consideration whether Mr. Innes may not himself be asked to communicate with Messrs. Best & Co. and ascertain their wishes in the matter. The file may be sent u.o. to Revenue for perusal of Mr. Innes' note and for any remarks that department may have to offer.

S.K.—29-3-18.

N.K.—3-4-18.

The proposed press communiqué may first go to Mr. Innes.

C. H. BROWN—4-4-18.

L. D. SWAMIKANNU—5-4-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

A press communiqué has been published in the Indian Trade Journal for March 22nd. In the circumstances it seems doubtful whether anything more need be done. If a press communiqué is published, the one in the Indian Trade Journal may be followed.

C. A. INNES—8-4-18.

HOME (EDUCATION) DEPARTMENT.

The press communiqué in the Indian Trade Journal of the 22nd March 1918 is an abstract of the Board of Trade's letter ~~in the current file~~. It is for consideration whether a similar communiqué should again be published by this Government.

2. Orders are solicited on paragraph 2 of the office-note on page 29 ante.

S.K.—11-4-18.

N.K.—11-4-18.

A | It seems unnecessary to issue another press communiqué. May the file now
B | go to Revenue for their remarks on Mr. Innes' proposal in paragraph 10 of his
note (page 28 ante)?

C.H.B.—16-4-18.

A I agree.

B Yes. The matter *now* is one relating to Trade (Distribution). Perhaps Revenue will take charge of the case.

R. RAMACHANDRA RAO—17-4-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

Please see Government u.o. reference to me, No. 450 A-1, dated 18th March 1918, regarding the import of alizarine paste and my reply of the 25th March.

2. Mr. Paul of Best & Co. rang me up recently on the telephone and told me that Best & Co. have received advice from the British Alizarine Company that that company has shipped to their address 5 tons of alizarine paste.

3. The firm proposes to keep the retail sale arrangements in its own hands, to open its own depots and to sell in small quantities to actual dyers. The sale price will be regulated as explained in paragraph 6 of my note referred to above.

4. We don't want anything better than this and Mr. Paul thinks that the firm can get on without Government assistance. In the circumstances I think that the idea of Government intervention may be dropped.

C. A. INNES—18-4-18.

HOME (EDUCATION) DEPARTMENT.

The file relating to the purchase and distribution of alizarine dyes was sent to the Revenue Department with this department u.o. No. 450-A-3, dated the 18th April 1918. This may also be sent to that department.

S.K.—22-4-18.

N.K.—23-4-18.

C.H.B.—24-4-18.

R.R.—25-4-18.

Demi-official—from the Hon'ble Mr. GORDON FRASER, Messrs. Best & Co. (Ltd.).
To—the Hon'ble Mr. A. R. KNAPP, I.C.S., Acting Secretary to Government
Revenue Department.

Dated—the 24th April 1918.

The enclosed letter from K. R. V. Krishna Rao, and Paul's covering letter will interest you, in view of the remarks made by K. R. V. in Council. Please return after perusal.

2. I also enclose a letter from Paul and one addressed by Paul to Innes, regarding supplies of alizarine. It is going to be no easy matter to distribute the alizarine satisfactorily and stop profiteering, as we will sell at a little over Rs. 100 per cwt., while the market rate now, I suppose, is Rs. 2,000 to Rs. 3,000. I think we will have to ask the help of Government as suggested in Paul's letter to Innes.

3. One difficulty will be dividing up the contents of a cask, as we can only sell in units of a cask, while the actual consumers require a pound or so at a time.

4. Please let me have letter the back. It might be a good thing to refer the matter to Paddison if he is still in Madras.

ENCLOSURES

(1)

Demi-official—from W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.). Madras.
To—the Hon'ble Mr. GORDON FRASER, Messrs. Best & Co. (Ltd.).

Dated—the 17th April 1918.

We received a telegram yesterday from Galbraith & Grant, Ltd., reading as follows:—

"Shipped fifty casks alizarine I.P. Each steamers *Mandala, Merkara*."

I wrote to the Collector about a week ago pointing out that we were getting out dye, the C.I.F. price of which is 15 annas a lb. but that the present tariff value is Rs. 10 a lb. He sent his head appraiser yesterday to point out that the tariff value was based on the present selling price but I told him we were making special arrangements to sell direct to dyers at 15 annas plus charges and he promised to write to the Government of India last night asking them to sanction a reduction in the tariff value to 15 annas.

I have also written to Latham Abercrombie & Co., telling them how we propose dealing with the dye and asking them if they have any suggestions to make.

I told Innes about it last night and he asked if there was anything he could do to help. I told him that we proposed opening depots in all the big towns and having our own men who would be responsible for seeing that the dye was sold to genuine dyers and that only in small quantities. He said that if we were going to do this, he did not see that there was anything for him to do but said that he was very glad to hear the stuff was coming.

Letter—from C. A. INNES, Esq., I.C.S., Director of Industries.

To—W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.), Madras.

Dated—the 20th April 1918.

Thanks for your letter of the 18th April regarding alizarine dye. I will think over the matter and write to you again.

(2)

Demi-official—from W. W. PAUL, Esq., Messrs. Best & Co. (Ltd.), Madras.

To—C. A. INNES, Esq., I.C.S., Director of Industries.

Dated—the 18th April 1918.

Alizarine dye.

I have been thinking over the best methods of selling the dye which is coming out to us so as to ensure its going into the hands of the actual dyers and not into the hands of dealers.

I said to you that we proposed opening shops in the various dyeing centres and putting men in charge who could be relied upon to see that sales were made only to genuine dyers. On further consideration, however, I have come to the conclusion that it will be impossible to get men on whom we can depend to conduct these sales as the pressure put upon them to sell by holders of stocks of dye will be very great. These holders who are selling at an enormous profit will naturally, when they see the stuff put upon the market at about one-tenth of the price at which they are selling, leave no stone unturned to secure the new stocks and thus prevent a slump in prices. My idea now is to keep all the dye in Madras but to thoroughly advertise the fact that it is here and let those who want it come and take it.

To ensure that the people who come to Madras to buy are bona fide consumers, I would suggest that a similar arrangement be made in each dyeing district to the one in existence in Madras with regard to supplies of coal.

I would suggest that the Collector of each district be asked to arrange for the appointment, in the important towns in his district, of a committee of two or three men of standing who are in touch with the people and that dyers coming to Madras for supplies must first get their indents countersigned by this committee. For your information the following are the principal places at which dye is sold in this Presidency:—

Aruppukottai.	Salem.	Vizianagram.	Guntur.
Madura.	Madras.	Cocanada.	Chirala.
Kumbakonam.	The Ceded Districts.	Masulipatam.	Vaniyambadi.

Will you let me know if you think that such a scheme as this is workable?

Please see notes at pages 26-28 ante and the demi-official with enclosures at page 38-39 ante. Extract of paragraph 1 of demi-official at page 33 and copies of the letters referred to therein regarding the price of kerosene oil have been given to the B Section for necessary action. Copies of the above correspondence regarding dyes will be kept in this file and the originals returned to the Hon'ble Mr. Gordon Fraser as desired by him at page 13 ante.

2. This file has been sent to this department for perusal or remarks on Mr. Innes' proposal in paragraph 10 of his note at page 28 ante regarding the distribution of the dyes available to actual consumers. In this connexion the Secretary, Home Department, has stated that the matter is now one relating to Trade (Distribution) and that perhaps Revenue will take up the case (vide page 21 ante). It is submitted that though the question is one about the distribution of an article of merchandise by the manufacturer's agent to the actual consumer in Madras, it appears that the Home (Industries) Department which is in touch with the dyers of this Presidency through Mr. Innes and Mr. Marsden, and which has so far been dealing with the question of the distribution of the dyestuffs, is in a better position to deal with the matter than the Revenue Department. Moreover, the question of the distribution of the dyes to the actual consumers to keep the dyeing industry going appears to appertain more to Industries than to Trade. It is, however, for orders whether the file may be taken up by this department for further action in the matter.

3. As regards Government intervention in the matter, Mr. Innes in his note, dated 18th April 1918, at page 32 ante says that the idea may be dropped in view of the statement of Mr. Paul that Messrs. Best & Co. can get on without Government assistance in the matter. Attention is, however, invited to the further correspondence between Mr. Innes and Mr. Paul at pages 32-34 ante in which the latter has proposed the appointment of a committee in each dyeing district to ensure that the dyes reach the actual consumer and to which Mr. Innes has replied that he will think over the matter. In these circumstances, it appears that it is better to obtain Mr. Innes' opinion before proceeding further in the matter.

4. Attention is also invited to page 20 of notes ante wherein the Deputy Secretary expressed a wish to see this file again.

D.T.—29-4-18.

Secretary for orders on AA above.

2. No further action seems called for pending report from Mr. Innes.

G. H. JACKSON—29-4-18.

As this question now deals rather with profiteering and high prices than with the maintenance of the weavers I propose to take it in Revenue. Mr. Gordon Fraser spoke to me about this and was very anxious that we should fall in with his suggestion of getting local committees appointed in each place where the dye is to be used. A list of such places is given on page 34, note file. In modification however of the suggestion contained on that page Mr. Gordon Fraser agreed that, if a responsible local committee could be appointed which could be trusted to issue the dye, it might be possible to send the stuff to them direct and not insist on indentors coming to Madras.

2. There seems no reason why Collectors should not help in this matter and if the Honourable Member approves of Government intervention an extract from the letter on page 34 may be sent to the Collectors concerned and they may be asked to get into touch with Mr. Gordon Fraser and arrange for the appointment of the committees that he wants. I may mention that in 1914 when there was still a little alizarine dye available, I made arrangements to form such a committee in Madura.

A. R. KNAPP—30-4-18.

10/- 12/
8/13/18
11/

8
1/ 13/

above

13/

Revenue
29/4/18

11/
12/

8/

I am afraid that I must ask to be excused from dealing with this file.

So long as the thoroughly indefensible arrangement continues under which Industries is treated as part of Home (Education), it has nothing to do with the Revenue Department and I cannot encroach on the sphere of influence of the Honourable Member in charge of Home (Education).

A. G. C[ARDEW]—1-5-18.

Home (Education) u.o.

A. R. KNAPP—2-5-18.

HOME (EDUCATION) DEPARTMENT.

From the Officer in charge of the Department of Industries,
dated the 4th May 1918, No. 24.

13 and 14 ante

Please see pages 33-34 and 27-28. Mr. Innes submits proposals for the distribution of the ten tons of alizarine dyes just received by Messrs. Best & Co. from England and of future supplies of the dye expected by that firm. The object in view is to ensure that the dye reaches the actual consumer without the intervention of the middleman. The Board of Trade in England has asked for a certificate to this effect from Messrs. Best & Co. This firm originally proposed to open depots for the retail sale of the dye in the principal dyeing centres of this Presidency. They have, however, since given up that proposal as it will not by itself prevent the dye from falling into the hands of dealers. Mr. Innes has therefore submitted his present proposals for Government co-operation.

2. According to Mr. Innes' scheme small committees will be formed in the important dyeing centres, which will certify whether applicants for dyes are actual dyers. Thereafter the applicants will proceed to Madras and get the dyestuff from Messrs. Best & Co. In regard to Madura, however, Mr. Innes states that the Collector, Mr. Paddison, proposes to buy a portion of the consignment received by Messrs. Best & Co., and then to make arrangements for the retail sale. Mr. Paddison will, it is stated, submit his detailed proposals to the Government for approval. In the meanwhile it is for orders whether Mr. Innes' general proposals may be approved. If so, his letter may be communicated to the Collectors concerned who may be asked to take steps at once to appoint the committees suggested.

S.K.—7-5-18.

N.K.—8-5-18.

There are two plans: (1) the committee idea and (2) Mr. Paddison's idea of the Collector buying up and arranging for the retail. Personally, I like the second idea better but the first would probably appeal more to the general public. We have not Mr. Paddison's details of course, but it would seem to me that as all we want is a guarantee that the indenter is a bona fide dyer and not a prospective profiteer, an ordinary endorsement on his application by the Collector would be sufficient. It will come, in practice, to much the same thing and will avoid the cumbrous business of appointing committees. There is now no intention, so far as Messrs. Best & Co., of selling the dye at the various mufassal centres and Mr. Paddison's proposal, which would almost seem to amount to taking over of the stock by Government, goes rather beyond what Messrs. Best & Co. intend. The shortness of the time already emphasized by Mr. Innes would be another argument in favour of the simpler process of a Collector's endorsement.

C. H. BROWN—9-5-18.

Please see Mr. Knapp's note above. Local committees and sales at local depots there suggested by the Hon'ble Mr. Gordon Fraser with ample powers for the Collector to interfere so as to see that the actual dyer is the buyer and (2) that the price is the prescribed one.

Mr. Innes for favour of remarks.

R. RAMACHANDRA RAO—9-5-18.

Mr. Paddison has sent up his scheme direct to Government and has sent me a copy of his letter. I have passed it on to Mr. Paul of Best & Co. for remarks. Mr. Paddison proposes that Best & Co. should issue him the dye on credit and that he should arrange to distribute it through a local committee. I see no objection to the scheme if Best & Co. agree. I will write again as soon as I hear from Mr. Paul.

2. As regards remaining places in which Aruppukottai should be included my scheme is the same as that of Mr. Knapp, viz., local committees the work of which the Collector will of course supervise. The scheme was framed in consultation with Mr. Paul.

C. A. INNES—11-5-18.

HOME (EDUCATION) DEPARTMENT.

Mr. Innes' proposal is to form local committees to certify as to the bona fides of indentors of dyes and then to leave the latter to go to Madras and obtain the dye from Messrs. Best & Co. The suggestion in the Revenue Secretary's note on page 87 ante is that if responsible local committees could be appointed which could be trusted to issue the dye, it might be possible to send the dye to them direct instead of insisting on the dyers coming to Madras. Under such an arrangement the Collector or the president of the proposed committee may collect money from accepted applicants beforehand, and remit it to Messrs. Best & Co., furnishing them at the same time with the necessary certificates. Messrs. Best & Co. will then supply the quantity of dye required in a single consignment addressed to the Collector or the president of the committee as the case may be, and the latter will distribute the dye among those who have already paid for it. Mr. Innes has not offered his views on this proposal. Apparently he considers that local committees should, to begin with, issue only certificates in the prescribed form and that their functions could be enlarged later on in the light of actual experience. For orders whether orders in the sense of Mr. Innes' recommendations may issue at once.

2. Mr. Paddison's letter dealing with his scheme for the distribution of dyes in Madura has been sent to Mr. Innes separately for remarks.

S.K.—16-5-18.

N.K.—16-5-18.

Await return of file with Mr. Paddison's scheme when combine.

C. H. BROWN—16-5-18.

From Messrs. Best & Co., Madras, dated 21st May 1918.

Messrs. Best & Co. ask for early orders with regard to the scheme for the distribution of dyes. Mr. Innes has not yet returned the file dealing with Mr. Paddison's scheme. It is for orders whether he may be reminded by telegram or orders may be passed at once in respect of centres other than Madura and the Madura scheme dealt with separately.

S.K.—22-5-18.

N.K.—22-5-18.

I think we should have one uniform scheme. Shall I wire to Mr. Innes?

C.H.B.—22-5-18.

Please.

R. RAMACHANDRA RAO—22-5-18.

Issue the following telegram to Mr. C. A. Innes, I.C.S.:—

"Unofficial reference 1228-1, 11th instant. Alizarine dye distribution. Bests pressing for early orders. Please expedite return of files."

H.B.—22-5-18.

From the Collector of Madura, dated the 7th May 1918, R.O.C. No. 1535.

The file dealing with Mr. Innes' letter relating to the distribution of dyes imported by Messrs. Best & Co. has been referred back to him for further remarks. Mr. Paddison now submits his scheme for the distribution of dyes in Madura. From paragraphs 3 and 4 of his letter it is observed that he presumes that he will be able to obtain the dyes on credit from Messrs. Best & Co., and then to pay them back by remittance transfer receipts. With regard to payment in this manner he hopes to consult the Accountant-General. Submitted that the file may be sent to Mr. Innes u.o. to ascertain if Messrs. Best & Co. will supply dyes to Madura on credit as desired by Mr. Paddison.

S.K.—11-5-18.

2. He may be asked to return the file through the Accountant-General to enable the latter officer to offer any remarks he may have to make.

N.K.—11-5-18.

May go to Mr. Innes in continuation and come back through the Accountant-General.

C. H. BROWN—11-5-18.

R. RAMACHANDRA RAO—11-5-18.

OFFICE OF THE DIRECTOR OF INDUSTRIES.

I have consulted Messrs. Best & Co. regarding Mr. Paddison's scheme. They think that it is well worth a trial, and are prepared "to supply the dye on credit on the understanding that the Collector is responsible to us for payment when the dye is sold." The 'Collector', I presume, means 'Government.'

C. A. INNES—16-5-18.

ACCOUNTANT-GENERAL'S OFFICE.

The sanction of the Comptroller-General is necessary to open a new personal ledger account in a treasury and it will be obtained if Government approve the proposal of the Collector of Madura.

U. MAUMDAR—21-5-18.

HOME (EDUCATION) DEPARTMENT.

Please see Messrs. Best & Co.'s letter in the current file. The firm seem to accept the scheme proposed by Mr. Innes for the distribution of dyes in centres other than Madura. It is for orders whether it may be approved. As Messrs. Best & Co. request very early orders, it does not appear desirable to insist on the adoption of a uniform scheme for all districts at this stage. Mr. Paddison's scheme for Madura may also be approved. Subject to approval, a draft order is submitted below.

S.K.—23-5-18.

After issue of the order, the suggestion at M on page 18 ante may be put to Mr. Innes and a supplementary order issued in case Messrs. Best & Co. accept the proposal made therein.

N.K.—24-5-18.

We had better, I think, also send a wire to Best & Co. telling them what we have done. As they say, the delay is putting them in a difficult position.

C.H.B.—24-5-18.

As this is the first consignment there has been some delay. Express our regret to Messrs. Best & Co. and say orders are issuing.

2. I—Madura.—The Collector proposes to stock 3 tons in the taluk treasury and sell in small consignments. Discussed this matter with Mr. Paddison and the Honourable Member Mr. Rajagopala Achariyar. Arrangements approved. His proposals are generally acceptable but we leave the matter entirely in his hands subject to the condition that there be no loss to Government. The retail price should cover not only the price due to Messrs. Best & Co. and all incidental expenses.

Please transfer to page 18

Dated 21st May 1918

7

24

6

but

18 NOTES to G.O. No. 677, HOME (EDUCATION), 27TH MAY 1918

The Accountant-General may be asked to open a personal ledger account; pending sanction Collector may place the sums in a net. Emphasize however that the sales should be covered by requisite certificates to the satisfaction of the Board of Trade.

II. Other places—

Aruppakottai	Masulipatam
Salem	Guntur
Kumbakonam	Prodtattur
Madras	Adoni
Conjeeveram	Vaniyambadi
Vizianagram	Chirala
Cocanada	

Total ... 6

Reserve the dyes as above. Local committees to be formed as desired by Mr. Innes. An official should be president. I see there are resident magistrates everywhere except at Chirala. Collector of Guntur to nominate an official chairman. Collectors to supervise working of sub-committees.

Instruct fully as to details of sale. Government will be responsible to Best & Co. Sale price at each station to be settled by Collector. Collector to intimate direct to Best & Co. to which official to consign. Official will store in Government office building. Retail sale to be fixed by Collector to cover all incidental charges.

Best & Co. to send dye to address intimated by Collector (see page 57 note file). Insist on committee chairman obtaining proper certificate.

Please make the draft fuller. Urgent.

R. RAMACHANDRA RAO—25-5-18.

A revised draft is submitted for approval. It may be sent to Financial for acceptance.

S.K.—25-5-18.

N.K.—26-5-18.

Issue wire to Best. Then draft to Secretary for approval.

C. H. BROWN—26-5-18.

Issue at once on receipt from Financial: and then to Honourable Member for perusal.

R.R.—26-5-18.

FINANCIAL DEPARTMENT.

Please see paragraph 3 of the draft (portion A) and paragraph 5 of the draft (portion B). Submitted that the draft may be accepted in Financial.

V.G.K.—27-5-18.

L. E. KERSHAW—27-5-18.

L. DAVIDSON—27-5-18.

HOME (EDUCATION) DEPARTMENT.

[G.O. No. 677, Home (Education), dated 27th May 1918]

The Government Order has issued as G.O. No. 677, Home (Education), dated 27th May 1918. (A printed copy is submitted.) The file may now be submitted to the Honourable Member for perusal.

S.K.—29-5-18.

N.K.—29-5-18.

C.H.B.—29-5-18.

R.R.—29-5-18.

P. R. [AJAGOPALA ACHARIYAR]—30-5-18.

PRESS SLIP.

ORDINARY.

PREFERENCE.

URGENT (a).

Home (Exp) DEPARTMENT.

INSTRUCTIONS FOR THE SECRETARIAT.

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

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

(b¹) 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 made against the matter, pencil entries should not be printed. The Superintendent of the Press may bring to the notice of the Registrar any instance of incomplete or careless editing.

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

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

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

Current No dated 191

G.O. No. 677 dated 27-5-1918.

Number of MS. pages sent { Correspondence.....
(b¹)
Notes.....

Brief subject.....

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

For Issue.†

Signature copies.....	Letter only.	Complete G.O.	(b) Special issue copies of G.O.		Notes.
			No.	Papers.	
India Office.....		16			
Govt. of India..... Dept.					
Revenue Department.....					
Public Works Department.....					
Local and Municipal Department.....					
Educational Department..... Dept.					
Public Dept.....					
Judicial Dept.....					
Political.....					
Financial Dept.....					
Marine Dept.....					
Ecclesiastical Dept.....					
Total ..					

Spare copies

The Officer in charge	4
The The Dept.	
The A.G.	10
The Collectors	70
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The	
The	
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The	
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The	
Total ..	108

Copies distributed on †(Press Clerk)

† Copies distributed on †(Press Despatcher).

TO PRESS, MADRAS OOTY.

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

B
Proof returned corrected. Please strike off and send number of copies as indicated.
Type may be released after usual interval at once.

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

Referencer.
Clerk.

Referencer.
Clerk.

Referencer.
Clerk.

Supt.

Supt.

Supt.

SPECIAL INSTRUCTIONS.

TO BE FILLED IN BY THE PRESS.

Diary.		Initials of Press official.		
Received in Press on.....				
First proof furnished on.....				
Call for revised proof received on.....				
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