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ORIGINAL

[Despatch Abstract.]

Aluminium Industry

Forwarding to the Govt of India letter from the Indian Aluminium Company, Madras, on the subject of the — now carried on at the School of Art — informing the Punjab Trades' association that it has no legitimate cause of complaint against the said industry

BACK PAPERS.

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Government {1901} of Madras.

EDUCATIONAL.

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Recd. } 1901. *Enclosures*

Regd. } *Spare copies*

ORIGINAL

G.O., &c., Nos. 522, 523, 16th September 1901.

N. P.

SEPTEMBER.

Aluminium Industry.

Forwarding to the Government of India letter from the Indian Aluminium Company, Madras, on the subject of the — now carried on at the School of Arts; and informing the Punjab Trades Association that it has no legitimate cause of complaint against the said industry.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—again the following paper:—

G.O., No. 330, Educational, dated 17th June 1901.

Abstract.—Forwarding to the Director of Public Instruction, for remarks, letter from the Indian Aluminium Company, Madras, and requesting him to give his opinion on the several points discussed therein.

Read—also the following papers:—

From C. O. ARDWISE, Esq., Secretary, Punjab Trades' Association, to the Chief Secretary to the Government of Madras, dated Simla, 28th June 1901.

The attention of the Committee of the Punjab Trades' Association has been drawn to the extensive trading operations which are being carried on by the Aluminium department of the Madras School of Arts.

2. A perusal of the price list (copy of which is herewith enclosed) published by the Superintendent of Government Printing, Madras, will give some idea of the nature and extent of the operations referred to. The school has, according to its own showing, supplied aluminium articles to no less than 59 regiments and batteries in the country, of which more than half are in the Punjab and Bengal Commands.

3. From the introductory remarks contained in the price list of the officer in charge of the Aluminium department it would appear that the scheme was started in April 1898 with the object of bringing the metal to the notice of the people of this country in such forms as would be practically useful to them; and that from the outset an endeavour was made to conduct the experiment on commercial lines. He then says that "the prices in the catalogue are, for most articles, a very considerable reduction on those of previous lists," and that "they are such as to allow of a fair profit on the manufacture and of a sufficient allowance to the middleman to *make it worth his while to sell them*," and that their "object in the School of Arts is to foster private enterprise," and that they are "careful to avoid charging less than the market rates" for the work they turn out.

4. However laudable the object for which the department was started may appear at first sight, it assumes a different aspect when, instead of fostering private enterprise, it injuriously enters into competition with it.

5. The statement that the prices are so arranged as to afford the middleman a sufficient allowance to make it worth his while to sell the articles is somewhat misleading. The allowance which the management consider *sufficient* is a commission of 5 per cent.

6. It is admitted by Mr. Chatterton, the officer in charge of the department, that the working of aluminium is now an established industry, not only in the City of Madras but also in many of the larger mufassil towns, and that the new wares are rapidly taking their place in the Hindu households alongside the time-honoured vessels of silver, brass and copper. This being so, it appears to the committee that the object for which the department was started has been attained and that sales to consumers among the outside public ought to be discouraged, the work of the school being restricted to teaching only.

7. The committee cannot but regard the Aluminium department of the Madras School of Arts as a large manufacturing concern worked as a commercial company on capital furnished by the Government, and, as such, injuriously entering into direct competition with private enterprise and therefore opposed to the policy of Government. In support of this contention the committee would invite attention to an order of your Government (No. 1077, dated the 2nd April 1892), in which it is stated that "His Excellency the Governor in Council considers that the time has arrived for materially restricting the amount of private work undertaken by the Public Works Workshops and is accordingly pleased to direct that no work of this kind shall in future be received without the express sanction of Government which will only be given in special and exceptional cases".

8. Having placed these facts before His Excellency the Governor, the committee beg to express the hope that His Excellency will be pleased to give the matter his consideration and to issue such orders as will restrict the operations of the Aluminium department which threaten to stifle the trade in aluminium ware in the Punjab.

Endt. No. 1075, Public.

Transferred to the Educational department.

A. R. KNAPP,
Under Secretary.

6*th July* 1901.

Endt. No. 161, Educational.

Forwarded to the Director of Public Instruction in continuation of G.O., No. 330, Educational, dated 17th June 1901, for early remarks.

C. J. WEIR,
Ag. Secretary to Government.

15*th July* 1901.

From the Hon'ble Mr. G. H. STUART, M.A., Barrister-at-Law, Director of Public Instruction, Madras, to the Secretary to Government, Educational Department, dated 1st August 1901, Ref. on C. No. 5016.

In response to G.O., No. 330, Educational, dated 17th June 1901, I have the honour to submit a copy of a letter from Mr. Chatterton on the subject and to make the following remarks.

2. The object of Government in permitting the School of Arts to be utilized for the manufacture of aluminium goods was to establish the aluminium industry firmly in this country. This has not yet been done, and though Government must ultimately withdraw, I consider it would be disastrous to the prospects of the industry to withdraw now. The School of Arts, no doubt, obtains a certain number of orders which might or might not otherwise fall to undertakings, such as the Indian Aluminium Company; some of them might be given to the importers of foreign goods, while it is certain that others would not have been given at all but for the energy of Mr. Chatterton in stimulating a demand for aluminium articles among people who did not previously feel the want of them. But the school does not compete in the sense of underselling, and, indeed, it could not afford to do so. The withdrawal of the School of Arts would very likely lead to some extension of the Indian Aluminium Company's business for a time, but would probably result in the collapse of the whole industry before very long. The industry is still in a very delicate condition, and the Indian Aluminium Company itself could hardly continue to exist without the assistance afforded to it by the School of Arts. It must be remembered that it is the *manufacture in this country* that has to be established if any good is to be done, not the mere *sale* of aluminium goods imported from abroad, and when Mr. Chatterton speaks of the sale of aluminium in India being the main object of his work, I know that he means the sale of articles manufactured in the country.

3. The opposition to the competition of the School of Arts expressed in Mr. Norton's letter appears to be but half-hearted and is an opposition rather to similar extensions of schools elsewhere than to the operations of the school as at present conducted. There is no intention on the part of this department to extend any other industrial school in the direction feared whatever may be done in other parts of India. The claim of the Directors that the Indian Aluminium Company is in a position to carry out the objects of Government as well as the School of Arts is not well founded. One object is to train a body of skilled workmen, and this is being done and is of as much benefit to the company as to any one else. Another object is the improvement of existing processes by making experiments, some of which may result in loss, and which a company formed for profit cannot be expected to carry on. But they reap the benefit.

4. There is no objection to Government giving whatever is considered to be a fair share of its orders to the company, though, as Mr. Chatterton points out, this will not help them much, the total being so small. But if, as in some instances stated by Mr. Chatterton, they prefer placing their orders with the School of Arts to manufacturing for themselves, they are acting merely as middlemen and there is nothing in their action that tends to the development of the *manufacture*. Mr. Chatterton's definition of the proper function of industrial school appears to be sound; there is no question of the indefinite expansion of the aluminium or any other industry, but the time for abandoning the former has not yet arrived.

Enclosure.

From A. CHATTERTON, Esq., B.Sc., Officer in charge, Aluminium Department, School of Arts, Madras, to the Director of Public Instruction, dated 17th July 1901, No. Al./1639.

In reference to your endorsement on C. No. 5016, dated the 27th June 1901, I have the honour to offer the following remarks. The delay in replying to this reference is due to my having been on tour and to the fact that the compilation of the statistics given below has taken a considerable time in the office.

2. The second and thirteenth paragraphs of Mr. Eardley Norton's letter appear to me to contain the gist of the whole matter. The Directors of the Indian Aluminium Company are willing to acknowledge that they have followed the lead of the School of Arts and have derived great assistance from the school in a variety of ways. They view, however, with apprehension any attempt to introduce aluminium working into similar institutions in other parts of India and consider that Government having overcome the initial difficulties should practically retire and leave the field open to them. As regards the Aluminium department of the School of Arts, Madras, I gather more from a discussion of the question with the manager of the company than from Mr. Norton's letter that they are not anxious to obtain anything more than a fair share of the Government orders which are placed at that institution, and in many ways they consider that it would be detrimental to their interests to close the Aluminium department of the School of Arts. They prefer to endure the *rivalry* and enjoy the assistance of a Government manufacturing concern, because they know that ultimately they will reap the benefit of all the work done in the School of Arts, and because so long as the School of Arts manufactures aluminium there is less risk of serious American and German competition and less change of another rival company being started in Madras or elsewhere to divide the business with them.

3. With regard to the other paragraphs of the letter, it must be remembered that the majority of the Board of Directors and all the managing staff are more or less amateurs at commercial and manufacturing work, and it is their want of experience that compels them to controvert my statement "that a private business can be run more cheaply than a Government factory". From the starting of the company to the present moment the School of Arts has been their largest creditor, and throughout I have carefully watched the work of the company to see that the interests in my charge were perfectly secure and I can claim to know a great deal more about the Indian Aluminium Company's work than the officers of that company know about the School of Arts. Mr. Norton states that "while the School of Arts has had the cream of the business the company has done the really difficult work," and again "that it is the Indian Aluminium Company that has completed the work and assisted in keeping the doors shut to foreign imports," and further "that this has been accomplished in face of as much competition as assistance and with a very small proportion of the simplest and best-paying part of the business". I do not blame Mr. Norton for making out the best case he can for his company, and I am prepared to admit that the company has done a good deal of work, but I am compelled to characterize the above quotations as *ex-parte* statements incapable of proof and easily refuted.

4. The Aluminium department of the School of Arts was started in April 1898 and had been in existence for one year and nine months before the Indian Aluminium Company commenced work, and during that period had effected sales amounting to 1¼ lakhs of rupees. The Indian Aluminium Company was formed to take over a small private business of Mr. Norton's which was the outcome of an agency business done by the Oakley Cycle Company for the School of Arts, and at the outset I transferred to them an agency which I had started in Bombay and where I had already sold more than Rs. 6,000 worth of goods, and I further promised to leave them perfectly free from School of Arts competition throughout the Bombay Presidency except in regard to Government and military business about which I did not feel I should be justified in making any arrangements. I also agreed to supply them with metal and manufactured goods on the most favourable terms possible and the following figures will show how this has been done :—

—	Sales in 1899–1900.	Sales in 1900–1901.	Sales in 1901 (April to June).
	Rs. A. P.	Rs. A. P.	Rs. A. P.
Metal in the form of sheet ingots and circles	16,123 8 6	21,219 15 1	9,191 5 1
Water-bottles	94 1 0	8,122 11 0	58 5 6
Other manufactured articles	8,194 8 0	6,665 3 4	461 6 6
Total ..	24,412 1 6	36,007 13 5	9,711 1 1

At the present moment I have a large order on hand from them for finished castings and I have agreed to supply them with 50,000 water-bottles if they secure a contract they are now endeavouring to get. The financial assistance rendered to the company may be estimated by the fact that their bills for the last five and a half months are unpaid and they are indebted to the School of Arts to the extent of Rs. 15,682–4–8. This is a considerable amount, but as the school is the only large creditor and as half the capital has not been called up Government has practically the whole of the uncalled capital as security for its advances in metal and goods.

5. The total business done by the Indian Aluminium Company up to date is about Rupees 1,05,000 and by the School of Arts about Rs. 3,65,000. I am unable to give the exact figures relating to Government business, but beyond supplying two or three hospitals and a few dairies it has been entirely confined to one large order for plague camps and an order for dram measures from the Board of Revenue in Madras. The total Government orders have not exceeded Rs. 25,000. Of military orders the subjoined statement shows what we have done, the sales in each year being as follows :—

	Rs.	A.	P.
1898–99	413	14	0
1899–1900	16,014	8	3
1900–1901	27,722	1	6
1901 (three months)	14,793	7	1

Practically the whole of these orders are received from native regiments who may purchase where they chose in the open market and many of them have been obtained in competition with German manufacturers. The bulk of the military orders at the present time are for water bottles and the Indian Aluminium Company prefer as a rule to purchase those made here rather than make any themselves. Military orders have been much delayed owing to experiments and trials and none are now received from the Madras Army owing to the question of "Company messing" *versus* "individual messing" being under consideration. This I think disposes of the contention in paragraph 7 that "the company has been left to undertake the really difficult task of successful competition with foreign imports." During the three years 1898—1901 the Aluminium department of the School of Arts has accumulated a total surplus profit of Rs. 33,923–2–2 in addition to paying for all experiments and the expenses of opening up a new line of business. It cannot therefore be said to have been selling too cheaply or securing business by taking it at a price which would not yield a commercial profit. The rates at which imported goods are sold really control prices and it is useless for the Indian Aluminium Company to endeavour to establish the proposition that it has to face State-aided competition. It is true that they do not make as much profit as the School of Arts, but that is entirely due to inefficient management and ignorance of the trade. Practically I have taught them all they know, but they have yet a good deal to learn both as to processes in the workshop and the securing of business throughout the country. As regards the charges of underselling them somewhat vaguely stated in paragraph 5, I could, were it worth while, give quite a list of orders which they have lost through submitting absurdly high tenders and a list of orders which they have obtained and on which owing to mistakes in their calculations they must have lost a good deal of money.

With regard to the question of machinery raised in paragraph 6, the Directors are well aware that we never under any circumstances avail ourselves of any lines of work that they are

the first to open up and the Directors being under the impression that drawing presses and spinning machinery have been ordered for the School of Arts have entered into arrangements with us whereby they practically secure the advantages of the machinery without having to pay for them. There is no intention to provide the School of Arts with more machinery than is required for educational and experimental work, and the Directors may be given an assurance to that effect.

6. The aluminium industry was started at the School of Arts solely at the outset to create a market for aluminium in India and thus further a scheme I had long been interested in, viz., the utilization of the Periyar water power for the manufacture of aluminium by electrical methods and it was only as experience gradually accumulated that it became evident that at the same time a school of metal work had been founded which was exerting an important influence over the metal work trade. Personally I consider the development of the sale of aluminium in India to be the main object of my work at the School of Arts, and I would advise Government to adopt that line of policy which is best calculated to achieve the object I started with. If the closing of the Aluminium department would lead to a rapid extension of private enterprise I should strongly advocate that measure, but at present I am bound to state that such a course would be suicidal. In the School of Arts we have accumulated a good deal of valuable commercial and technical experience and we have a trained staff capable of carrying on work on a large scale and nowhere else does the same experience exist though the Indian Aluminium Company will naturally resent such an imputation. The object I started with will only be achieved when aluminium is largely used by the people of the country and at least ten times as much metal consumed as at present. The Government, the military and the European demand for aluminium goods by themselves will not be anything like large enough and the main work before us is the opening up of the native market. In this direction the School of Arts is certainly doing a great deal more than the Indian Aluminium Company, probably because such work is not very profitable. What is wanted is suitable machinery to assist hand labour, and this I have indented for, but the order has now been postponed pending the consideration of the questions raised by Mr. Norton. Hand labour in India is very cheap, but if it is to successfully compete with the factories of Europe it must be organized and developed and assisted by machinery when the use of such effects obvious savings. It is I consider the business of technical or industrial schools to make experiments in this direction and not a little of our success at the School of Arts is due to the combination of machinery and hand labour that has been devised. At present we are distinctly in advance of private enterprise and are leading the way. We have not yet reached the goal at which we aim and it would I think be detrimental to the public interests that we should abandon the work because it would enable the Indian Aluminium Company to make a larger profit. They have already paid the shareholders in the original company a dividend for the last half year at the rate of 12 per cent. and they claim to be doing very well under the existing arrangements. Why then disturb them? I would recommend that they be given a fair field and a fair share in such orders as Government may be able to control. They have shown considerable enterprise in the development of their business and are entitled to consideration and assistance and this I think can best be rendered to them on the lines we are now working. It must be remembered that the whole metal trade of India in domestic utensils amounts to probably three hundred lakhs of rupees and with so vast a field open, the Rs. 62,500 called up capital of the Indian Aluminium Company is utterly inadequate for its development. Even the five lakhs which they confidently state they can command will not go very far. That amount of money has already been invested in the industry by the British Aluminium Company, Messrs. Best & Co., the School of Arts, and numerous smaller concerns and any immediate change in the policy of Government would lead to very serious losses by the holders of stocks of metal. If Government desire to have further advice in this matter, I would suggest that they request Messrs. Best & Co. to place before them their views. Messrs. Best & Co. are the Agents of the British Aluminium Company and their only object is coincident with ours, viz., to obtain the largest possible sale for aluminium and it would be interesting to ascertain if they consider their business would be improved by curtailing or restricting the operations of the School of Arts at the present time. The German and American manufacturers of aluminium are exceedingly anxious to secure a share in the Indian market which is now generally recognized to offer great prospects for the future and there is no doubt that any change in our policy at the present time would be detrimental to the interests of British manufacturers and that I presume is a point which would receive due consideration from Government. In connection with this question of the supply of raw material I must point out that the metal has in some quarters a more than doubtful reputation and at the School of Arts we have ascertained that this is due to the presence of comparatively minute amounts of certain impurities. Only a few weeks ago I had to reject some 13 tons of such metal, which complied with the specification but was really unfit for use, and Messrs. Best & Co. and the British Aluminium Company agreed to it being returned rather than spoil the reputation the metal has gained for itself in India. If the School of Arts ceased to control the supply of aluminium in this Presidency there is not the least doubt that the quality would fall off owing to the importation of inferior and much cheaper grades, and the greater part if not the whole of the results due to the action of Government in fostering the industry would be lost.

I have spent a great deal of time and money in experiments on military equipment expecting that, in the long run, the orders we should receive from the army would amply recoup the outlay.

The experiments are still in progress and so far we have received but very small orders and I do not think it would be wise to abandon this important branch of our work just when it is likely to yield useful results.

I have dealt with the issues raised by Mr. Norton so far as they concern the School of Arts, but his letter is addressed to the Government of India and is intended to be a representation on the subject of discussion at a conference which it was rumoured would meet at Simla. I have already stated such opinions as I have formed in a memorandum which was issued with G.O., No. 40, dated the 24th January 1901, and it is a misinterpretation of the application of these principles to the aluminium industry which had caused Mr. Norton and his co-directors unnecessary alarm. From the outset I have recognized that the manufacturing work of the School of Arts could not be allowed to develope indefinitely and the following extract from the memorandum referred to will best explain my views: "In regard to private enterprise the question has naturally received serious consideration as to how far it is justifiable to carry on the commercial development of a department of a Government institution. To maintain an efficient industrial school, a certain minimum outturn is necessary and that the amount of work must be done and placed on the market for sale. The Aluminium department of the School of Arts now forms part of the school of metal work, and so far as I am able to judge at present, a turn over of about 4 lakhs a year will be sufficient to make the school a successful training institution, and, instead of arbitrarily closing the school or allowing an indefinite development of its business to take place, I think it will be feasible to put a limit on its output and to decline any further business. In this case we should first abandon retail transactions, then close our agencies and finally only do so much wholesale work as with military and Government orders will maintain our output at the amount necessary to keep up a high practical standard of efficiency as an industrial school." One school of metal work for the Presidency would be ample and it should not be regarded as a permanent institution. The metal work trade throughout India is in need of Government assistance, but after a time the conditions will change. The tendency is for the individual artizan to go to the wall and for small metal-work companies or associations to form. The necessary capital is thus provided and the workmen are able to work under more favourable conditions and with much greater efficiency on account of the possibility of specializing. The School of Arts commenced the movement and the Madras Aluminium Factory, the Indian Aluminium Company and Messrs. Murugesa Buther & Co. and others have followed on exactly the same lines. So far we have introduced a new metal into India and greatly improved local methods of hand working, but there has been no time yet to experiment in new directions. For all these a certain amount of machinery is required and in this matter I am allowed no freedom of action whatever. As an instance of what I mean, not previously mentioned, I may cite a branch of the metal trade I am now enquiring into, viz., the manufacture of buttons the bulk of which are now imported. The trade is very large, the machinery neither complicated nor expensive and the whole can be worked by hand power. The military, railway, police and salt departments could alone keep a factory going and it would probably be easy to secure their orders if it was demonstrated that they could be executed Competition with imported buttons in the bazaar would be a more difficult matter, but it is well worth trying and seems to me to be suitable for experiment. These industrial schools, if they are to properly fulfil their function, are for the training of the artizans and the commercial men of the country—to show how a thing can be done—to do it for a time and show that it will pay and then gradually take up something else.

I have briefly attended to these questions to indicate what seems to me to be the proper function of Government industrial schools in India. It should be recognized that they are temporary expedients to meet temporary phases of the industrial conditions and the more success that is attained in them the more frequently they will have to be reorganized.

From the Hon'ble Mr. G. H. STUART, M.A., Barrister-at-law, Director of Public Instruction, to the Secretary to Government, Educational Department, dated Madras, 3rd August 1901, R. C. No. 5575.

With reference to endorsement No. 161, dated 15th July last, herewith returned, I have the honour to submit a copy of a letter from Mr. Chatterton to whom I referred the matter.

2. It is clear from the list of members of the Punjab Trades Association that none of them can be seriously interested in the sale of aluminium except perhaps S. J. Tellery & Co. Mr. Tellery is naturally opposed to Mr. Chatterton's operations at the School of Arts, as he has a scheme of his own which depends on Government assistance quite as much as that which is being worked in the School of Arts.

3. There is nothing to prevent the members of the Trades Association dealing in aluminium articles manufactured in this country, and the margin of 25 per cent. commission (33 per cent. profit) seems to be quite as much as is legitimate.

Enclosure.

From the Officer in charge of the Aluminium department, School of Arts, to the Director of Public Instruction, dated Madras, 31st July 1901, No. Al./1881.

With reference to your endorsement No. 5575 of 1901 forwarding a letter from the Secretary of the Punjab Trades Association, I have the honour to offer the following remarks.

From a reference to Thacker's Indian Directory I find that the association is composed of members of local firms and representatives of Calcutta firms trading in the Punjab. Appended to this letter is a list of the members and the business they carry on so far as can be gathered from the information furnished by the Directory. From this it will appear that the association is mainly composed of retail traders, chiefly tailors and outfitters, who import goods from various places and sell them locally. Practically they are all shopkeepers and not manufacturers. I think it is highly probable that the operations of the Aluminium department have affected their business. They would like to import ready-made aluminium goods from England, from Germany and from the United States, but they cannot do so because even with the disadvantage of having to send Madras manufactured aluminium by rail 1,500 miles to the towns of the Punjab we are able to sell at a lower rate or to furnish a better article at the same price. Our avowed object is to establish Indian industries and the more successful we are, the more we must interfere with the business of people who make a living by importing the manufactures of other countries.

I know as a matter of fact from enquiries that I have made that there is no aluminium work done in the Punjab and this is borne out by careful avoidance of any reference to such in the letter under consideration.

The quotations from the price list are perfectly accurate, but the Punjab Trades Association are misinformed regarding the methods by which we have introduced the aluminium business and I state it as a fact that to all our agents we allow a minimum commission, not of 5 per cent. *but* of 25 *per cent.* of the prices in the illustrated catalogue. I append a list of our agents, of the amount of business done with them, and of the amount which has been allowed them in the way of commission.

The aluminium industry has attained a certain amount of success, and with the assistance of the School of Arts there are a number of firms engaged in the business. A demand for aluminium has been created and the Punjab Trades Association would doubtless be glad to import wares from Europe and America to meet it; but I assume that this was not the object in view when Government allowed me to start the work here. If the School of Arts at the present time ceased work as the Punjab Trades Association suggest, it would lead to an immense increase in the import trade and a corresponding loss of work to the artizans of the country.

It does not appear to be necessary to state again the objects I have always had in view at the School of Arts and the means which have been adopted to attain them. No better testimony as to the success which has been achieved could be wished for than that voluntarily offered by the Punjab Trades Association. The members did not deal in aluminium ware before the School of Arts started the business, and their inability to establish an import trade may be taken as an indication that the methods pursued have been adequate.

Quite recently in my remarks on Mr. Norton's letter I stated that, in my opinion, the time had not yet arrived when it would be advantageous to the general interests of the country for Government to put any restrictions on the work of the School of Arts. At the present time the orders we receive and the business we are able to do through our agents is not sufficient to make the Aluminium department of the School of Arts a perfectly successful school of metal work. The Government orders, as I pointed out, are insignificant in value, and if our work was confined to them either the expense of carrying on the school would be enormously increased or the teaching work would be of little practical value. I believe we are gradually building up what will ultimately become an important indigenous industry, and we are certainly keeping in the country a trade which would possibly have never been established but for the assistance rendered by Government. The Aluminium department of the School of Arts is an experiment in industrial education on lines which I think are suited to the country. I started work in a perfectly fresh field; it has been so far successful, and I think it would be a great pity not to allow the experiment to be carried right through. It is the first time any assistance on a scale commensurate with the necessities of the situation has ever been rendered to Indian artizans, and it seems to me desirable that the principles on which the aluminium business has been developed should have a fair trial. The fact that the Aluminium department costs Government nothing, and that it returns a fair rate of interest on the capital invested is a result that has never been achieved in any industrial school before and indicates how much it is possible may be accomplished to better the position of indigenous Indian industries if Government will provide the artizans with suitable scientific and commercial assistance.

Sub-enclosures.

Punjab Trades Association.

Name.	Calling.
Master—	
H. B. Hall	Ranken & Co., Calcutta (Civil and Military Outfitters).
Past Mrs.—	
1. A. Coutts	Civil and Military Tailor, Simla.
2. G. T. Fillingham	Do. do.
3. E. Clarke	Draper, Hosier, Milliner and Dress-maker, Rawalpindi.
4. J. S. Middleton	Ranken & Co., Calcutta (Civil and Military Outfitters).
5. H. R. Phelps	Phelps & Co., Lahore (Civil and Military Tailors).
Senior Warden—	
E. Hall	Manager, Thacker, Spink & Co., Simla.
Junior Warden—	
L. Roberts	Do. do.
Honorary Secretary and Treasurer—	
H. Tomlinson	Boot, Harness-maker and Saddler, Lahore.
Honorary Auditor—	
J. A. Barker	Moody & Co., Lahore (Military Tailor).
Secretary—	
C. O. Ardwise	
Committee—	
1. T. Phelps	
2. H. R. Parker	Tailor and Habit-maker.
3. A. Ball	Ball, Moody & Co., Lahore (Military Tailors).
4. F. Bliss	Proprietor, Bliss & Co., Simla.
5. A. Youd	Assistant, Youd & Co. (Hair-dressers), Simla.
6. W. H. Swales	Coutts & Co., Simla (Civil and Military Tailors).
7. L. E. Quick	Manager (Cook and Kelry), Simla (Jewellers).
Members—	
1. Ball, Moody & Co.	Military Tailors.
2. F. Bliss & Co	Chemists, Simla.
3. Caron & Co.	Boot-makers and Saddlers.
4. Cooke and Kelvy	Jewellers, Simla.
5. Cotton and Morris	Proprietor of the "Simla Courier Press," Simla.
6. Coutts & Co.	Civil and Military Tailors.
7. Cowmeadon & Co.	
8. R. Griffin & Co.	Military Saddlers, Boot-makers, etc.
9. Hanhart & Co.	Jewellers, Watch and Clock makers.
10. Walter, Locke & Co.	Gun-makers, etc.
11. MaxMinck & Co.	Watch-makers, Jewellers, etc.
12. H. K. Parker	
13. F. Peliti	Proprietor, Grand Hotel (Confectioners and Wine Merchants).
14. Phelps & Co.	Civil and Military Tailors.
15. Ranken & Co.	Civil and Military Outfitters.
16. L. Richardson & Co.	Drapers, Dress-makers, Simla.
17. J. H. Rivett & Sons	Carriage-builders and Cabinet-makers, Umballa and Simla.
18. Thacker, Spink & Co.	Book-sellers and Publishers, etc.
19. C. Steiert & Co.	Music Warehouse.
20. Symes & Co.	Chemists and Druggists, "The Mall", Simla.
21. Tellery & Co.	Dealers and Manufacturers of Indian Artware and Curios, Regent House, Simla.
22. Watts & Co.	Saddlers, Harness and Boot-makers.
23. Youd & Co.	Hair-dressers.

	Sales. Rs.	A.	P.	Commissions. Rs.	A.	P.
Messrs. Leslie & Co., Calcutta	15,360	1	8	3,840	0	5
„ Wheeler & Co., Allahabad	9,839	12	0	2,459	15	0
„ Barnett Brothers, Rangoon	5,406	1	2	1,351	8	3
„ Moolchund & Co., Lahore	5,265	8	0	1,316	6	0
„ Foy Brothers, Cawnpore	4,614	5	4	1,153	9	4
„ C. F. Pearson & Co., Secunderabad	3,218	12	3	804	11	1
„ K. C. Shaw & Co., Mithapore	2,098	3	5	524	8	10
„ Murray & Co., Cawnpore	1,821	10	8	455	6	8
„ Luscombe & Co., Allahabad	1,363	13	4	340	15	4
„ Cooper, Allen & Co., Cawnpore	1,409	12	0	352	7	0
„ Boota Singh & Sons, Rawalpindi	1,059	10	8	264	14	8
„ Walker & Sons, Colombo	934	7	10	233	9	11
Theo. Bness, Esq., Punjab	654	13	4	163	11	4
A. N. Phansalkher, Esq.	1,899	13	4	474	15	4
Mr. H. N. Rama Row	645	0	8	161	4	2

From the Government of India, Finance and Commerce Department, dated Simla, 16th August 1901, No. 4333-S.R.

Order—No. 522, Educational, dated 16th September 1901.

The letter of the Indian Aluminium Company, dated 8th May 1901, will be forwarded to the Government of India.

2. The Punjab Trades Association will be informed that the Government is satisfied that the association has no legitimate cause of complaint against the aluminium industry as now carried on in the Madras School of Arts. The Governor in Council will, however, withdraw from the industry as soon as it is in his opinion sufficiently developed to be entrusted to private enterprise. It will be pointed out to the association that the commission allowed to private tradesmen for selling manufactured articles is not 5 but 25 per cent.

(True Extract.)

C. J. WEIR,
Ag. Secretary to Government.

To the Indian Aluminium Company (paragraph 1)
„ Punjab Trades Association (paragraph 2).
„ Director of Public Instruction.

Letter—No. 523, Educational, dated Ootacamund, 16th September 1901, to the Secretary to the Government of India, Finance and Commerce Department.

I am directed to forward, for the disposal of the Government of India, the letter of the Indian Aluminium Company (Limited), Madras, dated 8th May 1901, on the subject of the aluminium industry which is now being carried on in the Madras School of Arts.

2. As the Government of India are already aware, the industry was started at the school by Mr. Chatterton, and the intention of this Government was to gradually withdraw from it as soon as it was established sufficiently to be left to private enterprise. An assurance to this effect was given at the meeting of the local Legislative Council held on the 2nd of April last.

3. Mr. Chatterton is of opinion, and the Director of Public Instruction agrees with him, that if the School of Arts withdraws immediately from the manufacture, the industry is likely to collapse. Mr. Chatterton apprehends that if the School of Arts

ceased to control the supply of unmanufactured aluminium in this presidency, the quality would fall off owing to the importation of inferior grades, and that the greater part, if not the whole, of the results due to the action of the Government in fostering the industry would be lost. The Director of Public Instruction also points out that Mr. Chatterton is still carrying on experiments at the School of Arts with a view to improve the existing processes of manufacture, and that a company formed for profit cannot be expected to undertake such experiments, some of which may result in a loss.

4. In these circumstances, I am to state that, in the opinion of His Excellency the Governor in Council, the time has not yet arrived for the withdrawal of Government from the manufacture, but the question of how far Government can legitimately go in the work of developing such industries will, it is understood, be considered at the conference that is now sitting at Simla, and this Government will be ready to consider, in the light of such recommendations as the conference may make on the subject, what the extent and nature of its connection with the aluminium industry should hereafter be. Meanwhile, I am to add that the Governor in Council disclaims any intention of largely expanding the business.

C. J. WEIR,
Ag. Secretary to Government.

Exd. A. F. Eccleston.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 522, EDUCATIONAL, DATED 16TH SEPTEMBER 1901.

[SUBJECT.—*Aluminium manufacture at the School of Arts.*]

From the Director of Public Instruction, No. 5016, *dated* 1*st August* 1901.

This is the Director's reply to the reference made to him in G.O., No. 330, Educational, dated 17th June 1901. He has also forwarded a copy of Mr. Chatterton's letter to him on the subject. It is submitted that both the Director and Mr. Chatterton have shown good reasons for not closing so soon the aluminium industry at the School of Arts. Mr. Chatterton entered on his special * duty in February last and this duty is to last for three years (G.O., No. 174, Educational, dated 10th April 1900). Probably the industry may be kept up till the term of this special duty is over.

* He was not placed on special duty merely to trade more or less successfully in aluminium.
A. T. PRINGLE.

2. Mr. Norton's memorial to the Government of India has now to be forwarded to that Government unless it is withheld under section III, rule 3 (13), of the B. memorial rules.

3. The Director has not yet submitted his remarks on the memorial of the Punjab Trades Association. A reminder may be sent to him.

P. T. THARYAN.
7–8–01.

Since the above note was written, the Director's remarks on the memorial of the Punjab Trades Association came in. They will be found on page 25 of the current file. Both Mr. Chatterton and the Director agree that the association has no legitimate grievance.

P. T. THARYAN.
7–8–01.

These papers cannot, I think, await the result of the conference about to take place at Simla. I venture to hold that the report by Mr. Chatterton, although championed by the Director of Public Instruction, merely begs the question which Government must settle. There has already been a very distinct interference with trade, and it has over and over again been accepted that it is a mistake for the State to play the part of trader. Mr. Chatterton may be correct in stating that the directors of this Madras Aluminium Company are merely inexperienced amateurs; that he has taught them all they know; that they are still ignorant, unbusiness-like, persons, who have not studied the processes of the industry and who cannot calculate profits and losses. Even if all this is true, it is, I submit, beside the question. It is probable that many industries in India might, if placed in the hands of an energetic official such as Mr. Chatterton, with the safe reserve of Government revenues to fall back on, be worked with some success, but that is no argument for action on the part of the State. And other industries may be retarded by the fact that the private persons or firms interested in them are "amateurs", and yet that is no reason for interference by the State in order to show the way to trade in those industries at a profit.

2. The Hon'ble Mr. Thomson wrote on the 11th June last: "I am . . . "afraid that Mr. Chatterton has already made a trade of the [aluminium] business at "the School of Arts." Is it not abundantly proved by these letters that he is making a trade? Mr. Stuart tries to explain away Mr. Chatterton's naive remark that "the development of the sale of aluminium in India is the main object" of his "work at the School of Arts" by observing that he merely means "the sale of articles manufactured in the country." I think Mr. Chatterton meant what he said; but, however that may be, the predominant idea in either case is "the sale" of aluminium articles, and this is leading Government along a path which they certainly had no intention of taking at the beginning. For instance, individual members of Government *may* hold pronounced views on such questions as free trade and fair trade, and so on, and may desire that local industries should drive out all others, but it is one thing to hold such views and indirectly (by endeavouring to encourage or even create those industries) to apply them, and another for the Governor in Council to put them into practice in such a direct and open way as to maintain an official trading department, with the result, amongst others, of preventing "serious American or German competition." So long, writes Mr. Chatterton, as the School of Arts manufactures aluminium, this Madras Company feels, or should feel, happy and may cheerfully endure "the rivalry . . . of a Government manufacturing concern." Mr. Eardley Norton claims for his company that it has "assisted"—he only says "assisted"—"in keeping the door shut to foreign imports", and Mr. Chatterton is "compelled to characterise" these words as an *ex-parte* statement, "incapable of proof and easily refuted"; in short, he prefers the claim himself and will not even admit that the Indian Aluminium Company gave one iota of assistance in shutting the door. If Mr Chatterton's claim is good, surely nothing could more completely demonstrate the establishment of a trade in the School of Arts.

3. The action and re-action of competition are forces which it is difficult to calculate, and although Messrs. Chatterton and Stuart may be right in holding that the "very delicate * condition" of this industry requires careful nursing by the State, it is obviously possible that it may be just the contrary, and that competition from America or Germany might be a wholesome tonic. But I submit that it is not sound policy for the Government to consider such questions at all; they are questions for traders and speculators, and if Government touch them, they may burn their own fingers and do more harm to the industries which they are championing than they can conceive.

* See Mr. Stuart's letter of the 1st instant.

We have a little too much of this tonic now-a-days.

C. J. Weir.

4. The remarks about the button trade which will be found on page 23 of the current file are interesting as bearing on this discussion. Buttons are at present chiefly imported. Mr. Chatterton correctly enough observes that if Government made buttons, the army and the police and the railway and the salt department would by themselves give sufficiently large orders to make the factory pay; he has this in view, and looks forward, it would seem, to launching out into a competition with "imported buttons in the bazaar"; the State, it appears from one of the appendices to Sir E. Buck's report, is to spare no money in bringing out skilled persons from England to teach such trades as this, and then the Government departments are to buy the articles from the School of Arts to swell the receipts, and if possible the women of India are to be induced to choose Mr. Chatterton's buttons in preference to English-made buttons.

5. If such methods are to be followed, it really ought not be a difficult thing to find industries: why should not the State create tailoring departments with London cutters, or boot-making establishments with "experts" from Paris? With the power of spending thousands of pounds the Government could without doubt "show how" coats and boots should be made—could make them for a time and prove (on paper) that it would pay to make them—and "then gradually take up something else." There is, I submit, no reason why the Governments of this country should use their powers to take the bread out of the mouths of workers in England or France in this fashion; by all means spend money in teaching trades and encouraging industries, but do not directly compete.

6. This note has run on too far already but two points may be touched upon.

The first is the financial one, and on this I have been too wearisome, I fear, already, in other notes.

Mr. Chatterton writes: * "The . . . aluminium department costs Govern- "ment nothing," and "during the three "years 1898—1901 the . . . depart- "ment has accumulated a total surplus profit of Rs. 33,923, in addition to paying for "all experiments and the expenses of opening up a new line of business."

* Letter No. A 1/1881, dated 31st July 1901.

If these remarks stated the case fairly, they would still, I think, prove nothing more than capable management on the part of Mr. Chatterton; and nobody would wish to question his energy and anxiety to make this business pay well.

But the figures † in the margin do not, I submit, confirm the inference which Mr. Chatterton intends to convey. The aluminium department just paid in the first of the three years 1898—1900; in the second year there was a slight loss; in the third year, according to the preliminary accounts, there was a large deficit. And it is by no means certain that it will pay in the current year. The army, formerly a large customer, failed to give the expected support in 1900, and now owing, as Mr. Chatterton writes, to some discussion about the merits of "company messing" and "individual messing," no "military orders" are "now received" from the Madras army. True, there is stock, but it may not sell rapidly or well.

	Receipts.	Charges.(a)
	Rs.	Rs.
†1898-99 ..	44,622	44,412
1899-1900 ..	91,432	93,000
1900-1901 ..	1,40,203	1,98,106 (preliminary accounts).

(a) Excludes Mr. Chatterton's pay.

I imagine that *stock* enters into Mr. Chatterton's calculation.

A. T. Pringle.
10-8-01.

Yes, and there are apparently large outstandings due from Indian Aluminium Company—*vide* Mr. Chatterton's letter.

C. J. Weir.

The Indian Aluminium Company have ‡ not paid their bills for 5½ months and owe the School of Arts between fifteen and sixteen thousand rupees; this may be a perfectly good debt, but the statement reads a little unpleasantly, especially in connection with Mr Chatterton's § opinion of the incapacity of the directors in every respect. And there is the common fallacy in Mr. Chatterton's arguments. He disregards certain items of expenditure entirely because they do not appear in the financial statements; in a real profit and loss return, not only his own salary but also a share of the Director's—for not a little part of the time of Mr. Stuart and of his office is taken up in considering, and reporting on, and estimating for, this aluminium industry—should appear.

‡ Mr. Chatterton's letter of the 17th ultimo (page 17 of current file).

Yes.

C.J.W.

What business had Mr. Chatterton to give them credit?

J. T[homson].

§ Page 18 of current file.

7. The next and last point is suggested by paragraph 4 ‖ of Mr. Chatterton's first letter. In this he states that he transferred to the Indian Aluminium Company an agency which he, a Government officer, had started at Bombay, and at which he had sold goods worth more than Rs. 6,000, and in addition to making over this "good-will", if it may be called so, promised not to compete with them in the market; also that he agreed to supply them with metal, in the rough and manufactured, on the most favourable terms possible. All this would be most legitimate and proper in the case of a private trader, but is it wise in the case of a subordinate in a Government department? Suppose some firm charged Mr. Chatterton with having given undue preference to this particular company and suggested ulterior motives: how difficult it would be to disprove the charge, not to the satisfaction of Government but to that of the public. And suppose that some subordinate of Mr. Chatterton's was shown to be mixed up in some way with the favoured company: how easy it would be for interested persons to whisper and suggest the existence in the School of Arts of underhand dealings and dishonestly made money and commissions and so on. In

‖ Page 16 of the current file.

G.O., No. 323, dated 10th June last, Government gave Mr. Chatterton authority to enter into contracts of a certain* amount, and of course it is necessary in commercial matters to do what Mr. Chatterton, in the interests as he no doubt thought of the Government, did in this case. But I venture to think such proceedings, unless they are covered by express permission from Government or at any rate the head of the department, are unwise, and liable to have capital made out of them by ill-natured persons and traders who may wish to raise a cry against a department of the State.

* Rs. 5,000.

A. T. PRINGLE.
10-8-01.

Vide linked file.

C. J. WEIR.
13-8-01.

For the Secretary—

It appears from Mr. Hewett's letter that eight questions are to be brought before the conference, viz.—

(1) University education,
(2) Practical and technical education,
(3) Primary education,
(4) Education in general,
(5) Uniformity in educational administration,
(6) The appointment of a Director-General of education,
(7) The possibility of improving the method of selecting and training members of the Indian education service, and lastly

(8) The question whether education as at present carried out in Indian schools, colleges and universities attains its real object or is susceptible of reform.

Obviously the heads numbered (4) and (8) include some of the others; but the two summaries in Mr. Hewett's letter are followed in this note.

* * * * *

(2) With regard to *practical and technical education* there has of course been much correspondence, especially in connection with the aluminium industry and Mr. Chatterton's special appointment, and also in the still pending discussion about agricultural instruction. In connection with this matter attention is requested to the passages in Sir E. Buck's report which are specified† in the margin, as they raise a question which is of much consequence to a provincial Government. If a separate executive department is to be formed by each local Government and "large outlay" incurred at the cost of provincial funds in order to launch manufactures, it will simply be ruinous; it is all very well for Mr. Chatterton to say that "no pains or money" should be spared, but this Government has to be sparing in its grants. It is submitted for consideration whether Mr. Stuart might not be instructed to oppose the recommendations numbered I and II on page 33 of Sir E. Buck's report, on behalf of the Madras Government. Technical education, so ‡ far as that expression covers what is done in starting new industries, should be an imperial care, all funds necessary for the purpose being provided from imperial revenues.

† Preface, page iii, paragraph 19; report, pages 33, 37, 38, 42, 43 and 44; appendix VI, pages xiv and xv.

‡ Sir E. Buck practically unites the two. See page iii of his preface.

A. T. PRINGLE.

* * * * *

Honourable Member—

The above is the note I brought into Council to-day. It is of course rather hurried as Mr. Pringle had only a few hours to prepare it in.

* * * * *

6. Proposals regarding the future of the School of Arts and our future connection with aluminium have also been lately received. A final decision on these subjects

must also lie over until after the conference, but the Honourable Member will no doubt wish to discuss these matters with Mr. Stuart, so as to arrive at a general decision as to what is to be the policy of this Government.

C. J. WEIR.
9-8-01.

Honourable Member—

The Honourable Member returned the above note to me with a request that it might be added to, and that all papers connected with the subjects to be dealt with at the conference should be put in the file.

2. Three files have now been linked with this, which I will call I, II and III.

* * * * *

File II.—This file relates to the future of the School of Arts. It has been ordered to lie over pending the result of the conference. In the file will be found proposals from the Director of Public Instruction and notes by the office and the Assistant Secretary. It is submitted that this Government need not now make any pronouncement on the subject.

The whole matter will come up before the conference, as Sir E. Buck's report is full of suggestions on the subject. Some light and guidance in the matter will be welcomed by this Government. Mr. Stuart might be instructed to inform the conference as to what has been done tentatively so far in the Madras School of Arts in the industrial department and to invite criticisms on his proposals for its future.

File III.—The subject dealt with in this file is our future connection with the aluminium industry and is intimately connected with that in file II.

It will, no doubt, be considered at the conference how far Government can legitimately go in the work of developing industries. Sir E. Buck touches on the subject more than once.

The general question is raised in this file, but, as the Assistant Secretary points out, we cannot let this matter lie over for decision indefinitely. We must settle what is to be done with Mr. Norton's memorial to the Government of India. We must also decide whether we are to get out the machinery which has been temporarily countermanded and we will also have within the next two or three months to arrive at some conclusion as to how much is to be provided for this business in our budget.

3. I have not had time to give the subject as full consideration as I should wish. I only got the papers yesterday, but I do not wish to delay longer, as I know the Honourable Member wishes to talk the matter over with Mr. Stuart.

4. The Assistant Secretary has written a long note, with a great deal of which I am in agreement.

5. Government might at once disclaim any intention of largely expanding the business or pushing the sales on ordinary commercial lines which Mr Chatterton in one portion of his letter seems to contemplate, but Mr. Chatterton is of opinion and Mr. Stuart agrees with him that, if the School of Arts withdraws from the manufacture, the industry will collapse.

6. He fears apparently that the Indian Aluminium Company would import impure and inferior metal and spoil the reputation of the local trade. Mr. Chatterton also says that experiments are still being carried on by the School of Arts to improve the manufacture and no doubt this is more likely to be done by him successfully than by the Indian Aluminium Company and this is legitimate work for Government.

Yes.

J. [THOMSON].

7. On the whole it is submitted that we may accept the contention that the time has not come for the withdrawal of Government from the manufacture of aluminium. Government's future connection with the industry might be on the lines sketched at page 8 of Mr. Chatterton's letter (page 22 of current file), though a smaller sum than 4 lakhs might be decided upon.

C. J. WEIR.
13-8-01.

The Honourable Member only made a few marginal remarks on the notes on this subject.

2. The general instructions to Mr. Stuart were that Government considered that the time had not come to throw over aluminium. Mr. Stuart was told also to invite suggestions and criticisms at the conference on the general subject of Government connection with industries.

3. Subsequently in the Legislative Council meeting, Government has adhered to the reply given by Mr. Arundel last April that it did not think it advisable at present to withdraw from the industry.

4. I understand that the Honourable Member intended after return to Madras to go into the whole matter and then after local inquiries and with the assistance of any recommendations the conference might make to arrive at a final decision.

5. We must, however, without further delay, deal with the memorials in the current. Hence the two drafts put up. I have thought it best to indicate to the Government of India that our present attitude in the matter is not unalterable.

Better not just now.
J. T[HOMSON].
10-9-01.

6. I am not sure whether it would not be better to send copies of the letters of Messrs. Stuart and Chatterton to India as discussing the matter fully.

7. Mr. Chatterton's letter is, however, open to a good deal of criticism in some points.

C. J. WEIR.
8-9-01.

I want to do as little as possible till I can consider the question on the spot.

J. T[HOMSON].
10-9-01.

[Pub. 29] 2,500—27-2-01. Edl. 1

~~Public~~ (190/) Department.

CURRENT No. ~~2057~~ 950

From

[Name] The Secretary

[Designation] Punjab Trades Association

[Station] Simla

No. —

Dated 28. 6. 190 1.

Enclosures —

Received 5. 7. 190 1.

Registered 8. 7. 190 1.

SUBJECT.

Bringing to the notice of Govt certain facts in connection with the Aluminium Dept. of the School of Arts Madras & requesting that such orders may be issued as will restrict the operations of that Dept., which threaten to stifle the trade in aluminium ware, in the Punjab.

BACK PAPERS.

To 330 : 17. 6. 01 Copy	To 174 : 10 . 4 — 01 Copy
" 161 : 20 — 3 — 01 Ins.	
" 40 : 24 — 1 — 01 Copy	
" 200 : 10. 5 — 01 Ins. abst.	

FURTHER PAPERS.

2

To

The Chief Secretary to Government,

Public Department.

Sir,

[G. / 74.]

2,000—13-2-01.

7 7 2 5 12

8-JUL.1901 ASSISTT SECY TO GOVT * S.T.S. LOCAL MUNL EDL & LEG DEPTS

Public DEPARTMENT.

C. No. 2057., From the Secretary, Punjab Trades Association, No. ______, Dated 28.6. 1901.

Endorsement No 1075 D/ 6.VII.01

Transferred to the Educational Department

[signature]

Under Secretary

Cm 6.vii

DU 6.7.01

To the Educational Depts } with Cl. in orig. }

Madras

8

[E. & L. / 3]

500—13-3-01.

Q. 3

13

Educational DEPARTMENT.

C. No. 950, From the Punjab Trades assn, No. ______, Dated 28th June 1901.

Endorsement. 161 / 15.7.01.

Desp / 15/7/1

Forwarded to the D.P.I in continuation of P.. No 330 Edl d/ 17th June 1901 for early ~~report~~ remarks.

Ptg / 13/7/1

B.O.G / 15.7.01

N. P / 15.7.1

20.

The D.P.I. Despd 18/7

10

1,000—16-11-00.

4 4

Educational (1901) Department. 14

CURRENT No. 1053

From

[Name] The Hon'ble Mr. G. H. Stuart, M.A.,

[Designation] Director of Public Instruction,

[Station] Madras.

DESPATCHED
1 AUG.1901

Ref on C. No. 5016 of 1901.

Dated 1st August 1901.

Enclosures one

2 AUG.1901

Received 190 .

Registered 2 . 8 . 1901.

SUBJECT.

~~Re~~-submitting ~~with~~ remarks on the memorial from the Indian Aluminium Company.

BACK PAPERS.

Memo 161 : 15-7-01 Po 330 : 17-6-01 qt & copy 161 : 20-3-01 Mis	Po 40 : 24-1-01 copy " 200 : 10-5-01 Mis abst " 174 : 10-4-00 copy

& Po pts Rule B.

FURTHER PAPERS. Po 5045 : 5-8-99 copy

Po 387-88 : 10-7-01 Mis   Po 67 : 100 Mis
Po 89-90 : 18-2-02 R   Po 1195 copy

To

The Secretary to Government,

Educational Department.

Sir,

In response to G.O.No.330 Educational dated 17th June 1901, I have the honour to submit a copy of a letter from Mr. Chatterton on the subject and to make the following remarks.

2. The object of Government in permitting the School of Arts to be utilized for the manufacture of Aluminium goods was to establish the aluminium industry firmly in this country. This has not yet been done, and, though Government must ultimately withdraw, I consider it would be disastrous to the prospects of the industry to withdraw now. The School of Arts no doubt obtains a certain number of orders which might or might not otherwise fall to undertakings such as the Indian Aluminium Company: some of them might be given to the importers of foreign goods, while it is certain that others would not have been given at all but for the energy of Mr. Chatterton in stimulating a demand for aluminium articles among people who did not previously feel the want of them. But the school does not compete in the sense of underselling, and indeed it could not afford to do so. The withdrawal of the School of Arts would very likely lead to some extension of the Indian Aluminium Company's business for a time, but would probably result in the collapse of the whole industry before very long. The industry is still in a very

delicate

1,000—16-11-00.

Educational (1901) Department.

CURRENT No. 1073

From

[Name] The Honourable Mr.C.H.Stuart,M.A.,

[Designation] Director of Public Instruction,

[Station] Madras.

DESPATCHED
3 AUG.1901

R.C *No.* 5575 of 1901

Dated 3rd August 1901.

Received 5th August 1901.

Enclosures 2 (one of them being in original)

Registered 190 .

SUBJECT.

Re submitting with remarks ~~on~~ letter from the Secretary, Punjab Trades Association, Simla, bringing forward certain facts in connection with the operations of the Aluminium Department of the School of Arts, Madras.

BACK PAPERS.

FURTHER PAPERS.

To

The Secretary to Government,

Educational Department.

Sir,

With reference to endorsement No 161, dated 15th July last, herewith returned, I have the honour to submit a copy of a letter from Mr. Chatterton to whom I referred the matter.

2. It is clear from the list of members of the Punjab Trades Association that none of them can be seriously interested in the sale of aluminium except perhaps S.J. Tellery & Co. Mr. Tellery is naturally opposed to Mr. Chatterton's operations at the School of Arts, as he has a scheme of his own which depends on Government assistance quite as much as that which is being worked in the School of Arts.

3. There is nothing to prevent the members of the Trades Association dealing in aluminium articles manufactured in this country, and the margin of 25 per cent commission (33 per cent profit) seems to be quite as much as is legitimate.

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

G. H. Stuart

Director of Public Instruction.

[Pub. 19] 2,500—27-2-01.

Public (190/) Department.

CURRENT No. ~~2573~~

From

[Name] The Govt of India

[Designation] Fin & Com: Dep:

[Station] Simla

No. 4333 S.R

Dated 16. 8. 190/.

Received 22. 8. 190/.

Enclosures —

Registered 22. 8. 190/.

SUBJECT.

Enquiring when the original representation made by the Indian Aluminium Company to Madras, claiming Govt assistance towards the encouragement of the Aluminium industry, for submission to the Govt of India, may be expected.

BACK PAPERS.

FURTHER PAPERS.

To

The Chief Secretary to Government,

Public Department.

Sir,

Publn 9.

O. I

No. 4333-S.R.

GOVERNMENT OF INDIA.

CURRENT NO.
2573
PUBLIC

FINANCE AND COMMERCE DEPARTMENT.

Simla, the 16th August *1901.*

11

To

The CHIEF SECRETARY to the GOVERNMENT of

M a d r a s.

CHIEF SECRETARY'S OFFICE
22 AUG 1901
GOVERNMENT OF MADRAS

Sir,

In May last the Indian Aluminium Company, Limited, Madras, forwarded to this Department a copy of their representation dated the 8th May 1901, addressed to the Government of India through the Government of Madras, claiming Government assistance towards the encouragement of the aluminium industry. Action has been deferred pending receipt of the original of the representation from the Government of Madras, and I am now directed to enquire when it may be expected.

I have the honour to be,

Sir,

Your most obedient servant,

R. H. Hart

Under Secy.to the Govt.of India.

[G./74.] 2,090—13-2-01.

UNDER SECY. TO GOVT. 23 AUG 1901 REVENUE DEPT.

10

18

Public DEPARTMENT.

C. No. 2573, From the Govt. of India Finance & Commerce Dept., No. 4333 S-R, Dated 16-8-1901.

Endorsement No. 1324 dated 23-8-01

Transferred to the Educational Department

A W Knapp
Under Secretary.

Cn 22-8-01

ASSISTT SECY TO GOVT. 24 AUG 1901 LOCAL MUNL FDL & LEG DEPTS

[illegible] 22-8-01

To

The Educational Dept. with the ct. in orig.

Educational Department.

Read again G.O.No. 330-Edl., dated 17th June 1901.

Read also;-

Cur:No. 950, from the Punjab Trades Association, Simla, dated 28th June 01

Cur:No. 1053, from the Dir: of Pub: Instrn.,No. 5016, dated 1st August 01

Cur:No. 1073, from the Dir: of Pub: Instrn., No.5575, dated 3rd August 01

Cur:No. from the Govt. of India, (F. & C. Deptt)No.4333, d/16-8-01.

Order (Press)

522
16.9.01

H. E. the Governor

H. Ex (already seen).

14/9

The letter of the Indian Aluminium Company dated 8th May 1901 will be forwarded to the Government of India.

2. The Punjab Trades Association will be informed that the Government is satisfied that the association has no legitimate cause of complaint against the aluminium industry as now carried on in the Madras School of Arts. The Governor in Council will however withdraw from the industry as soon as it is in his opinion sufficiently developed to be entrusted to private enterprise. It will be pointed out to the Association that the commission allowed to private tradesman for selling manufactured articles is not 5 but 25 per cent.

To the Indian Aluminium Co.(para:1)
,, Punjab Trades Assn.(para:2)
,, Dir: of Pub: Instrn.

P.T.T.
5-9-01.

Letter

12 ~~21~~

Letter 523 / 16. 9. 01

25 P

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6. S. Copies despd 7/10.

despd 18/9.

A 14/9

To the Secy. to the Govt. of India,

Finance & Commerce Deptt.

Sir,

I am directed to forward for the disposal of the Government of India the letter of the Indian Aluminium Company (Limited), Madras, dated 8th May 1901, on the subject of the aluminium industry which is now being carried on in the Madras School of Arts.

2. As the Government of India are already aware the industry was started at the school by Mr. Chatterton and the intention of this Government was to gradually withdraw from it as soon as it was established sufficiently to be left to private enterprize. An assurance to this effect was given at the meeting of the local Legislative Council held on the 2nd of April last.

3. Mr. Chatterton is of opinion and the Director of Public Instruction agrees with him that if the School of Arts withdraws immediately from the manufacture, the industry is likely to collapse. Mr. Chatterton apprehends that if the School of Arts ceased to control the supply of unmanufactured aluminium in this presidency the quality would fall off owing to the importation of inferior grades and that the

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greater part, if not the whole, of the results due to the action of the Government in fostering the industry would be lost. The Director of Public Instruction also points out that Mr. Chatterton is still carrying on experiments at the School of Arts with a view to improve the existing processes of manufacture and that a company formed for profit cannot be expected to undertake such experiments, some of which may result in a loss.

4. In these circumstances, I am to state that in the opinion of His Excellency the Governor in Council the time has not yet arrived for the withdrawal of Government from the manufacture but the question of how far Government can legitimately go in the work of developing such industries will, it is understood, be considered at the conference that is now sitting at Simla and this Government will be ~~happy~~ ready to consider, in the light of such recommendations as the conference may make on the subject what the extent and nature of its connection with the aluminium industry should hereafter be. Meanwhile I am to add that the Governor in Council disclaims any intention of largely expanding the business.

P.T.T.
5-9-01.

C.J.W.
8-9-01.

sent to Press.

for signature.

ed in print.

NUMBER OF COPIES REQUIRED. { Order complete. / Letter only. / Order complete with Letter.

G.O., No. , DATED
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o.

TO C. No.

GOVERNMENT.

GOVERNMENT.

WITH DITTO.

FILED UP, BEING MEANT FOR DESPATCH ORIGINAL.

B. —

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