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Educational (1903) Department.

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G.O., No. 417

DATED 7-9-03

N. P.

ORIGINAL

[Despatch Abstract.]

Short abstract

Passing orders regarding the transfer to the Indian aluminium Company of the business in aluminium carried on at the ——.

BACK PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.

FURTHER PAPERS.

G.O.	No.	Department.	Date.	G.O.	No.	Department.

ORIGINAL

Government {1903} of Madras.

EDUCATIONAL.

Recd. } *1903.* *Enclosures*

Regd. *Spare copies*

ORIGINAL

G.O., No. 417, 7th September 1903.

N. P.

SEPTEMBER.

School of Arts.

Passing orders regarding the transfer to the Indian Aluminium Company of the business in aluminium carried on at the —.

GOVERNMENT OF MADRAS.

EDUCATIONAL DEPARTMENT.

Read—again the following papers :—

G.O., Nos. 488, 489, Educational, dated 18th August 1902.

,, No. 686, Educational, dated 4th November 1902.

Read—also the following papers :—

From the Hon'ble Mr. G. H. STUART, M.A., Director of Public Instruction, to the Secretary to Government, Educational Department, dated Madras, 10th August 1903, R. Cl. No. 46.

I have the honour to submit a letter from Mr. Chatterton enclosing one from the Secretary to the Indian Aluminium Company which states the terms on which the company is willing to take over the aluminium business now carried on in the Madras School of Arts. The proposal, which is clearly explained by Mr. Chatterton, is that the company will pay to Government, cash down, a sum sufficient to cover the whole net expenditure incurred by Government since the industry was first started, together with a sum of Rs. 30,000 in lieu of profits. In return the company will take over the business, stock-in-trade, materials, machinery, etc., belonging to the aluminium department of the school. Mr. Chatterton estimates that by September the assets of the aluminium department will exceed its liabilities by about Rs. 60,000, so that the transaction is a profitable one for the company; but Government will also have made a small profit, and the object of starting the industry was, not to make a profit, but to establish it in the country and this may be regarded as having been attained. Besides, there is only one purchaser, and if Government declines the terms now offered the only alternative is to continue to carry on the business of the aluminium department as at present, and to this I am strongly opposed. I therefore recommend that the proposals of the company be accepted.

2. The proposal that the company should be allowed to carry on the business for some time in the School of Arts itself is not mentioned in the Secretary's letter. It is not a very satisfactory arrangement, but considering that the company are taking over a business at least as large as their own, it is probably the only possible arrangement, and I recommend that this proposal also be accepted.

3. I request that early orders may be passed on these proposals.

Enclosures.

From A. CHATTERTON, Esq., Officer in charge, School of Arts, to the Director of Public Instruction, dated Madras, 1st August 1903, No. 1965.

I have the honour to submit, in original, a letter from the Secretary of the Indian Aluminium Company proposing certain terms on which his company is prepared to take over the aluminium industry now being carried on in the School of Arts. From this letter it will be seen that the company are prepared to pay a lump sum down for the business and for the whole stock-in-trade, metal, tools, plant, machinery and book debts belonging to the aluminium department; and they are desirous of acquiring the business on the 15th September, so that they may include the whole transaction in the accounts which will be submitted to their shareholders after the 30th September. The Indian Aluminium Company propose to reimburse Government the whole of the net expenditure which has been charged to the department from the time it was first started, and to pay in addition a sum of Rs. 30,000 in lieu of the profits which have been made since the beginning of the industry. On the 31st of March the total debit against the aluminium department amounted to about Rs. 1,71,000, to which must be added the expenditure which will be incurred up to the date of handing over the business, and from the total must be subtracted the receipts from the 31st March up to the same date. I estimate that in September the assets of the aluminium department will exceed the expenditure by about Rs. 60,000 so that, if Government accept the offer now made by the company, they will practically present the company with the business as a going concern and with assets valued at Rs. 30,000. I am strongly of opinion that Government should accept this offer as I hardly think it is likely that they will be able to get better terms. It possesses the important advantages that no time or money will be lost in winding up the business, that the whole amount will be paid down at once, and Government will be able to retire from the industry with a clear profit of Rs. 30,000. The Indian Aluminium Company are prepared to accept the final figures for expenditure according to the accounts of the Accountant-General, and as they will take over everything belonging to the department for a fixed sum, there will be no necessity on our part to furnish a valuation of the material, machinery and book debts which we shall hand over. If Government approve of the arrangement and are prepared to hand over the business on the 15th September, the Indian Aluminium Company request that they may be allowed to carry on the business in the School of Arts for a short period till they can satisfactorily arrange matters in their own workshops. This will mean that after the date of handing over the business they will defray all expenditure connected with any aluminium work done in the School of Arts, and they will take all receipts paying to the school a fixed percentage on the outturn for rent and establishment charges. The exact percentage has not been fixed, but I think that 12½ per cent. will probably meet all the charges.

2. I am requested by the officers of the company to ask Government to be good enough to furnish them with a reply to their letter as early as possible, so that they may have time to make the necessary financial arrangements to take over the business in accordance with the terms proposed. They also request me to state that it is a matter of considerable importance to them that they should be able to acquire the business before the end of September.

3. So far as I can judge at present, the receipts and expenditure from the 31st March will practically balance one another, so that the total amount which the company will have to pay to Government will be approximately two lakhs of rupees. This estimate differs from that submitted by the Indian Aluminium Company owing to the fact that they have included in their accounts a sum of Rs. 25,000 for which we hold deposit receipts granted by the Bank and which I have included in the receipts. Roughly the expenditure for the present year will amount to one lakh of rupees up to the end of September, and the receipts including the payment to be made by the Indian Aluminium Company on taking over the business will be three lakhs of rupees.

From E. J. HAWKINS, Esq., Secretary, Indian Aluminium Company (Limited), to the Officer in charge of the Aluminium Department, School of Arts, dated Madras, 27th July 1903.

I am directed to acknowledge the receipt of your letter of the 13th of July, and it is noted that you are of opinion that no proposal would be entertained which was not based on a cash payment, and I am now instructed to state that the company is prepared to pay Government cash down for the whole of the stock in-trade, tools, plant and machinery, adopting as the basis of the valuation of the same the outstanding balance of the budget allotment for the aluminium department as on the 31st of March last, *plus* the sum of Rs. 30,000 to cover all profit made by Government together with such expenditure as may not have appeared under that budget heading, the subsequent transactions between the 1st April and the date of carrying out the purchase to be adjusted by invoices at cost prices. In order that the proposal may be clear and definite it may be assumed that the balance of the budget allotment on the 31st of March last was Rs. 1,75,000. To this must be added disbursements subsequent to the 1st April, say, Rs. 75,000, and from the total is to be deducted cash receipts, say, Rs. 50,000, so the debit balance will be Rs. 2,00,000. Add to this the sum of Rs. 30,000 as specified above and the total amount to be paid to Government will be Rs 2,30,000, in return for which Government is to hand over the whole of the stock-in-trade, metal, tools, plant, machinery and book debts of the aluminium department of the School of Arts, including stock and debts due by out-agencies. In conclusion, I am to state that arrangements have been made to immediately finance the proposals now submitted and, if accepted by Government, it is requested that the transaction may be carried through before the end of September, which is the close of the company's official year.

From A. CHATTERTON, Esq., Officer in charge, Aluminium Department, School of Arts, to the Secretary to Government, Educational Department, dated Madras, 19th August 1903, No. Al/2215.

With reference to your telegram of the 18th instant, I have the honour to submit the information asked for in the accompanying tabular statements.

Statement I.—This statement shows the receipts and charges on account of aluminium from the very beginning and the difference between the two columns amounting to Rs. 1,67,858–15–10 is the net expenditure by Government up to April 1903. The allotment in 1897–98 was entirely charged to the School of Arts and appears under that heading in the Accountant-General's statements. The Accountant-General's figures for 1898–99 as supplied to me to-day differ from the verified statements recorded in this office by a sum amounting to Rs. 602–11–0 under charges and by a sum amounting to 9 annas under receipts. The Accountant-General's figures are entered in clarendon, but I think those which were verified at the time should be accepted. The Accountant-General's figures show a net expenditure of only Rs. 1,67,858 as against Rs. 1,71,000, which I have previously given. The difference is due to the fact that a number of items fairly chargeable to the aluminium department such as travelling allowances, honoraria granted to subordinates for special services and other items have been charged to different heads under the regulations of the Civil Account Code. This fact the Indian Aluminium Company are aware of and they are prepared to accept Rs. 1,71,000 as the net expenditure by Government for the purposes of this transfer.

Statement II shows the expenditure and receipts from April 1903 up to date. I have only been able to verify the figures in the Accountant-General's office to the end of June, but the figures for July and August may be accepted as substantially correct.

Statement III is a forecast of receipts and expenditure to the end of September. The receipts are expected to amount to Rs. 41,000, as this includes the Rs. 25,000 which has been placed on fixed deposit by the Indian Aluminium Company and which becomes due on the 15th of September. The expenditure includes Rs. 12,000 for current expenses and Rs. 52,000 which is the total liability we have incurred by ordering metal through Messrs. Best & Co. It is uncertain whether the whole or only part of this metal will arrive before the end of September. Should it not all arrive, the Indian Aluminium Company are prepared to take over any liability that may still remain.

2. From these three statements it will be seen that if the Indian Aluminium Company take over our business on the 30th September or thereabouts they will have to pay Rs. 2,31,000 approximately, made up as follows :—

	Rs.
Net expenditure to 1st April 1903	1,68,000
Do. to end of September 1903	33,000
Profit to Government	30,000
Total ..	2,31,000

These figures differ from those which I have previously submitted owing to the liability which has had to be incurred to keep up the stocks of metal. During the last few months the volume of business has very materially increased and at the present time we are doing more work than we have ever done before. There is considerable uncertainty as to the time it takes to get metal out from home, and at the present moment I have not the least idea when the charges for metal on order amounting to Rs. 52,000 will have to be met. Part of it will undoubtedly arrive in September; but, judging by past experience, it is quite likely that the indents will not be completed till November or December. The Indian Aluminium Company inform me that they are prepared to pay down two lakhs of rupees when they take over the business, but more than that they will find difficulty in procuring. Under these circumstances it will only be necessary to collect our own

outstandings which may possibly amount to Rs. 35,000 at the end of September. This sum deducted from the Rs. 2,31,000 will leave Rs. 1,96,000, which the Indian Aluminium Company are prepared to pay. The question of handing over the whole or part of the machinery of the Aluminium Department has not yet been definitely settled, and if it is retained there will be a further reduction to make, depending on the value of what we decide to keep. In this connection I may mention that the Board of Revenue have under consideration the manufacture of grain measures and have within the last few days asked me if I could undertake the same. I think it is probable that we could turn out steel grain measures sufficiently cheaply to meet with a ready sale, and therefore I am inclined to think that it would be desirable to keep at any rate part of the machinery we have in our possession.

Enclosures.

I.—Statement of receipts and charges from 1897–98.

	Receipts. Rs.	A.	P.	Charges. Rs.	A.	P.
1897–98	..			3,800	0	0
1898–99	* 44,621	13	9	† 45,014	7	5
1899–1900	91,432	0	8	93,000	0	0
1900–01	1,37,452	2	9	1,94,936	14	0
1901–02	1,84,549	13	8	2,34,874	7	7
1902–03	1,69,711	15	0	2,24,001	0	8
Net expenditure on 1st April 1903 ..	1,67,858	15	10	..		
Total ..	7,95,626	13	8	7,95,626	13	8

Accountant-General's figures—

* Rs. 44,622–6–9. † Rs. 44,411–12–5.

II.—Statement of receipts and charges from April to 19th August 1903 (inclusive).

	Receipts. Rs.	A.	P.	Charges. Rs.	A.	P.
April	12,594	12	4	3,892	7	7
May	9,837	7	11	5,131	8	7
June	8,935	2	1	6,148	9	11
July	16,740	6	10	21,919	0	5
August	11,016	3	5	32,155	9	5
Total ..	59,124	0	7	69,247	3	11

III.—Forecast of receipts and expenditure to the end of September 1903.

	Receipts. Rs.	Expenditure. Rs.
Indian Aluminium Company's fixed deposit receipts due on the 15th September	25,000	..
Other receipts	16,000	..
Current expenditure	..	12,000
Metal	..	52,000
Total ..	41,000	64,000

Order—No. 417, Educational, dated 7th September 1903.

The negotiations for the transfer to the Indian Aluminium Company of the business in aluminium carried on in the School of Arts, Madras, having now been completed, the Government accords sanction to the transfer being carried out on the 15th instant on the following terms:—

(1) The company shall pay to Government the net expenditure incurred by Government on the industry as shown in the statements appended to this order and described in the margin, amounting to Rs. 1,79,600, together with a lump sum of Rs. 30,000, making a total of Rs. 2,09,600.

No. I—The actual receipts and charges on account of the aluminium industry up to the close of the financial year 1902–1903;
No. II—The actual transactions from 1st April up to 2nd September 1903; and
No. III—The probable receipts and charges for the period from the 3rd up to noon of the 15th September 1903.

(2) If the actual net expenditure between the 3rd and the 15th September 1903 is found to vary from the estimate of Rs. 5,000 shown in the third statement appended to this order, the difference shall be added to or deducted from, as the case may be, the total of Rs. 2,09,600.

(3) From noon of the 15th September 1903, the date of the transfer, the company shall be liable for all book debts and liabilities due by the aluminium department of the School of Arts and shall be entitled to all stock-in-trade, metal, tools, plant, machinery and book debits belonging to the same department, including stock and debts due by out-agencies

(4) On the 15th September 1903 the company shall pay to Government in cash a sum of Rs. 1,84,600, subject to any variation as provided for in clause (2) *supra*.

(5) The balance of Rs. 25,000 shall be paid by the company by the 15th November 1903 unless it shall have been first collected by Government from outstanding debts to be made over to the company under clause (3) *supra* and then left by the company with Government for collection.

(6) The company shall secure from Messrs. Best & Co. and shall deliver to Government before the 15th instant, a written release of Government from any liability for metal ordered but not delivered.

(7) The Government of Madras shall not carry on for a term of five years from the 15th September 1903, the manufacture of aluminium for sale to the public in the School of Arts, Madras, or in any other institution controlled by that Government.

2. The Government Solicitor is requested to draw up an agreement embodying these terms. He will be furnished with a note of the terms of agreement which was assented to on the 4th instant by the company's representative. A copy of the agreement should be submitted to Government so as to be received not later than the 12th instant; a copy should be supplied at the same time to Mr. Chatterton. The exact sum to be entered in the agreement with reference to clause (2) of paragraph 1 of this order should be ascertained by the Government Solicitor in communication with Mr. Chatterton on the 15th instant, and on that date, upon the release from Messrs. Best & Co., which is referred to in clause (6) of paragraph 1 having been received, and upon the sum of Rs. 1,84,600 being paid by the company, the Government Solicitor will secure the execution of the agreement by the company's representatives and will then forward it to Government for completion. Upon the execution of the agreement, Mr. Chatterton will put the company in possession of the stock-in-trade, metal, tools, plant and machinery belonging to the aluminium department of the School of Arts.

3. Mr. Chatterton will observe that under the terms of the agreement, Government can recover from the company only such net expenditure on the aluminium industry as has been incurred up to the date of transfer. Although under paragraph 1 (3) the company will be liable for debts of the aluminium department, it will be desirable that he should as far as possible arrange that all metal delivered before the 15th has been paid for before the transfer is effected, and that all other claims against the aluminium branch of the School of Arts are likewise fully paid before the transfer takes effect. An inventory of the plant and machinery to be made over to the company should be prepared before the 15th. It is understood that one oil engine is excluded from the transfer. Mr. Chatterton will also draw up a list of the debts referred to in clause (5) of paragraph 1.

(True Extract.)

A. G. CARDEW,
Ag. Secretary to Government.

To the Government Solicitor,
with copy of note of agreement.
„ Mr. Chatterton.
„ the Director of Public Instruction.

APPENDIX.

I.—Statement of receipts and charges from 1897–98 to 1902–03.

Year.	Receipts. Rs. A. P.	Charges. Rs. A. P.
1897–98	*Nil.*	3,800 0 0
1898–99	44,621 13 9	45,014 7 5
1899–1900	91,432 0 8	93,000 0 0
1900–01	1,37,452 2 9	1,94,936 14 0
1901–02	1,84,549 13 8	2,34,874 7 7
1902–03	1,69,711 15 0	2,24,001 0 8
Net expenditure on 1st April 1903 ..	1,67,858 15 10	..
Total ..	7,95,626 13 8	7,95,626 13 8

II.—Statement of receipts and charges from 1st April to 2nd September 1903.

Month.	Receipts. Rs. A. P.	Charges. Rs. A. P.
April	12,594 12 4	3,892 7 7
May	9,837 7 11	5,131 8 7
June	8,935 2 1	6,148 9 11
July	16,740 6 10	21,919 0 5
August	16,403 0 7	35,009 1 8
September up to 2nd	1,706 10 9	728 2 6
Net expenditure from 1st April to 2nd September 1903	6,611 6 2	..
Total ..	72,828 14 8	72,828 14 8

III.—Statement of estimated receipts and charges from 3rd to noon of 15th September 1903.

Period.	Receipts. Rs.	Charges. Rs.
From 3rd to noon of 15th September 1903	5,000	10,000
Net expenditure	5,000	..
Total ..	10,000	10,000

Exd. J. Henricus.

EDUCATIONAL DEPARTMENT.

NOTES CONNECTED WITH G.O., No. 417, EDUCATIONAL, DATED 7TH SEPTEMBER 1903.

[SUBJECT—*Aluminium, Weaving, Carpentry, and Miscellaneous (School of Arts) Budgets.*]

From the Director of Public Instruction, Ref. on Cur. No. 1171/3, *dated* 13*th October* 1902.

The draft placed below may be forwarded *u.o.* to the Financial department for issue.

A 2. With the fall in receipts under aluminium and weaving, the expenditure under these heads in the revised estimate should apparently have been reduced.

B 3. It seems doubtful whether the budgeting of expenditure under any of these heads serves any useful purpose. The estimates seem to be thrown aside and work carried on at the pleasure of the officer in charge.

P. T. THARYAN—5-11-02.

The draft may go to the Financial department.

2. As to **A** the expected savings have in part been re-appropriated for other purposes (Delhi exhibits). Personally, I think the remark at **B** is correct, but estimates cannot be dispensed with. For the last two years or so I have represented in and out of season that every financial principle is violated in the administration of the School of Arts; and I cannot do more. The estimates and the reasons given for the items in them cannot, in my humble opinion, be taken seriously; but may be passed on to the Financial department.

A. T. PRINGLE—7-11-02.

The budget figures may, perhaps, stand. We shall be rid of aluminium by the end of 1903-04 and not troubled with Mr. Chatterton's figures under this head any more.

2. If Finance thinks proper there is no objection to cutting down both receipts and expenditure to the figures of the past year. It is impossible to say whether the demand next year will necessitate large expenditure or not, or whether the receipts will in consequence of greater demand rise. Mr. Chatterton thinks they will.

M. HAMMICK—7-11-02.

To the Financial Department.

FINANCIAL DEPARTMENT.

Attention is solicited to the Chief Secretary's instructions in the notes connected with G.O., No. 935, Financial, dated the 15th November 1902. The following statement shows the receipts and charges of the Aluminium department since 1898-99 as taken from the civil estimates :—

RECEIPTS and Charges connected with the sale and manufacture of Aluminium ware from 1898–99.

—	1898-99.		1899-1900.		1900-01.	
	Budget.	Accounts.	Budget.	Accounts.	Budget.	Accounts.
1	2	3	4	5	6	7
		RS.	RS.	RS.	RS.	RS.
Receipts	..	44,622	1,00,000	91,432	2,75,000	1,37,452
Charges	..	44,412	1,00,000	93,000	2,65,500	1,94,937
Profit (+) or loss (—) ..	..	+ 210	..	— 1,568	+ 9,500	— 57,485

—	1901-02.		Total of accounts for four years.	1902-03, Revised.	1903-04, Budget.
	Budget.	Accounts.			
	8	9	10	11	12
	RS.	RS.	RS.	RS.	RS.
Receipts	2,50,000	1,84,550	4,58,056	2,00,000	2,75,000
Charges	2,35,600	2,34,874	5,67,223	2,25,000	2,50,000
Profit (+) or loss (—) ..	+ 14,400	— 50,324	— 1,09,167	— 25,000	+ 25,000

The transactions for the four years ending 31st March last show that the receipts fell short of the charges by 1·09 lakhs. A statement showing the transactions of the aluminium department for the same period, prepared by the Accountant-General and recorded in G.O., No. 280, Educational, dated the 9th May 1902, however, shows a net profit of Rs. 10,549. The receipts from sales (Rs. 4,58,811) remitted into the treasury, shown in the Accountant-General's statement, nearly correspond with the receipts (Rs. 4,58,056) shown in the statement, but the charges do not agree. It is understood that while adding to the charges such items as "proportion of Mr. Chatterton's salary," "leave and pensionary contribution," "Stationery and printing charges," "rent of premises" and "bills payable," the Accountant-General has deducted the value of materials in hand. It is submitted that the Educational department will be able to reconcile the two statements; and if, as made out by the Accountant-General, the Aluminium department has worked at a profit up to 31st March last, it will be observed from the figures proposed for the revised estimate for 1902–03 and the budget estimate for 1903–04 that the excess of Rs. 25,000 of charges over the receipts in the current year is expected to be counterbalanced by a surplus of the same amount next year, so that in the end there will be no loss, on the whole, in the transactions connected with the Aluminium department.

2. It is for orders, under the circumstances, whether any and, if so, what reductions should be made in the figures proposed in the present budget.

F. A. D'CRUZ—28–11–02.

It is submitted that we are concerned here with the budget. It is doubtless not a difficult matter to work out a profit and loss statement showing that there has been a large profit on this aluminium venture. Such a statement might be worked out in various ways according as the framer of the statement views figures, but it would be of interest only to a trading company. For the purposes of Government, which does not live on business profits, it necessary, it is submitted, to deal with facts and figures as they are presented in the accounts.

2. The statement which is referred to in the above note shows that during the four years ending 1901–02 a sum of 5·67 lakhs has been expended in locking up 1·09 lakhs of Provincial revenues, which might have been utilized for other purposes of the administration. It shows further that while Mr. Chatterton in the period 1899–1900 to 1902–03—presuming his revised is correct, which I venture to doubt—has budgeted for receipts to the extent of 8·75 lakhs, the actuals will fall short of that amount by 2·61 lakhs or by nearly 30 *per cent.* His expenditure during the same period will have aggregated 7·48 lakhs against a budget grant of 8·51 lakhs, a shortage of 1·03 lakhs or a little above 12 *per cent.*

Quite right.
G. STOKES.

3. The Educational department notes that we shall be rid of aluminium by the end of 1903–04. It is submitted that the budget estimate for 1903–04 now presented does not appear to contemplate this.

It has always been the understanding that Government would not in the end lose over this business; that is to say, that it would cover actual expenditure by actual receipts irrespective of paper statements of profits and loss. The foregoing statement shows that up to the end of 1901–02 Provincial funds were actually 1·09 lakhs to the bad. The revised estimate for 1902–03 contemplates a further loss of ·25 lakh. The outstandings at the end of 1902–03 are placed at Rs. 60,000.

C | The value* of manufactured articles in stock, of patterns and of dies and of stock at out-agencies was estimated last April at Rs. 27,000 in round figures. The receipts for 1903–04 are however placed at Rs. 25,000† only in excess of the proposed outlay in that year.

* Page 3 of G.O., No. 280, Educational, 9th May 1902.

	RS.
† Receipts	2,75,000
Charges	2,50,000
	25,000

4. It is submitted that we may ask the Educational department to make some definite pronouncement as to the future connection of Government with expenditure on aluminium manufacture and as to the means proposed to be adopted to recoup the deficits of the past.

5. That department may, it is submitted, be also asked to agree to the receipts in 1903–04 being placed 1·34 lakhs above the expenditure in order to balance the total aluminium account. The best way to effect this would seem to be to reduce the budget estimate of expenditure from 2·50 to 1·41 lakhs.

C. M. SCHMIDT—2–12–02.

If we are to be rid of aluminium by the end of 1903–04 then it is time to cut down our expenditure on it. I do not think we can keep up the fiction any longer that the receipts will balance the expenditure, and I would limit the latter on the basis that no more stocks of metal are to be got, and that the business is to be ended by using up the existing stock of metal and realising the stock of manufactured articles.

G. STOKES—2–12–02.

I don't know what shape Mr. Chatterton's ideas of getting rid of the Aluminium department may be taking, but understand he thinks of parting with it as a going concern. Obviously the conduct of matters for 1903–04 will depend on that. If we are to "close down" simply it is ridiculous to keep up the same scale of expenditure.

The Secretary, Local and Municipal, had better see the Director and Chatterton and reconsider the budget.

J. T[HOMSON]—3–12–02.

To the Educational Department.

G.S.—4–12–02.

EDUCATIONAL DEPARTMENT.

D I have spoken to Honourable Member and the Chief Secretary on this matter. For special reasons it is advisable to let the budget stand at all events for the present. When Mr. Chatterton comes back from Delhi, he will be consulted as to the negotiations for the disposal of the business.

M. HAMMICK—8-12-02.

To the Financial Department.

FINANCIAL DEPARTMENT.

Under the circumstances it is submitted that the draft order below may now issue in Financial.

F. A. D'CRUZ—9-12-02.

For orders.

C. M. SCHMIDT—10-12-02.

Yes. It may be left, but during the year resumption and reappropriation will be largely applied.

G. STOKES—10-12-02.

[G.O., No. 1083, Financial, dated 11th December 1902.]

EDUCATIONAL DEPARTMENT.

Action has now to be taken on the note at **D** above.

P. T. THARYAN—24-1-03.

It is obviously impossible to take up this now in the present interregnum. Wait till Mr. Cardew has assumed charge. Treat this (in our office) as confidential.

A. T. PRINGLE—26-1-03.

May a demi-official be now sent to the Director asking him how the negotiations referred to in G.O., No. 686, Educational, dated 4th November 1902, are progressing?

P.T.T.—12-2-03.

Yes.

A. G. CARDEW—12-2-03.

A demi-official is placed below for the approval and signature of the Secretary.

P.T.T.—12-2-03.

A.G.C.—12-2-03.

Demi-official from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated Madras, 12th February 1903, No. 16.

Will you kindly ascertain and let me know how the negotiations which Chatterton was in G.O., No. 686, Educational, dated 4th November 1902, authorized to carry on with the Indian Aluminium Company are progressing.

Demi-official from the Hon'ble Mr. G. H. STUART, Director of Public Instruction, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated Madras, 14th February 1903, R. No. 2.

I enclose a letter from Chatterton, which gives all the information there is to give in reply to your demi-official No. 16 of 12th instant. You will see that things have not got very far at present, but it is not desirable to show any hurry on the part of Government. I think Chatterton might be allowed to give his services as Consulting Engineer.

ENCLOSURE.

Demi-official from A. CHATTERTON, Esq., Officer in charge Aluminium Department, School of Arts, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated Madras, 14th February 1903.

The Indian Aluminium Company have expressed their willingness to take over the School of Arts business, but before they can pay for it they will have to appeal to the public for fresh capital.

2. Negotiations have been entered into between them and Messrs. Best & Co. for the transfer of the British Aluminium Company's agency for the supply of metal to them. Messrs. Best & Co. will transfer the agency for an adequate consideration, which has been agreed to, but it requires ratification by the British Aluminium Company, and this company are trying to get out of making any definite agreement. Till this matter is settled satisfactorily it would be unwise for the Indian Aluminium Company to issue a new prospectus as they would probably fail to raise the capital they require; as soon as the Indian Aluminium Company have secured the agency of the British Aluminium Company, they will issue a prospectus calling for fresh capital and stating that they have entered into an agreement with the Madras Government to take over the business of the School of Arts as a going concern and at a fair valuation for stock in trade, such agreement to come into force when the payment for the stock is made. The announcement of this agreement in the prospectus will have to be sanctioned by Government, and I have not yet applied for it as I do not anticipate that this agency question will be settled before May and possibly even later.

3. No arrangement has yet been made about the sale of our metal-working machinery, and I have reserved this point as whether we shall want to get rid of it or not will depend upon the views of the Government of India in regard to the lines on which the School of Arts is to be worked.

4. The Indian Aluminium Company want also to announce in their prospectus that they have been allowed to retain my services as Consulting Engineer for a period of five years. They think that this will help them to get their capital, I should like to know what Government think about the matter as I should be quite willing to be their Consulting Engineer for a suitable fee. The Indian Aluminium Company have so far simply followed our lead and left to themselves, I fancy they will be pretty helpless as they have no engineer and only a limited business experience. The withdrawal of the School of Arts from the business is the critical time in the development of the industry as it means the withdrawal of Government capital and official prestige and there is no doubt that it is undesirable in the interests of the industry that I should cease to have anything to do with it at the same time.

It is submitted that Mr. Chatterton may be given more time as recommended by the Director, but he will not, it is hoped, lose sight of the decision of Government that the aluminium business at the School of Arts is not to be continued beyond the 31st March 1904—*vide* G.O., No. 686, Educational, dated 4th November 1902.

2. As regards Mr. Chatterton giving his services as Consulting Engineer to the Indian Aluminium Company, attention is solicited to paragraph 3 of G.O., No. 200, Educational, dated 10th May 1900, where a similar request by Messrs. Best & Co. was rejected. This decision was based on the orders in G.O., Nos. 504, 505, Educational, dated 5th August 1899.

In the present case Government is the seller and may well agree to assist the buyer in all reasonable ways. The duties of the consultant would, however, require to be very exactly stated.

J. T[HOMSON].
A[MPTHILL].

P. T. THARYAN—16-2-03.

Time must be given. The only question is whether Mr. Chatterton should be told that if the negotiations with the Indian Aluminium Company are not concluded by some reasonable date, such as 30th September next, they must be terminated, and the business wound up otherwise. But perhaps this may be left alone for a couple of months more.

2. It would be a great thing to get the business successfully transferred to the company, and if permission to use Mr. Chatterton, as Consulting Engineer, for a definite period would facilitate matters, it would be well to permit it. Such permission would require sanction of the Government of India under article 91, Civil Service Regulations.

A. G. CARDEW—17-2-03.

The Director will be asked to direct Mr. Chatterton to keep him promptly informed of all developments in the negotiations and the Director will similarly inform Government.

J. T[HOMSON]—18-2-03.

A[MPTHILL]—20-2-03.

The draft demi-official placed below may issue.

P.T.T.—23-2-03.

A.G.C.—23-2-03.

Demi-official from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 26th February 1903, No. 27.

Your demi-official of the 14th instant regarding the negotiations with the Indian Aluminium Company for the transfer of the business in aluminium now carried on in the School of Arts. Government accepts your recommendation that Chatterton be allowed some time to bring these negotiations to a close, but desires that you should keep yourself informed of all developments and inform Government of them without delay.

2. The Government will be prepared to allow Chatterton to give his services as Consulting Engineer to the Company but the period of service, his duties as consultant and the terms which he may settle with them will have to be defined and reported for approval, and the sanction of the Government of India required by article 91 of the Civil Service Regulations will have to be duly obtained before he accepts any fee from them.

Demi-official from the Hon'ble Mr. G. H. STUART, Director of Public Instruction, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated Madras, 16th March 1903, R. No. 6.

I sent your demi-official to Chatterton and enclose his reply. I will send the "statement of terms" and the draft agreement when they come in.

ENCLOSURE.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium Department, School of Arts, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated Madras, 5th March 1903.

I return demi-official No. 27 from the Educational Secretary.

All that has been done since I last wrote to you is the Indian Aluminium Company have decided not to issue the prospectus calling up a lakh of extra capital, but to wait till they can conclude a satisfactory agreement with the British Aluminium Company regarding the supply of metal. A reply ought to be received in about a fortnight and if of a satisfactory character the negotiations ought to be completed in another two months, allowing time for a further refernce to London.

I have asked the Managing Director to send me in writing a statement of the terms on which they are prepared to take over the business, and I hope to be able to send you this within a week. Also a draft of the agreement under which I shall act as Consulting Engineer to the company.

From the Government of India, No. 2422-S.R., dated 5th May 1903.

Circulated for the perusal of His Excellency the Governor and the Honourable Members.

P. T. THARYAN—12-5-03.

A. G. CARDEW—12-5-03.

Seen.

A[MPTHILL]—13-5-03.

H. W[INTERBOTHAM]—15-5-03.

For how long are the proposed arrangements with the Aluminium Company to hang fire?

J. T[HOMSON]—15-5-03.

The papers may be put up.

A.G.C.—16-5-03.

The papers are herewith submitted. The machinery was obtained under the indent forwarded to the Secretary of State in letter No. 90, Educational, dated 18th February 1901. In his letter in G.O., Nos. 167, 168, Educational, dated 24th March 1902, Mr. Chatterton said that the machinery was "intended to work in any suitable metal" and consequently when the aluminium business is closed the machines will be used in the metal work department of the School of Arts. Please see also Mr. Hammick's note of the 13th March 1902 connected with the last mentioned order. To be on the safe side however it seems best to ask the Director and the draft placed below may issue.

2. As regards the closing of the aluminium business the last we heard about it was on the 16th March 1903—*vide* Director's demi-official of that date, R. No. 6. Mr. Chatterton was then expecting to get from the Indian Aluminium Company a statement of the terms on which they were prepared to take over the business.

P. T. THARYAN—16-5-03.

The demi-official placed below may issue.

A. G. CARDEW—16-5-03.

Demi-official from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 16th May 1903, No. 59.

Will you please report whether any further progress has been made in the negotiations between Chatterton and the Indian Aluminium Company since his letter of the 5th March and yours of the 16th idem were written. How do matters stand now?

Demi-official from the Hon'ble Mr. G. H. STUART, Director of Public Instruction, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 22nd May 1903, R. No. 14.

In reply to your demi-official letter No. 59, dated 16th May, I enclose two letters from Chatterton, dated 20th and 21st May, the latter enclosing one of same date from the Secretary to the Indian Aluminium Company (Limited).

The proposals of the company seem to be fair and I recommend their acceptance.

If however Government intends to undertake the issue of standard grain measures within the next 2 or 3 years the necessary machinery should be retained.

ENCLOSURES.

(1)

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium Department, School of Arts, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 20th May 1903.

A reply was received from the British Aluminium Company by the last mail, and as it is of a fairly satisfactory nature, the Indian Aluminium Company are willing to take over the business from the 1st October on the following terms:—

(1) To pay for all manufactured goods and all outstandings due to us at that date which will be about Rs. 90,000

(2) To pay for all metal in stock and for all machinery one year later, offering as security for payment their uncalled capital or a mortgage on their stock.

The amount will probably be Rs. 1,20,000. Instead of this, however, they ask Government to accept 4 per cent debentures repayable in five years by five annual instalments and secured as a first charge on the uncalled capital and assets of the company. There is no doubt that the latter plan will place them in a much more advantageous position and they recognize that if Government accept it they will be getting material help.

The Managing Director has promised to send me all the proposals in due form to-morrow, and I will send them on to you as soon as I have had time to make my comments upon them.

There is about Rs. 30,000 worth of machinery and it will be necessary for Government to decide what is to be done with it. There are two oil engines and a lot of shafting which is not of any use to the Indian Aluminium Company, besides all the machine tools, we have only quite recently installed.

The drawing press was got out with a view to ultimately making standard steel grain measures, and if Government have any idea of making the use of these measures compulsory, they will require some lakhs of them and in that case it would not be wise to sell the machines.

For purely educational purposes the machines are too big, but it will be difficult to teach modern methods of metal working without something of the kind. The Indian Aluminium Company would probably be glad to let us keep the machines for some time manufacturing for them only and at their expense, and this would give us time to consider what is the best thing to do when the orders of the Government of India regarding Industrial Education have been received.

(2)

Demi-official from A. CHATTERTON, Esq, Officer in charge of the Aluminium Department, School of Arts, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 21st May 1903.

I enclose a letter from the Secretary of the Indian Aluminium Company offering to take over the aluminium business of the School of Arts on certain terms.

The main point is whether Government will accept the proposal to pay for the machinery and metal in stock by the issue of first mortgage debentures.

The security offered is, I think, quite good as the shareholders are men of position. If Government do not see their way to accepting the terms, I think there is just a possibility that the Indian Aluminium Company may be unable to find the money to pay for the stock and that the transfer may fall through.

Assuming that Government accept the terms offered, the Indian Aluminium Company will pay in September about one lakh made up as follows:—

	RS.
Present outstandings	50,000
Stock and metal taken over between now and 30th September about.	30,000
Manufactured stock in hand on 30th September	20,000
Total ..	1,00,000

The price which we shall probably get for the machinery may be set down at Rs. 20,000 and the stock of metal on hand at from Rs. 80,000 to perhaps one lakh. One of the conditions verbally stipulated is that we shall go on ordering metal right up to the end of September so that there may be no break in the shipments to this country. This means that we shall be responsible for about Rs. 25,000 in addition to the stock on hand. I think this is fair and as Best & Co. will get the commission instead of the Indian Aluminium Company it is not likely they would ask for it if it were not a matter of importance.

I have sent you the accounts of the Aluminium department to the end of March, from which it appears that Government have over Rs. 1,70,000 locked up in the business, besides accumulated profits. During the next 6 months our sales will probably be over a lakh (so far for $1\frac{2}{3}$ months they are Rs. 27,000), so that the position at the end of September will be roughly as follows:—

	RS.
Sale-proceeds from March to September	1,00,000
Payments by the Indian Aluminium Company, immediate or deferred	2,20,000
Outstandings to be realized	35,000
Total ..	3,55,000

Expenditure to be incurred till closing of operations about Rs. 1,30,000, leaving a balance in favour of Government of Rs. 2,25,000. Both expenditure and sale-proceeds may be more or less than I have estimated, but the balance will not be materially altered.

As regards the other details in the enclosed letter I think they are fair. Government have already stated that they are willing, subject to the approval of the Government of India, to allow me to act as Consulting Engineer. The work will not in any way interfere with my ordinary duties, and it will not occupy much of my time.

If Government approve of the proposals now submitted it will be necessary to empower me to ask the Government Solicitors to prepare draft agreements and draft of the mortgage debenture bond for the approval of Government.

I fancy either the agreements will have to be signed by a Secretary to Government or I shall have to be given power of attorney to act on behalf of Government.

The Indian Aluminium Company are naturally anxious to know what Government are prepared to do as soon as possible as the time available up to the 30th September is not much in which to make their arrangements which include coming to a definite agreement with the British Aluminium Company.

ENCLOSURE.

Demi-official from E. J. HAWKINS, Esq., Secretary to the Indian Aluminium Company (Limited), to the Officer in charge of the Aluminium Department, School of Arts, dated Madras, 21st May 1903.

I am directed to inform you that acceptable terms having now been received from the British Aluminium Company for the assignment of their sole agency for the whole of India to this company. it is now possible to submit definite proposals for the acquisition of the School of Arts business. I am therefore instructed to state that the company is prepared to take over the business with effect from the 30th September next on the following lines :—

Stock of finished goods.—To be handed over and paid for in cash at book value. All orders received by the School of Arts prior to 30th September 1903 to be put in hand, completed and sent out and cost collected by that establishment.

No stock orders to be put in hand after 15th September 1903.

Machinery.—The company is prepared to take over all the machinery now in use at invoice value *plus* freight and clearing charges less 10 per cent. per annum depreciation from time of clearing to 30th September 1903.

Payment for the same to be arranged on easy terms.

Stock of metal.—This the company will also take over, but as it runs into large figures and represents a year's consumption the terms for payment of the same must be extended and easy.

In connection with this matter I am directed to request that you will approach Government with the suggestion of showing practical sympathy and assistance with a purely indigenous industry by accepting payment for the machinery and metal in the shape of first mortgage debentures bearing interest at 4 per cent. per annum, redeemable in five years at par. The sinking fund on such issue to be paid regularly every month in such manner as Government should decide.

The assets of the company are absolutely unencumbered the present subscribed capital being Rs. 2,10,000, of which Rs. 1,05,000 has been called up. A further sum of Rs. 35,000 has been paid on deposit in anticipation of calls, leaving Rs. 70,000 available. Premises, machinery and plant, from which depreciation has regularly been written off, now stand at Rs. 45,538, so the company offers a first-class security of Rs. 1,15,538 over and above the value of the machinery and material it proposes to take over and pay for by debentures representing the value of that machinery and material.

Agencies and Contracts.—The company is prepared without prejudice to fulfil all contracts and agreements entered into by you prior to the date of this letter except where the carrying out of such contract or agreement would constitute the infringement of any contract or agreement now existing with the company.

Where any question or difficulty arises the point might be settled by the Company's Solicitors who are also the Government's Solicitors.

Staff and Workmen.—The company will as far as possible find employment for the existing staff and workmen on the same salaries, rates or wages as they now receive. All hammer men, fitters, polishers and founders can be taken over *en bloc* and it would only be with the supervising, storekeeping and accounts staff, most of whom it is understood are permanent Government employés that any difficulty would arise.

Consulting Engineer.—I am also directed to request that you will obtain the sanction of Government to your appointment as Consulting Engineer to the company for a period of five years on a retaining fee of Rs. 4,000 per annum. The services required would entail visits to company's workshops as often as convenient and when specially summoned for Board meetings at which the Directors might wish for your attendance, or in cases of emergency.

The Directors would expect you to keep the management informed of the suitability of any new time or labour saving machinery and processes and to generally afford the company the benefit of your experience in connection with its own line of manufacture.

The Directors would also expect you to devote a reasonable amount of time and attention whenever you might be in Europe to the studying of methods there in use.

The terms offered by the Indian Aluminium Company for taking over the business in aluminium carried on by the School of Arts are—

(1) That the stock of finished goods be handed over and paid for in cash at book value. All orders received by the School of Arts prior to 30th September 1903 being put in hand, completed and sent out and the cost collected by that establishment. No stock orders to be put in hand after the 15th September. Mr. Chatterton says that under their term the company will pay in cash about one lakh.

The idea is that the business should be taken over as a going concern, but it will not be possible to execute all orders received prior to 30th September if the transfer is to be effected on that day. It seems necessary to provide that orders in course of execution and remaining to be executed must be taken over; work done and metal used on account of orders in course of execution being taken at a valuation.

(2) That all the machinery now in use be taken over at invoice value *plus* freight and clearance charges less 10 per cent. per annum depreciation from time of clearance to 30th September 1903, payment for the same being arranged on easy terms.

(3) That the stock of metal also be taken over, apparently at cost price, but this is not stated. Payment to be extended and easy. Mr. Chatterton says that the payment for the machinery will be about Rs. 20,000 and that for the metal from about Rs. 80,000 to Rs. 1,00,000. What the company means by payment on easy terms is payment in the shape of first mortgage debentures bearing interest at 4 per cent. per annum redeemable in five years at par. The company offers for this a security of Rs. 1,15,538 besides the value of the machinery and metal, the amount of Rs. 1,15,538 being made up of Rs. 70,000, uncalled shares, and Rs. 45,538, value of the company's premises and machinery after writing off depreciation.

The security offered is good, but there will be account objections to the proposal, as to which the Accountant-General may perhaps be consulted. In the earlier of Mr Chatterton's demi-official he says that the company will pay the whole amount one year after transfer, but apparently it seems to have altered its plans. There may not be any very great objection to payment being allowed to be made a year after transfer. The Director thinks that if the Government intend to undertake the issue of standard grain measure within the next two or three years the necessary machinery should be retained. Nothing is known in the Educational

department about this proposal and Revenue may perhaps be asked, but it is submitted that on the whole it is advisable to dispose of the whole machinery with the business in aluminium.

I quite agree.

A. T. Pringle.

(4) That the company fulfil all contracts and agreements entered into by Mr. Chatterton prior to 21st May except where the carrying out of such contracts or agreements would constitute the infringement of any contract or agreement now existing with the company. There seems to be no objection to this condition, but if the business is to be handed over as a going concern, the company should agree to fulfil all contracts and agreements entered into by Mr. Chatterton up to the 30th September next.

(5) That the company find employment as far as possible for the existing staff and workmen on the same salaries and rates of wages as they now receive. There is nothing to be said about this.

(6) That Mr. Chatterton be allowed to act as Consulting Engineer on Rs. 4,000 per annum for five years. The Government has already promised to assist the company in this way. The amount of the remuneration and the period are for orders.

P. T. Tharyan—26-15-03.

I think it will be better if I do not note on this case: it is one on which oral discussion between the Secretary and Honourable Member may be more convenient.

A. T. Pringle—27-5-03.

If a negotiation of this kind is to be put through, ordinary account rules must be placed on one side, and the matter dealt with on general business principles. The offer of the Indian Aluminium Company is both more prompt and more definite than I expected, and raises a hope that the transfer of the business really may be carried out. But there are some important points left doubtful:—

(1) *Outstandings.*—Mr. Chatterton says in both his demi-officials that the company will take these over and pay cash for them, but I can find nothing to that effect in the Secretary's letter. As the amount is Rs. 50,000, it is a large item. It seems most unlikely that the company will pay cash for so doubtful an item as outstanding claims, any or all of which may prove to be bad debts.

Mr. Tharyan points out that by "present outstandings" Mr. Chatterton means sums already due by the company to the school for metal already supplied. This seems probable, though we did not know before that Mr. Chatterton had allowed the company such a large credit. But it does not make the proposed terms of transfer any better—rather the reverse.

A. G. Cardew—28-5-03.

(2) *Stock and metal taken over between now and 30th September.*—Mr. Chatterton says the company will pay Rs. 30,000 for this. I find nothing in the Secretary's letter, but an offer to take over, on 30th September, the stock of finished goods then in hand. How much this will be is not clear, but it seems that, at most, the company will pay down Rs. 50,000 (perhaps only Rs. 20,000) on 30th September.

The above note applies to this also. The meaning is apparently that by 30th September next Mr. Chatterton will have given the company Rs. 80,000 worth of metal on credit. He is a bold man. Hence the company is to pay for the business transferred, only Rs. 20,000.

A.G.C.—28-5-03.

(3) *Machinery and stock of metal.*—Mr. Chatterton is not very clear as to what this will come to. He puts machinery at Rs. 20,000 and metal at a lakh, but says the school will be responsible for Rs. 25,000 more. I can't see why the school should incur this responsibility, or why the Indian Aluminium Company can't place its own orders for supplies of metal henceforward. However on Mr. Chatterton's figures, we are to make over $1\frac{1}{4}$ lakhs of metal, Rs. 20,000 of machinery and Rs. 20,000 worth of finished articles, a total of Rs. 1,65,000, for a present

payment of Rs. 20,000. It seems to me that the cash payment is hardly sufficient. It leaves Government with a claim of Rs. 1,45,000 and the security offered for this is, at most, Rs. 1,35,538,* for, of course, the stock of metal will be used up and will form no security at all. I think cash payment of, at least, one lakh should be required. Even that will leave Government with Rs. 65,000 to recover afterwards.

	Rs.
* Uncalled capital	70,000
Premises and plant	45,538
Our machinery	20,000
	1,35,538

(4) *Terms for payment of balance to be left unpaid.*—The Secretary's letter talks of a sinking fund to be paid monthly. He means, perhaps, that the company would pay a monthly instalment which would be sufficient with interest at 4 per cent. to liquidate the debt in five years. It must be admitted that this is a most speculative arrangement, for if the company happens to do badly, it will make default, and Government will, then, have merely a mortgage on its buildings and machinery, and possibly on the uncalled capital. The arrangement might be adopted, if Mr. Chatterton could prove clearly that with one lakh paid down in cash by the company, and Rs. 35,000 outstandings to be realized by him, Government will be clear of loss even though the balance due by the company be never received or not received wholly.

2. There are other points in Mr. Chatterton's figures which are not clear, but the crucial point is how much the company will put down in cash on 30th September and how much will afterwards remain due. As to this, nothing certain can be made out, and as the matter is important, I think Mr. Chatterton must be called on for further definite information. The Director recommends the acceptance of the company's terms! The Revenue department may be asked about the measures.

It seems now that Rs. 20,000 will be paid down, and Rs. 1,45,000 remain due.

A. G. Cardew.

A. G. Cardew—27-5-03.

Let Financial examine in the first instance. Then apparently we had better call Mr. Chatterton up here.

J. T[homson]—29-5-03.

To the Financial Department.

Financial Department.

In the notes of the Educational department, dated 27th May 1903, it is surmised that the Indian Aluminium Company's terms virtually amount to an offer of a present payment of Rs. 20,000 and a future liability of Rs. 1,45,000 in exchange for (1) over $1\frac{1}{4}$ lakhs of metal, (2) Rs. 20,000 of machinery, and (3) Rs. 20,000 worth of finished articles, a total of Rs. 1,65,000. It is submitted that this view is correct. In his demi-official, dated the 21st May 1903, Mr. Chatterton says that assuming that Government accept the terms offered, the Indian Aluminium Company will pay in September about one lakh, made up of

	Rs.
(1) Present outstandings	50,000
(2) Stock and metal taken over between 21st May and 30th September	30,000
(3) Manufactured stock in hand on 30th September	20,000
Total ..	1,00,000

From Mr. Chatterton's demi-official of the 20th May 1903 it seems clear that items (1) and (2) relate to transactions which have already taken place and will take place before the actual transfer of the business, so that they are actually outside the transaction immediately connected with the transfer, for Mr. Chatterton says that one of the terms on which the company are willing to take over the business is "to pay for all manufactured goods and all outstandings due to us at "that date which will be about Rs. 90,000." Thus there would seem to be no doubt that the Indian Aluminium Company propose virtually to pay only Rs. 20,000 (Rs. 80,000 being for liabilities already incurred) for the transfer of the business to them on the 30th of September next, leaving Rs. 1,45,000 to be paid by an extended and easy arrangement.

2. The arrangement proposed for liquidation of the balance is that payment should be made in the shape of first mortgage debentures bearing interest at 4 per cent. per annum redeemable in the five years at par. Towards the formation of a sinking fund * the company is willing to make regular monthly payments in such manner as Government may decide. As pointed out in the Educational department the cash payment (Rs. 20,000) proposed to be made immediately on transfer of the business if the terms can otherwise be accepted at all is barely sufficient as it would leave Government with a claim of Rs. 1,45,000 against a security of at most Rs. 1,35,538, † since the stock of metal will be used up and will form no security at all. It is suggested that the cash payment should be fixed at at least one lakh. Even in this case Rs. 65,000 would be left to be recovered afterwards.

* Rs. 2,215 a month at 3½ per cent. will have to be invested to liquidate a loan of Rs. 1,45,000 in five years or 60 months.

	Rs.
† Uncalled capital	70,000
Premises and plant	45,000
Government machinery	20,000
Total ..	1,35,000

3. It is submitted that it is not clear under what authority Mr. Chatterton has given Rs. 50,000 worth of metal to the Aluminium Company on credit and proposes to give Rs. 30,000 worth more by the 30th September next.

G. S. Forbes.

4. As to the amount the company wish to be allowed to pay by an extended and easy arrangement it is submitted that whether the first cash payment be Rs. 20,000 or Rs. 1,00,000 there will remain a debt to be recovered by this Government. The postponement of payment will practically amount to the grant of a loan to the company of Rs. 1,45,000 ‡ or Rs. 65,000. This, as stated, the company proposes to pay in the shape of first mortgage debentures bearing interest at 4 per cent. per annum redeemable in five years at par, the security offered amounting at most to Rs. 1,35,000. § It is submitted that in the first place there is no rule under which this Government can make this loan and accept the company's debentures with the security offered. In the next place it is doubtful whether the Government of India, if applied to, would accept the arrangement, as when in a much stronger case it was suggested to the Government of India that the Government should supply the greater part of a loan required by the Tanjore District Board for the extension of its railway by accepting at face value debentures amounting to 12·35 lakhs in payment of the Government share of the Mayavaram-Muttupet Railway, the Government of India distinctly stated that they were averse from giving the assistance required in the form of a purchase of the Board's debentures, which would be tantamount to the investment of Government money in a private railway company. It is submitted that it cannot be expected therefore that the Government of India would accept the debentures of a private company

‡ According as Rs. 20,000 or Rs. 1,00,000 is paid now.

C. M. Schmidt.

§ See above.

G.S.F.

Vide Government of India letter No. 2723-A, dated 21st May 1901, in G.O., No. 1141 L., dated 13th July 1901.

whose stability cannot be said to have been established as yet on any firm basis. The Educational department themselves admit that this is a most speculative arrangement; for they say if the company happen to do badly it will make default and Government will then have merely a mortgage on its buildings and machinery and possibly on the uncalled capital. It is submitted that if the Aluminium Company cannot be induced to take over the business on cash payment of the total value of the whole concern, the preferable course would be to wind up the business in the manner suggested by the Hon'ble Mr. Stokes in his note of the 2nd December last on page 3 of these notes, viz., by limiting the expenditure on the basis that no more stocks of metal are to be got and ending the business by using up the existing stock of metal and realizing the stock of manufactured articles. If this suggestion is approved, it is submitted that the first step would be to direct Mr. Chatterton to stop ordering any more metal, as from his demi-official, dated 21st May 1903, it would appear that shipments are going on without a break at present. That Government should go on ordering metal right up to the end of September so that there may be no break in the shipments to this country is stated to be one of the conditions verbally stipulated by the Aluminium Company.

Yes.

G. S. Forbes.

There is the machinery to be thought of too.

C. M. Schmidt.

E

So, Government is to be an agent for this speculative company!

G.S.F.

F. A. D'Cruz—19-6-03.

It is submitted that, as pointed out above, the Government of India, whose sanction would be necessary, are unlikely to permit the local Government to invest Provincial funds in mortgages on a private Aluminium Company, and that, if this aluminium business is to be disposed of as a going concern, Government must receive cash. It is not easy to follow Mr. Chatterton's figures, but the drift of the proposed transaction seems to have been apprehended correctly in the foregoing notes. Briefly put, the Aluminium Company is to be placed in possession of machinery and goods to the value of Rs. 1,65,000, which have been purchased with money provided by the general tax-payers, for a cash payment of Rs. 20,000 and a mortgage on a business which however prosperous it may be, is apparently indebted to the School of Arts at present in a sum of Rs. 50,000 and which will be indebted at the date of the transaction to the extent of Rs. 80,000. I venture to submit that even if an investment such as that proposed were permissible for Provincial funds or if the Government of India were likely to sanction such an investment, the transaction does not commend itself from a business point of view on the information supplied in these papers. The one lakh which the Aluminium Company is ready to put down looms large in the correspondence, but the amount loses all significance when it is considered that out of this lakh Rs. 80,000 represents apparently the payment of its past liabilities to the School of Arts by the Aluminium Company. If Government are going to treat this as a business transaction purely, even allowing a margin of loss as a measure of their encouragement of a new local industry, they can, I submit, with justice expect that they may receive something more than Rs. 20,000 in hard cash towards the purchase of a going concern with machinery alone worth Rs. 30,000. From the letter from the Secretary of the Company, dated the 21st May, it will be seen that the security offered, including the value of the company's machinery and plant, is Rs. 1,15,538, and that of this sum Rs. 70,000 represents capital which can still be called in. It is not quite clear from the correspondence whether the company intends to call up fresh capital, but in any case the payment of its liabilities of Rs. 80,000 will unless its own outstandings are very heavy and are likely to be collected with unusual rapidity, make a heavy call on its capital resources. It may be that the company is more flourishing than these papers tend to show, but it is submitted that before handing over the produce of public funds to it Government may fairly ask for some more information than has been afforded.

G.S.F.

2. It is submitted that the best method of closing the aluminium business is that described at **E** on page 15, provided that some arrangements can be made for the disposal of the machinery without much loss. It is not easy to suggest any course to ensure the speedy disposal of the machinery, but if the business is closed down gradually—and a real commencement made with the process of closing down —means will doubtless suggest themselves as time goes on.

3. In connection with these papers it seems to be necessary to enquire how Mr. Chatterton has come to give or intends to give the Aluminium Company credit to the extent of Rs. 80,000, as would appear to be the case. The credit system appears to be expanding rapidly in the School of Arts. From the note, dated 2nd December 1902, on page 3 of these notes, it will be seen that last December the outstandings at the end of 1902–03 were placed at Rs. 60,000. On the 30th September 1903 the indebtedness of the Aluminium Company alone will amount apparently to Rs. 80,000 and according to the figures in Mr. Chatterton's demi-official, dated 21st May 1903, there will be further outstandings of Rs. 35,000 to be realized on that date—total Rs. 1,15,000. This matter seems to call for enquiry and for the application of some check. It would have been useful if "the accounts of the Aluminium department to the end of March" to which Mr. Chatterton alludes in the same demi-official had been furnished for information.

C. M. SCHMIDT—21-6-03.

The proposal should not, I think, be entertained.

2. Mr. Chatterton is a plausible gentleman who appears to consider every one's interest before that of the Government (or the tax-payer) whose servant he is.

3. Mr. Chatterton's conduct of the whole of this business as well as in his putting forward the present scheme seems to require a great deal of explanation. In especial too he will find it hard to quote authority for allowing the company to incur a debt of Rs. 80,000 to Government. I should hold Mr. Chatterton personally responsible if no authority was reposed in him to this effect.

4. I should not wonder if the scheme was started as a convenient mode of covering over this debt, or perhaps of some contract with the Aluminium people at home. The whole proposal seems so preposterous from a business point of view that one has to look about for ideas for its inception.

5. This department cannot advise that the proposal should, for a moment, be entertained. The business should be closed by stopping the purchase of one single ounce more of aluminium, and when all the metal is worked out, the machinery may be sold in the open market to the best advantage.

6. There is no "good-will" to sell. Government is not a common trader as yet; and what it has done is to show the way. Government cannot do more. It is for practical business men to start on their own bottom. If the "Company" is a helpless * lot, it is not for Government to give them brains and energy; still less to risk the tax-payer's money (as Mr. Chatterton advises) with a company which he so characterizes.

* Mr. Chatterton's demi-official, dated 14th February 1903.

G. S. FORBES—22-6-03.

Will Educational please order Mr. Chatterton up here with all the papers necessary to show past and present relations of the School of Arts and the Aluminium Company, and the present position of the school *qua* aluminium business?

2. What we are concerned to effect is to get out of aluminium without loss. I never contemplated that we should finance the Aluminium Company or transfer the work to them and continue them in a state of financial indebtedness to us.

J. T[HOMSON]—23-6-03.

To the Educational Department.

EDUCATIONAL DEPARTMENT.

Demi-official from the Hon'ble Mr. G. H. STUART, Director of Public Instruction, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 16th June 1903.

I enclose a letter from Chatterton about the transfer of the aluminium business from the School of Arts to the Indian Aluminium Company.

2. I have already recommended that the terms proposed be accepted: if the affair is not to fall through the orders of Government should be issued without delay.

ENCLOSURE.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department of the School of Arts, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 16th June 1903.

The negotiations with the Indian Aluminium Company are now at a standstill pending a reply from Government as to the acceptance or otherwise of the terms of transfer proposed. An early reply is requested by the company to enable them to make arrangements to take over the business on the 30th September if their terms are accepted.

2. It may interest Government to know that the British Aluminium Company have requested me to advise them regarding the establishment of a rolling mill in India, and I hope to get it set up in Madras. This would mean a considerable saving in the cost of raw material and the addition of an important branch of metal work to the industries of the place.

A draft demi-official is placed below for approval.

P. T. THARYAN—25-6-03.

A. G. CARDEW—25-6-03.

Demi-official from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. G. H. STUART, Director of Public Instruction, dated 25th June 1903, No. 70.

With reference to your demi-officials of the 22nd ultimo and 16th instant regarding the transfer of the business in aluminium now carried on at the School of Arts to the Indian Aluminium Company, will you please ask Chatterton to come up as soon as possible with all the papers and account books necessary to show the past and present relations of the school with the company and the present position of the school as regards aluminium business?

2. He must be prepared to show the nature of the existing indebtedness of the company to the school and the future resources of the company.

Telephonic message from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. J. THOMSON, C.S.I., dated 7th July 1903.

Mr. Chatterton is here. Will Honourable Member fix an hour at which to see him? He could come at any time to-day.

Telephonic message from the Hon'ble Mr. J. THOMSON, C.S.I., to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 9th July 1903.

Are you prepared to discuss the matter fully with Mr. Chatterton? If so come at 3 o'clock this afternoon or 4 o'clock.

Telephonic message from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to the Hon'ble Mr. J. THOMSON, C.S.I., dated 9th July 1903.

I have discussed the matter with Mr. Chatterton. We will come at 4 P.M.

FIGURES FROM MR. CHATTERTON.

Estimate.

		Rs.
Stock of finished goods—		
Actuals on 31st March 1903—Rs. 31,400		35,000
Machinery—		
Actual on 31st March 1903—Rs. 28,352		28,000
Stock of metal—		
Actuals on 30th June 1903—Rs. 58,181		
Metal on order—Rs. 77,022		1,00,000
Probable consumption—Rs. 35,000		
Miscellaneous stock		2,000
		1,65,000
Company will pay down		37,000
		1,28,000
Authorized capital 5 lakhs—		
Company's subscribed capital		2,20,000
Called up or paid in advance		1,45,000
Uncalled capital		75,000
Machinery and plant		45,000
		1,20,000

A. G. CARDEW—9-7-03.

Note of Honourable Member's orders at Mr. Chatterton's interview with Honourable Member on 9th July 1903.

The terms proposed in Mr. Chatterton's demi-officials of 20th and 21st May cannot be accepted.

2. Mr. Chatterton to propose such fresh terms as are likely to be satisfactory to Government and to be accepted by the company. Such terms must leave Government, at the time of transfer, without a loss on the total expenditure incurred on the aluminium business.

A.G.C.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 13th July 1903.

I have discussed the transfer with the Indian Aluminium Company, and they are willing to pay Government Rs. 30,000 in addition to Government's actual expenditure on the business. That is to say they will pay cash down for everything and Government will make Rs. 30,000 clear profit out of the industry.

2. This is better than I expected, and I will send in their proposals as soon as they are reduced to writing.

3. I am going up to the Periyár this evening and am taking James with me.

Demi-official from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, dated 8th August 1903.

I duly received your demi-official of 13th ultimo, the contents of which seemed satisfactory; and I shall be glad to receive, as soon as possible, the definite written proposals of the company which your letter promised. I do not know whether you have yet returned to Madras, but in any case the company may be stirred up.

From the Director of Public Instruction, No. Cl. 46, dated 10th August 1903.

The Honourable Member will remember that at Mr. Chatterton's interview with the Honourable Member on the 9th July, it was arranged that Mr. Chatterton was to formulate fresh terms for the transfer of the aluminium business to the Indian Aluminium Company, and was to bring me the draft of his fresh proposition next morning. He accordingly brought me a draft next day, but it did not seem to me altogether a satisfactory solution of the question, and it was also evident, upon discussing the matter, that there was little use in submitting fresh proposals until Mr. Chatterton had ascertained that the company would adopt them. It was, therefore, arranged that Mr. Chatterton should return to Madras, and ascertain what terms the company would agree to upon the basis of cash payment. On the 13th July 1903 Mr. Chatterton sent me the demi-official above which was lately seen by Honourable Member, and his formal proposals have to-day been received through the Director of Public Instruction.

2. The proposal previously made by Mr. Chatterton in his demi-officials of 21st and 22nd May was that the company should pay, on 30th September, a lakh of rupees, and should afterwards pay during a period of five years by means of a monthly payment towards a sinking fund, a further sum of Rs. 1,45,000, making a total of Rs. 2,45,000. This total represented the following items:—

	Rs.
Debt due by the company to Government for metal already supplied	50,000
Debt likely to be due by the company to Government for metal to be supplied between May and September	30,000
Value of stock of manufactured articles on 30th September 1903	20,000
Value of machinery on 30th September 1903	20,000
Value of stock of metal on hand or ordered on 30th September 1903.	1,25,000
Total	2,45,000

Mr. Chatterton's figures are not very clear, but the above seems to be the result of what he proposed in May.

3. He now forwards a letter from the company in which it is proposed to take over the whole business for a single cash payment of Rs. 2,30,000. This cash payment is arrived at, not by a calculation of the value of the assets to be made over to the company, but by an estimation of the total outlay which Government

has incurred in the aluminium business, less receipts. To the net sum thus arrived at a sum of Rs. 30,000 is to be added, so that there may be some profit to Government on its enterprise. The figures on which the cash payment of Rs. 2,30,000 is based appear to be as follow:—

	Rs.
Excess of drawings from over remittances to the treasury on account of aluminium on 31st March 1903	1,71,000
Estimated drawings from 1st April 1903 to date of handing over..	75,000
	2,46,000
Deduct payments into treasury between 1st April and date of handing over	46,000
Balance ..	2,00,000
Add lump sum for profit ..	30,000
Total ..	2,30,000

4. The terms now proposed by the company are no doubt a great improvement on those offered before, but it must, at the same time, be admitted that they are presented in a very incomplete and unsatisfactory way. Mr. Chatterton is (or was till quite lately) at Madura, giving evidence in the Perani suit. His examination there began on 6th August*. This may account for the very imperfect way in which the matter is presented, but there seems no doubt that Mr. Chatterton has a rooted dislike to definite figures, and that whether he is a good business man or not, he cannot put down on paper a clear statement of accounts.

* See *South Indian Mail* of 10th August, page 3.

5. It was shown in G.O., No. 280, Educational, dated 9th May 1902, that in the transactions of the Aluminium department during the four years ending 31st March 1902, the total outgoings (including a proportion of Mr. Chatterton's salary plus leave and pensionary contribution) had been Rs. 5,24,411 and the receipts plus stock in hand amounted Rs. 5,34,961, leaving a profit of Rs. 10,550. From a statement appended to the report of the School of Arts for 1902–03 † it appears that a further profit of Rs. 2,980 was made in that year, bringing the total profit to Rs. 13,530. That being so, if the company really pays to Government a sum of Rs. 30,000 over and above all net outgoings on the industry, the result will be as good as could be expected.

† (Now under review.)

6. The proper course for Mr. Chatterton to have adopted was obviously to have shown in some detail how he arrived at the sum of Rs. 1,71,000, which he says was the net debit balance of the industry on the 31st March. How that figure was obtained does not appear, but it seems rather to overstate than understate the debit balance of the aluminium industry, as the following figures of actual drawings and receipts indicate:—

	Rs.	Rs.
Actual drawings in four years ending 31st March 1902, as per G.O., No. 280, dated 9th May 1902.	5,07,613	
Actual drawings in 1902–03 as per Administration Report	2,24,328	
Proportion of Mr. Chatterton's salary in 1902–03 ..	5,400	
Total debits		7,37,341
Remitted into treasury in four years ending 31st March 1902 as per G.O., No. 280	4,58,811	
Free supplies to Educational department during same.	1,120	
Receipts in 1902–03	1,65,374	
Total credits		6,25,305
Debit balance		1,12,036

7. Assuming, however, that the total debit against the Aluminium department on 31st March 1903 was Rs. 1,71,000 as Mr. Chatterton states, how do the other figures on which the present proposal is based, appear to stand? It cannot be said that this is very clear. The letter from the Secretary to the company puts the disbursements subsequent to April at Rs. 75,000, and Mr. Chatterton puts them at a lakh. The actual outlay, excluding machinery, 1902–03, was Rs. 2,04,000, so that in six months the outlay would be about a lakh. Adopting a lakh as correct, the debit balance to be liquidated would then be Rs. 2,71,000. Against this has to be set probable receipts from April to date of making over which the company puts at Rs. 50,000, but which Mr. Chatterton apparently estimates at a lakh, as he says the receipts and expenditure subsequent to 1st April 1903 will balance one another. The actual receipts of 1902–03 were Rs. 1,65,374, so that the estimate of Rs. 1,00,000 for the half year is high, but this includes Rs. 25,000 already paid (in the shape of endorsed deposit receipts) by the company for metal received. It seems hopeless to reconcile or make anything of these figures on the information available. They are probably all right but we have not the means of testing them.

8. As to outstandings, it is apparently proposed that the company shall take over all debts due by and to the Aluminium department. This is very important, as Mr. Chatterton told me on 9th July (see note of figures given by him on that date) that he had metal to the value of Rs. 77,022 ordered and not yet delivered.

9. Mr. Chatterton says (but the Secretary's letter does not mention it) that the Aluminium Company will accept the final figures of the Accountant-General showing expenditure on the aluminium industry. If they will accept those figures, and pay Rs. 30,000 over and above the net cost, nothing more need be desired, but it ought to be made very plain indeed that this is agreed to by the company. It is not at present sufficiently clear that the company will accept such a position.

10. The actual value of the assets to be made over to the company appear to be as follow:—

	Rs.
Stock of finished goods	35,000
Value of machinery	28,000
Metal on hand and ordered	1,00,000
Miscellaneous stock	2,000
Outstanding debt of the company to Government	80,000
Other outstandings	35,000
Total ..	2,80,000

The company pays cash down Rs. 2,30,000, and gains Rs. 50,000. But the basis of several of the above figures is far from certain, and Mr. Chatterton says the company will gain only Rs. 30,000. In any case, if Government can get cash down and clear Rs. 30,000 on the entire enterprise, it seems to be worth while to accept the offer irrespective of any resulting benefit to the company.

11. I see no serious objection to the company using the School of Arts' premises "for a short period," till they are able to remove to their own premises. But the period and the rent ought to be limited. The period might be fixed at a maximum of six months, and the rent at the ordinary Public Works percentage on cost of buildings used. Mr. Chatterton's proposal that it should consist of a percentage on the outturn is another of his extraordinarily complicated and indirect ways of doing business, and is probably intended, in some subtle way, to let the company down gently.

12. Two courses seem now to be open. Mr. Chatterton is apparently still needed for the Peranai suit, but a telegram might be sent him ordering him to send up here at once the Accountant or Manager in his office who would best be able to explain the exact financial position. It may be doubted whether such an individual exists. Or an order might at once issue stating that if the Aluminium Company will agree to take over the business on the 15th September, including all liabilities due by and to the Aluminium department on that date, and to pay in cash on that

date, two lakhs, on the condition that, if the Accountant-General's figures subsequently show the net debit of the department *plus* Rs. 30,000 to exceed two lakhs that they will make good any deficiency, the transfer will be made and an agreement drawn at once by the Government Solicitor. The latter course seems preferable.

A. G. CARDEW—12-8-03.

I cannot understand the Aluminium Company's letter, and I don't think they themselves know what they are writing. Chatterton I understand, but does the company accept his gloss of their offer ?

2. If we get all our money back *plus* Rs. 30,000 we have no cause to complain.

3. If the Accountant-General would take the matter up from Hawkins and Chatterton, we would have some certainty ; but we can hardly ask him to do so. If you think we may, do so ; otherwise the easiest thing to do is to ask Hawkins up here, with Chatterton and his books. We must know as closely as we can what sum to demand, cash down, before we close and give possession ; and don't know that we can put it at two lakhs with safety.

4. The School of Arts premises could be given only for an agreed-upon rent.

J. T[HOMSON]—15-8-03.

Telegram from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, dated 18th August 1903.

Your No. 1965, dated first instant. Send immediately details of your figure Rs. 1,71,000. Also state actual drawings and receipts to date in current official year, obtaining figures from Accountant-General. Also forecast drawings and receipts to end September. When do you return Madras ?

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated Madura, 13th August 1903.

I sent the formal proposals of the Indian Aluminium Company to Stuart on the 1st August before I left Madras. By this time you ought to have received them. Substantially they are to the effect that Government will get Rs. 30,000 profit on the working of the industry. The Indian Aluminium Company are anxious to take over on these terms before the end of September.

2. I have spent most of my time since I saw you at Ooty on the Peranai Dam suit, and I am now in the witness box under cross-examination. I have had five days of it, but how much longer it will last I do not know. I hope to get up to Madras on Saturday for two or three days and I will see Stuart about it then.

Telegram from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 18th August 1903.

Have returned from Madura. Will send information required by post to-morrow.

From the Officer in charge of the Aluminium Department, No. Al. 2215, dated 19th August 1903.

Mr. Chatterton's letter No. Al. 2215, dated 19th August, gives further information regarding the basis of his proposed transfer of the aluminium business to the Aluminium Company.

2. The figure, Rs. 1,67,858-15-10, in Statement I appended to this letter, excludes those extra charges which are shown in Statement A^2 on page 6 of G.O., No. 280, Educational, dated 9th May 1902. Mr. Chatterton's figure, Rs. 1,71,000, includes a few of those charges but not any part of Mr. Chatterton's own pay. It does not seem to me that the Indian Aluminium Company should be asked to bear part of Mr. Chatterton's pay, though it was right to show it in the profit and loss account exhibited in the G.O. of 9th May 1902.

Rs.	
1,71,000	
10,000	
23,000	
2,04,000	
30,000	as profit or good will, etc.
2,34,000	

3. Taking Rs. 1,71,000 as the net debit up to 31st March 1903, the net debit since is a sum of about Rs. 10,000 (see Statement II) and the future net charges, including the total liability for all metal ordered, is Rs. 23,000. The company should, therefore, pay Government Rs. 2,34,000, as a cash payment to close the transaction.

Mr. Chatterton now says that the company can't pay down more than 2 lakhs, but in the Secretary's letter of 27th July he expressly offered to pay in cash rupees 2,30,000, and he should be held to that and no further modification introduced.

4. Apparently if a sum of Rs. 2,34,000 is paid to Government within the 30th September for the whole business, the object of transferring the business without loss will be attained.

5. Mr. Chatterton has now returned to Madras from Madura and could be summoned to Ooty with Mr. Hawkins, but apparently he couldn't tell us anything more than the figures he has now given. The forecast of receipts in statement III is the only doubtful point and he should be held responsible that that is realized.

A. G. CARDEW—23-8-03.

It will not be proper that I should proceed to a final bargaining with the Indian Aluminium Company over our aluminium business without the cognizance of His Excellency and my Honourable Colleague.

2. The company's earlier proposals were a valuation, a cash payment of about a lakh, a transfer in full, and the acceptance of debentures for the remainder value to be paid off in five years' time.

3. These proposals—utterly indefinite as they were—were in essence unacceptable ; and Mr. Chatterton was called up here. He was told to see what could be arranged so that Government could be free of the business entirely, and without loss. He reported on 13th July that the company were prepared to meet Government's net expenditure and to pay Rs. 30,000 in addition.

4. Further negotiation in July and August has brought us to the following position—*vide* Mr. Chatterton's letter of 19th August and the Secretary's notes above.

5. In our, that is the Accountant-General's, ledger on 1st April 1903 there stands as invested and not recovered a sum of Rs. 1,67,858-15-10. Mr. Chatterton's pay, etc. (in part), rent of School of Arts premises, stationery and printing, do not find place in the Accountant-General's accounts. They are properly and actually money put by Government into the business and total over Rs. 31,000 to the end of 1901-02. For 18 months more Rs. 12,000 at least may be added in this regard.

6. Mr. Cardew considers that charges on account of Mr. Chatterton should be disregarded, and that we should take Rs. 1,71,000 as the net debit on 1st April 1903, that being the above Rs. 1,67,853 plus some other items of which Mr. Chatterton has taken account.

7. The accounts from April to 19th August of the current year bring out a further net debit to the business of about Rs. 10,000; and the estimate of receipts and dues till 30th September is calculated as a further net debit of Rs. 23,000.

8. The total, therefore, is Rs. 2,04,000; the company's offer of 27th July to obtain a full discharge is Rs. 2,30,000, but they now appear to be making difficulties over inability to raise more than Rs. 2,00,000 and Mr. Chatterton with that bugger-mugger which we so frequently have to condemn in him—born no doubt of expediency in doing business but unsuited to Government ways and necessities,—proposes to recover our outstandings of about Rs. 35,000 and to transfer at Rupees 1,96,000 to the company. And he is boggling over a desire to retain some of the machinery.

9. It seems to me that if we can obtain Rs. 2,30,000 clear we may congratulate ourselves on being well rid of our venture. I undertake never to propose such another.

10. Nothing further will be effectively done by correspondence. I propose to send Mr. Cardew down to Madras to finish negotiations and get the memorandum of agreement to sell drawn up so that the Government Solicitor may complete the agreement. The instructions to him to be to obtain Rs. 2,30,000 cash down if possible; if he cannot, then to secure as much in cash as can be secured and to retain machinery or (solvent) debts due to us or both, so as to bring our realizations as near Rs. 2,30,000 as they can be brought. I have every confidence that he will make as good a bargain for us as any one could make; and that we may safely give him the above latitude in the negotiation. We must close the business and no one but the Aluminium Company is likely to take it over.

J. T[HOMSON]—24-8-03.

The Secretary will save time if he telephone to the Private Secretary and to Hon'ble Sir H. Winterbotham asking for interviews with His Excellency and Honourable Member and will explain the case to them in person.

J. T[HOMSON]—24-8-03.

I have discussed this matter with Mr. Cardew, and I think that we are already in a position to close the business quite satisfactorily, and that there is no necessity for Mr. Cardew to go down to Madras at the present stage.

2. We have the letter from the company of the 27th July making us a definite offer of Rs. 2,30,000. We shall be quite safe if we accept this sum, and I do not think that we ought to ask for more. All that we have to do then is to telegraph accepting the offer and to order the Government Solicitor to draw up the deed of transfer.

3. If, however, the company should endeavour to withdraw from their offer, which is hardly likely seeing that it is quite definite in form, then Mr. Cardew might go to Madras with full powers to negotiate for lesser terms.

4. We need not confuse the issue with the question of allowing the company to remain on the School of Arts premises for a short period. I should be quite ready to let them do so without any extra charge for rent; our object is to set up this new industry in private hands and we may well show a little generosity where there is no question of wasting public money.

5. Further, I am very positively of opinion that we ought to let the company make the "grain measures" for the Board of Revenue if they take over the business and if such manufacture is part of the business. It seems to be so as the aluminium machinery can evidently be used for working in steel or other metals.

6. Anyhow if we are to accept this offer from the company it is obvious that we are bound to hand over everything, and that we cannot bargain for retaining part of the machinery. It would be a thousand pities to wreck the negotiations on

account of a possible profitable order from the Board of Revenue. Mr. Chatterton cannot divest himself of his strong trading instincts.

7. Let us telegraph at once and close the business.

A[MPTHILL]—25-8-03.

I agree with His Excellency that the offer of the company, dated 27th July is (in their own words) "clear and definite", and that our first step should be to close with it. From the last paragraph of the offer the stipulation is that we should accept it in time to admit of the transaction being carried out before the end of September. We have still time for this.

H. M. W[INTERBOTHAM]—25-8-03.

Telegram from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, dated 25th August 1903.

Inform Aluminium Company that Government, proceeding on basis of the three statements forwarded with your letter No. Al. 2215, dated 19th instant, is prepared to accept two lakhs thirty thousand rupees cash payment for the stock in trade, metal, tools, plant, machinery and book debts of the Aluminium department of the School of Arts, including stocks and debts due by outagencies; transfer and payment to take effect on 30th September; you will be responsible for collection [of] outstanding and correctness of liability for metal shown in statement III; obtain written acceptance and wire result.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 26th August 1903.

I received your wire this morning about the transfer of the aluminium business, but I do not quite understand it. If the Indian Aluminium Company pay Rs. 2,30,000 and take over all the book debts, how am I to be responsible for the collection of outstandings? From the telegram it is not clear what terms Government offer. Do they want more than Rs. 30,000 profit?

Again it is not certain when the aluminium on order will arrive and the company will not pay for it before they take it over.

If Government will be content with Rs. 30,000 profit, I can settle with the company on that basis if I am instructed what figure is to be taken for the net expenditure up to the 31st March.

Stuart advises me to go to Ooty and see you about it, but I have plenty to do and if it can be avoided I should be glad; but if you think it necessary to prevent misunderstandings I will come up early next week. The company cannot pay more than two lakhs down on the 30th September including all their outstandings, but on this basis it is easy to wind up the affairs if I know exactly what Government want out of the business.

Demi-official, dated 26th, from Mr. Chatterton, just received.

2. It is curious that he does not understand the telegram, which clearly shows (1) that the transfer is not to take effect until the 30th September, (2) that he is responsible for the collection of outstandings shown in Statement III, *i.e.*, up to 30th September.

3. It is, however, apparent that the company is endeavouring to retreat from its offer to pay cash Rs. 2,30,000. If, however, it can raise two lakhs, it is difficult to suppose that it cannot raise Rs. 2,30,000.

4. Mr. Chatterton suggests that he should come up. I doubt whether it will be sufficient to have up Mr. Chatterton alone. We want the company's representative also. Either therefore Mr. Chatterton should be summoned and told to bring Mr. Hawkins, or I suppose I had better go down and see what can be done. Perhaps the former course may be tried first, and Mr. Chatterton wired to to come up and bring Mr. Hawkins. If Mr. Hawkins declines to come, the second alternative will be unavoidable.

A. G. CARDEW—28-8-03.

Yes, please. Wire, "Will you come up and bring the company's representative with you and the necessary accounts?"

J. T[HOMSON]—29-8-03.

Telegram from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, dated 29th August 1903.

Your letter twenty-sixth. Government wishes you to come up and bring with you company's representative and necessay accounts.

Demi-official from C. J. WEIR, Esq., I.C.S., Member, Board of Revenue (Revenue Settlement, Land Records and Agriculture), to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated Madras, 31st August 1903, No. 55.

Government last year sanctioned a proposal of the Board that an effort should be made to introduce uniform measures in the Presidency, and to enable this to be done thoroughly, it was considered necessary that Government should take the supply of the standard measures into its own hands. The Board called for tenders for the supply of the measures required but failed to get any satisfactory ones. It has since found out that there is at the School of Arts the machinery required for making the measures from sheet steel, and Mr. Chatterton has offered to make up a number of measures experimentally, if the Board can place funds —Rs. 2,000—at his disposal for the work. I am not sure whether Government would approve of this arrangement, and I should be obliged if you would let me know whether the Board may proceed as suggested. I enclose a copy of Chatterton's letter.

ENCLOSURE.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to C. J. WEIR, Esq., I.C.S., Member, Board of Revenue (Revenue Settlement, Land Records and Agriculture), dated Madras, 19th August 1903, No. 2206 A1.

With reference to the note on the supply of uniform measures, I have the honour to state that I think it will be quite possible to manufacture seamless steel measures in large numbers at prices considerably below those quoted by the Public Works Workshops in Madras. I have all the machinery necessary for turning out measures, but I have not the necessary dies or material for making experiments. It would probably cost Rs. 2,000 to make experiments on a sufficiently large scale to enable accurate data to be arrived at regarding the cost of manufacture. For this sum, it will be possible to supply the dies for making three of the smaller measures and turning out about a thousand of each. If the Board desire that the experiment should be made, I should be glad to know as early as possible, as the question of closing the Aluminium department is now under consideration, and whether we retain the metal working machinery or sell it, will partly depend upon the decision of the Board in this matter.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated Madras, 31st August 1903.

I received your wire asking me to come up with a representative of the Indian Aluminium Company on Saturday night.

Mr. B. Hawkins is the only man in the company empowered to deal with this transfer question, and he has been subpœnaed by the High Court on Thursday in connection wit Lieutenant Plant's case.

He tells me that he will be able to get away by the mail Thursday evening, and would be able to see you after 3-30 on Friday. He is very busy and wants, if possible, to go down again on Saturday.

I therefore propose to leave on Wednesday night and be in Ooty Thursday afternoon, and I can call at your office on my way into Ooty between 3 and 4. I presume that by Friday afternoon everything can be arranged and Hawkins might be asked to attend a meeting to settle the business.

Telegram from A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, to A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, dated 1st September 1903.

Your letter of yesterday received. Suggested arrangements approved.

Note of Agreement.

The agreement between Government and the Indian Aluminium Company is as follows:—

That the company shall pay to Government the net expenditure, amounting to Rs. 1,68,000, incurred by Government on the aluminium industry up to 31st March 1903, as shown in statement I, plus the net expenditure, amounting to Rs. 6,600, incurred by Government on the same industry up to the 2nd September, as shown in statement II, plus the net expenditure estimated at Rs. 5,000 (as shown in statement III) which shall have been incurred by Government up to 12 o'clock on the date of transfer, plus a lump sum, representing the profit earned in the business during the years it has been carried on, of Rs. 30,000. The total of statements I and II and of the sum of Rs. 30,000 is Rs. 2,04,600, and if the estimated further net expenditure as shown in statement III, Rs 5,000, proves correct, the sum to be paid by the company will be Rs. 2,09,600. If the net expenditure between now and the date of transfer be more or less than the estimate, the sum to be paid by the company shall be increased or diminished proportionately. The transfer shall take effect on the 15th September from which date the company shall be liable for all book debts and liabilities due by the Aluminium department, and shall be entitled to all stock in trade, metal, tools, plant, machinery and book-debits belonging to the department, including stock and debts due by out-agencies. On the date of transfer the company shall pay to Government in cash a sum of Rs. 1,84,600, (subject to any variation in the net expenditure incurred between this date and then). This cash payment represents the sum of Rs. 2,09,600, above stated, minus of a sum of Rs. 25,000 which shall be liquidated by the company within two months from the date of transfer, unless that sum shall have been first collected by the Government from outstanding debts to be made over under this agreement to the company and then left by the company with Government for collection. A written release of Government for any liability for metal under order but not yet delivered to be secured by the company from

Messrs. Best & Co. Government will undertake not to carry on for a period of five years from date of transfer the manufacture of aluminium for sale to the public in the School of Arts or other institution controlled by this local Government.

A. G. CARDEW,
Ag. Secy. to Govt., Educational Dept.

4th September 1903.

BERNARD HAWKINS,
Managing Director, the Indian Aluminium Co. (Ld.).

Mr. CHATTERTON present.

STATEMENT I

As in Mr. Chatterton's letter of 19th August.

STATEMENT II.

	Receipts. RS.	A.	P.	Charges. RS.	A.	P.
April	12,594	12	4	3,892	7	7
May	9,837	7	11	5,131	8	7
June	8,935	2	1	6,148	9	11
July	16,740	6	10	21,919	0	5
August	16,403	0	7	35,009	1	8
September up to 2nd	1,706	10	9	728	2	6
Total ..	66,217	8	6	72,828	14	8
Less receipts				66,217	8	6
Net debit				— 6,611	6	2

STATEMENT III.

	RS.		RS.
Estimate.		Estimated expenditure up to 15th instant.	
Estimated receipts up to 15th instant.	5,000	Metal	5,000
		Labour	5,000
		Total ..	10,000
		Less receipts	5,000
		Net debit	5,000

	RS.	A.	P.
Statement I	1,67,858	15	10
„ II	6,611	6	2
„ III	5,000	0	0
Total ..	1,79,470	6	0
Round figures ..	1,79,600	0	0
Lump sum ..	30,000	0	0
Total ..	2,09,470	6	0
Round figures ..	2,09,600	0	0

A. G. CARDEW—4-9-03.

B. HAWKINS—4-9-03.

Demi-official from A. CHATTERTON, Esq., Officer in charge of the Aluminium department, School of Arts, to A. G. CARDEW, Esq., I.C.S., Acting Secretary to Government, Educational Department, dated 5th September 1903.

Hawkins requests to be furnished with a copy of the note you drafted yesterday and which he signed to show to his Directors at their meeting on Wednesday.

If you will kindly send it to me I will forward it.

Copy sent.

Mr. Chatterton has been asked to get the release from Best & Co. as soon as possible in any case before the 15th.

A. G. CARDEW—5-9-03.

A draft order is submitted for approval. Although everything has been clearly and definitely settled, it seems advisible for Government to see the agreement before it is executed.

2. Should anything be said in the draft about—

(1) The company being allowed to remain on the premises for some time. This condition is not mentioned in the note of agreement, and need not, perhaps, be officially stated.

(2) Mr. Chatterton acting as Consulting Engineer to the company. As yet there is nothing official before Government about this. The Director will no doubt write officially on the subject in due course.

P. T. THARYAN—5-9-03.

Draft passed as altered.

A.G.C.—7-9-03.

[G.O., No. 417, Educational, dated 7th September 1903.]

The order has been despatched. The file may now be shown to Financial.

P.T.T.—9-9-03.

A.G.C.—9-9-03.

To the Financial Department.

FINANCIAL DEPARTMENT.

Seen.

G. S. FORBES—10-9-03.

To the Educational Department.

2,000—5-11-00.

Educational (1903) Department.

Confidential

CURRENT No. 1246.

From

[*Name*] The Honorable Mr. G.H. Stuart,M.A.,

[*Designation*] Director of Public Instruction,

[*Station*] Madras.

URGENT.

SECRETARY TO GOVERNMENT
12 AUG 1903
REVENUE & MUNICIPAL DEPARTMENT

DESPATCHED
12 AUG 1903

R-C *No.* 46/03

Dated 10th August 1903.

Enclosures two

Received 12th August 1903.

Registered 12th " 1903.

SUBJECT.

Submitting with recommendation proposals for the transfer of the Aluminium industry now carried on in the School of Arts, Madras, to the Indian Aluminium Company.

BACK PAPERS.

FURTHER PAPERS.

To

The Secretary to Government,

Educational Department.

Sir,

I have the honour to submit a letter from Mr. Chatterton enclosing one from the Secretary to the Indian Aluminium Company which states the terms on which the Company is willing to take over the aluminium business now carried on in the Madras School of Arts. The proposal, which is clearly explained by Mr. Chatterton, is that the Company will pay to Government, cash down a sum sufficient to cover the whole net expenditure incurred by Government since the industry was first started together with a sum of Rs.30,000 in lieu of profits. In return the Company will take over the business, stock-in-trade, materials, machinery &c belonging to the aluminium department of the school. Mr. Chatterton estimates that by September the assets of the aluminium department will exceed its liabilities by about Rs.60000, so that the transaction is a profitable one for the Company; but Government will also have made a small profit, and the object of starting the industry was, not to make a profit, but to establish it in the country and this may be regarded as having been attained. Besides, there is only one purchaser, and if Government declines the terms now offered the only alternative is to continue to carry on the business of the aluminium department as at present and to this I am strongly opposed. I therefore recommend that the proposals of the Company be accepted.

2. The proposal that the company should be allowed to carry on the business for some time in the School of Arts itself is not mentioned in the Secretary's letter. It is not a very satisfactory arrangement, but considering that the Company are taking

[E. 3]

1,000—5-12-02.

EDUCATIONAL DEPARTMENT.

READ AGAIN G.O., No.s 488-489, dated 18th August 1902.
" " " " 686, " 4th November 1902.

READ ALSO:—

C. No. 1246, From the Director of Public Instruction C. No. 46, dated 10th August 1903.
" " 1316.A, " " Officer in charge of the Al: Deptt., " 2215, " 19th August 1903.
" ", ", " ", " ", " 190 .

ORDER No. 417, dated 7th September 1903.

P.S.

The negotiations for the transfer to the Indian Aluminium Company of the business in Aluminium carried on in the School of Arts, Madras, having now been completed, the Government accords sanction to the transfer being carried out on the 15th instant on the following terms :

(1) The Company shall pay to Government the net expenditure incurred by Government on the industry as shown in the statements appended to this order and described in the margin, amounting to Rs. 1,79,600, together with a lump sum of Rs. 30,000 making a total of Rs. 2,09,600.

No.I. The actual receipts and charges on account of the industry up to the close of the Financial year 1902-1903

No.II The actual transactions from 1st April up to 2nd September 1903 and

No.III The probable receipts and charges for the period from the 3rd upto noon of the 15th September 1903.

15 4

(2) If the actual net expenditure between the 3rd and the 15th september 1903 is found to vary from the estimate of Rs. 5,000 shown in the third statement appended to this order the difference shall be added to or deducted from, as the case may be, the total of Rs. 2,09,600.

(3) From noon of the 15th September 1903, the date of the transfer, the Company shall be liable for all book debts and liabilities due by the Aluminium Departmentof the School of Arts and shall be entitled to all stock in trade, metal, tools, plant, machinery and book debits belonging to the same Department, including stock and debts due by Out-agencies.

(4) On the 15th september 1903 the Company shall pay to Government in cash a sum of Rs. 1,84,600 subject to any variation as provided for in clause (2) supra.

(5) The balance of Rs. 25,000 shall be paid by the Company by the 15th November 1903 unless it shall have been first collected by Government from outstanding debts to be made over to the Company under clause (3) supra and then left by the Company with Government for collection.

(6) The Company shall secure from Messrs.

23

Messrs. Best & Co., and shall deliver to Government before the 15th instant, a written release of Government from any liability for metal ordered but not delivered.

(7) The Government of Madras shall not carry on for a term of five years from the 15th September 1903 the manufacture of aluminium for sale to the public in the School of Arts, Madras, or in any other institution controlled by that Government.

2. The Government Soliciter is requested to draw up an agreement embodying these terms. He will be furnished with a note of the terms of agreement which was assented to on the 4th instant by the Company's representative. A copy of the agreement should be submitted to Government so as to be received not later than the 12th instant; a copy should be supplied at the sametime to Mr. Chatterton. The exact sum to be entered in the agreement with reference to clause (2) of para. 1 of this order should be ascertained by the Government Soliciter in communication with Mr. Chatterton on the 15th instant, and on that date, upon the release from Messrs. Best & Co., which is referred to in clause (6) of para. 1 having been

16 4 6

received, and upon the sum of Rs. 1,84,600 being paid by the Company, the Government soliciter will secure the execution of the agreement by the Company's representatives and will then forward it to Government for completion. Upon the execution of the agreement, Mr. Chatterton will put the Company in possession of the stock in trade, metal, tools, plant and machinery belonging to the Aluminium department of the School of Arts.

3. Mr. Chatterton will observe that under the terms of the agreement, Government can recover from the Company only such net expenditure on the Aluminium industry as has been incurred up to the date of transfer. Although under para. 1(3) the company will be liable for debts of the Aluminium department it will be desirable that he should as far as possible arrange that all metal delivered before the 15th has been paid for before the transfer is effected and that all other claims against the Aluminium branch of the School of Arts are likewise fully paid before the transfer takes effect. An inventory of the Plant and Machinery to be made over to the Company should be prepared before the 15th. It is understood that one oil engine is excluded from the transfer. Mr. Chatterton will also draw up a list of the debts referred to in clause (5) of para. 1.

P.T.T. 5-9-1903.

A.G.C. 6-9-1903.

To

The Government Soliciter with copy of note of agreement

Mr. Chatterton

,, D.P.I.

5 I.

2h 7 17th

Statement of receipts and Charges from 1897-98 to 1902-03.

Year.	Receipts. Rs. as. P.	Charges. Rs. as. P.
1897-98.	nil	3,500 - 0 - 0
1898-99	44,621-13-9	45,014 - 7 - 5
1899-00	91,432- 0-8	93,000 - 0 - 0
1900-01	1,37,452-2-9	1,94,936 - 14 - 0
1901-02	1,84,549-13-8	2,34,874 - 7 - 7
1902-03	1,69,711 - 15-0	2,24,001 - 0 - 8
Net expenditure on 1st april 1903	167,858-15-10	
Total	7,95,626-13-8	7,95,626-13-8

6 II

25 8 18[illegible]

Statement of receipts and charges from 1st april to 2nd September 1903

Month	Receipts Rs. as. Ps.	Charges Rs. as. Ps.
April	12,594 - 12- 4	3,892 - 7- 7
May	9,837 - 7- 11	5,131 - 8- 7
June	8,935 - 2- 1	6,148 - 9- 11
July	16,740 - 6- 10	21,919 - 0- 5
August	16,403 - 0- 7	35,009 - 1- 8
September up to 2nd	1,706 - 10- 9	728 - 2- 6
Net expenditure from 1st april to 2nd September 1903.	6,611 - 6- 2	
Total Rs.	72,828 - 14 - 8	72,828 - 14 - 8.

III.

19th

Statement of estimated receipts and charges from 3rd to noon of 15th September 1903.

Period	Receipts Rs.	Charges Rs.
From 3rd to noon of 15th September 1903	5,000	10,000
Net expenditure	5,000	
Total	10,000	10,000

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18-19

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

DATED

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MEANT FOR DESPATCH

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