

Esteemed Sir,

In forwarding this booklet entitled "MENACE OF IMPERIAL PREFERENCE TO INDIAN ALUMINIUM & UTENSILS INDUSTRY" we beg to draw your kind and immediate attention to the threatened danger of the extinction of the Indian-Owned Aluminium Utensil factories in India, if Aluminium and other raw metals are granted Empire Preference. A perusal of the booklet will convince you of the ruthlessness of foreign interests and it is hoped that your good self will offer determined opposition to the inclusion of Aluminium and other raw metals like Copper, Brass, and Germansilver in the Empire Preference list. The Aluminium and other utensils industry is a very important Indian-Owned industry and is in distress. Preference would mean the doom of this great industry. May we humbly request you to use all your influence to avert this and save a great Indian-Owned enterprise?

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Yours faithfully,

M. V. GODBOLE,

Hon. Secretary,

The Deccan Merchants Association
(199, Girgaon Rd.) BOMBAY.

IMPORTS OF ALUMINIUM CIRCLES & SHEETS IN INDIA (Value in Rupees).

	1926-27	1927-28	1928-29	1929-30	1930-31	1931-32	1932 April to September.
United Kingdom ...	19,94,273	45,90,147	33,30,976	36,66,665	18,90,393		
Canada ...	Nil	Nil	Nil	3,06,778	2,69,130		
Total British Empire ...	19,94,273	45,90,147	33,30,976	39,73,443	21,59,523		
U. S. A. ...	34,49,714	36,59,604	39,91,505	51,97,343	41,33,410		
Japan ...	Nil	Nil	65,500	5,02,436	6,49,784		
France ...	1,01,384	4,50,237	9,69,816	12,06,554	6,80,557	}	
Germany ...	13,33,588	2,71,883	2,61,706	10,37,548	10,98,531		
Switzerland ...	2,91,012	8,91,091	9,84,808	10,12,838	4,74,269		
‡ Other Continental Countries ...	8,63,426	7,69,588	21,989	1,79,746	1,57,116		
Total Foreign Countries.	60,39,124	60,42,403	62,95,324	91,36,465	71,93,667		
Grand Total ...	80,33,397	1,06,32,550	96,26,300	1,31,09,968	93,53,190	\$ 24,75,165	\$ 3,50,262

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Continental

* These Canadian and American interests are practically identical. They are also owning a number of Utensil Factories in India. They have also got their Rolling Mills in England. They will now get their Metal requirements from Canada or England, as convenient to them.

† Japan is not producing Aluminium. Japan imports Metal Bars, Ingots and Blocks etc. from Europe and America to Roll the same into Sheets and Circles. Some times this country sells its Surplus Stock in India for a few months. Sometimes Canadian Interests are getting their Circles and Sheets Rolled in Japanese Rolling Mills, as they did in 1929-30 and 1930-31 and import the same into India for their Utensil Factories. Sometimes Japan is stopped by pressure from producing countries from selling Circles and Sheets to India. Japan is therefore not a regular supplier to Indian Markets.

‡ No other Continental Country except France, Switzerland and Germany recently exported Aluminium Circles and Sheets in considerable quantities. But sometimes the Continental Metal is supplied from Genoa Antwerp (and such other Ports on common boundary of two or more Continental countries) and therefore these goods are shown as coming from Italy or Belgium although they are mostly Swiss or French.

§ The figures for respective countries of origin are not still issued by the Government for 1931-32 and 1932 (current year) and therefore only aggregate figures are shown in the above table.

List of the main Indian Owned Aluminium Factories in India.

Bombay :

- (1) Messrs. Anant Shiwaji Desai's Metal Stamping Factory.
- (2) The Dun Aluminium Factory of M/S. Lallubhai Amichand.
- (3) The Popular Metal Works of M/S Mangoomal Loonidassing.
- (4) Messrs. Pitamberdas Lallubhai's Factory.
- (5) The Bombay Aluminium Factory of M/S Nazarally Vallibhai.
- (6) The Punjab Aluminium & Brass Works of M/S D. Tulsiram.

Calcutta :

- (1) Messrs. Lattoo Aluminium Works of Mr. N. C. Paul.

Dacca :

- (1) The Bengal Aluminium Works Ltd.

Rangoon :

- (1) The Rangoon Aluminium Works of Messrs. L. Amichand.

Amritsar :

- (1) Messrs. L. Ballisingh Bhagwansingh Factory.
- (2) The Eastern Metal Works.

Gujranwala :

- (1) Messrs. Jain Aluminium Works.
- (2) The Popular Metal Works.
- (3) Messrs. Mahomed Din Mahomed.

A table of the list of the British and Canadian owned (and Managed) Factories of Aluminium utensils in India.

Bombay :

- (1) Messrs. Wolverhampton Works Co., Ltd. (British).
- (2) The Crown Aluminium Works. (Canadian) owned by M/S Jeewanlal (1929) Ltd.
- (3) The Bharat Aluminium Works (under Canadian Control)

Madras :

- (1) Messrs. Ganeshwar Aluminium Factory, (owned by Canadian Concern).
- (2) The Indian Aluminium Co., (Partly Indian and Partly foreign) now controlled by Canadian Concern under System of Guaranteed Profits.

Indian factories has of late become a very difficult and sometimes tormenting problem.

Formerly the Indians controlled nearly 85% of utensil Manufacturing Trade of India, whereas now the Indians have barely 15 % of the entire Indian Trade left to them and 85 % has gone into the hands (directly or indirectly) of the British and the Canadian Producers of metal owning utensil factories here. And what little business still remains in the hands of the Indians is at the mercy of their foreign manufacturing competitors who control the supply of metal in India. The Indian factories have to meet every now and then with fresh difficulties in the matter of purchase of raw metal from their competitor-suppliers.

The Indian-owned factories as buyers of raw metal are divided amongst the British and Canadian suppliers. So it is not possible for some Indian factories to get any British metal.

For right kind of protection care must be taken that no influential combinations, prejudicial to the interest of the community, come into existence. Unfortunately this very danger has materialised in case of Aluminium utensils industry in India.

It is beyond one's comprehension to understand why Empire Preference should be granted in regard to raw materials to those very interests which are already practically controlling the utensils market in India, by having their own factories for manufacture of utensils? Does it not amount to restraint of trade and the boon of a free monopoly at the cost of the Indian consumers and the practical extinction of the Indian manufacturers, who have to depend, for their very raw materials, on their manufacturing competitors? Undoubtedly it is a direct bonus of 10% to the British owned factories in India against Indian owned factories.

No businessman would like to buy his main requirements from his competitors. No businessman can survive long by making his purchases from his competitor. And asking the Independent Indian factory owners to agree to preference in British or Canadian Aluminium is to ask them to remain under the thumb of their competitors.

The table showing the Imports of Aluminium circle and Sheets in India (value in Rupees) is given below :—

A FEW OF THE REASONS WHY PREFERENCE FOR BRITISH ALUMINIUM IS OBJECTED TO BY INDIAN-OWNED FACTORIES.

Aluminium is imported in India as a raw commodity necessary to feed Utensil Factories.

In the whole of the United Kingdom there is only one concern producing Aluminium. This very Company has various factories in India for the manufacture of Aluminium utensils. So the proposed Preference in this case would mean **complete dependence of the Indian-owned Factories** on one single British concern.

The utensil factories belonging to the above British Company, in India, are opening their sales Agencies more and more throughout India, and the Preference is bound to result in the establishment of more British Owned factories for utensils in India.

The British-owned factories have entered into serious competition with Indian Owned Factories. They are selling their pots at disastrously low rates in relation to the cost of metal. The prices of the Utensils are lowered while maintaining raw metal at a higher level resulting in a fearful discrepancy of price between raw metal and utensils. Aluminium Circles are sold at the average rate of Re. 0-15-0 per lb. whereas the Chatties (or Topes which cover about 70% of the Total output) are sold below Re. 0-15-0 per lb. which fact does not leave any margin for manufacturing cost. So the purchase of metal from British is simply impracticable from pure business point of view.

The Indian-owned factories as buyers of metal and sellers of utensils are now in competition with British Producers of raw metal, who are interested in a rigid monopoly of the Utensil Manufacturing trade as well. The British producers' absorbing interest is now in utensils and no encouragement can be expected by the Indian factories as buyers of metal. And therefore the purchase of raw metal by

Benares :

- (1) The Shanker Aluminium Works, Leased for a long period to Messrs. Jeewanlal (1929) Ltd.

Rangoon :

- (1) The Burma Aluminium Works, (Canadian) Owned by M/S Jeewanlal (1929) Ltd.
- (2) The Burma Aluminium Co., Ltd. (British).

Yours faithfully;

M. V. GODBOLE,

Hon. Secretary.

The Deccan Merchants' Association,
(199, Girgaon Rd.) BOMBAY.

THE SAD PLIGHT OF THE INDIAN ALUMINIUM & UTENSILS INDUSTRY.

Menace of Imperial Preference

The worst fears of India about the repercussions of the Imperial Preference Scheme of Ottawa are now on the point of realisation. Unless public opinion in our country is quickly and vigorously stirred and the facts about the impending catastrophe are brought home to the members of the Legislative Assembly, the whole affair would be "Fait Accompli," certain to be followed by the doom of many of our Industries, which are still surviving in spite of the most ruthless competition from foreign Interests. The results are bound to be far reaching. To a long list of Indian Industries that have gone under, for want of an active national fiscal policy, will be added many more, involving the ruin of Indian Manufacturers and the loss of many Lakhs of invested Capital. The catastrophe will follow the line of items that have come in for preference, particularly the industries based on the manufacture of utensils etc., from Aluminium, Copper, Brass, and Germansilver. The case of the Aluminium Industry is particularly hard and potent with immediate danger to the very few Indian owned factories which have managed to escape the clutches of Foreign Interests that are aiming at a thorough and aggressive monopoly in India. It is beyond one's comprehension to understand why Empire Preference should be

granted in regard to raw materials, to those very Interests which are already practically controlling the utensils market in India, by having their own factories for manufacture of utensils? Does it not amount to distraint of trade and the boon of a free monopoly at the cost of the Indian consumers and the practical extinction of the Indian manufacturers, who have to depend for their very raw materials, on their manufacturing Competitors? When it is the turn of the Aluminium Industry to-day, it may be the fate of the Brass, Copper and others as well, to-morrow. What guarantee is there that the suppliers of Empire metals, hedged in preferential treatment, may not open factories for the manufacture of Brass, Copper and other utensils also and crush out the Indian-Owned factories? There cannot and must not be preference in regard to these raw metals. Preference cannot be given to producers of Empire raw materials having their own utensil factories in India. God save us from our Empire friends if this is the sort of protection our worthy delegates have secured at Ottawa! In the words of Romesh Chunder Dutt: "I do not pin my faith to Free Trade, and I do not pin my faith to Protection; I hold that the policy most conducive to the prosperity and happiness of the people of India is the policy which should be adopted for India." The policy of unrestricted freedom of trade has resulted in the dwindling down of a truly Indian Aluminium Industry extending to about 85 per cent to a bare 15 per cent and now protection and Imperial Preference threaten to sweep away whatever is left for India. Preference here would be tantamount to the proverbial dwarf's friendship for the giant with woeful results to the

Indian dwarf. An industry which successfully stood the test of more than 35 years, stands in danger of immediate extinction, all ostensibly in the interests of India, all through doses of Free Trade and now Preference and Protection.

The History of Aluminium Manufacture in India

It is important to understand that the metal Aluminium is not produced in India. It is imported as raw material in the shape of "Circles" and "Sheets" from Canada, America, England, Switzerland, France, Germany, etc. Therefore the Indian trade had necessarily to be confined to the manufacture of utensils out of raw metal imported from the above countries. With the advent of Aluminium many factories began to be opened in important centres of trade in India.

Almost the entire manufacturing trade in Aluminium was till a few years ago, mostly in the hands of Indians, with a small proportion of not more than 15 per cent. under foreign Control. During the last 2 or 3 years the whole position has been altered and the bulk of the Indian Trade is now under the complete control direct or indirect of Foreign Interests.

Aluminium Industry Gradually Squeezed out of Indian Hands

Aluminium is produced in England, Canada, America, France, Germany, Norway, Switzerland etc. All the above-said producing countries are interested in the sale of their raw Aluminium to India. In fact they are still supplying their Aluminium to India. But the French, Swiss and the German

producers of Metal have not opened any utensil factories in India unlike the British and the Canadian interests. The Continental producers (The Swiss, the German and the French) still remain uptill now satisfied with their sales of raw metal only in India. On the other hand the British and the Canadian Metal Producers are owners of most of the factories of utensils in India. And herein lies the great Tragedy of Aluminium Trade in India. The British and Empire Producers and suppliers of metal have constituted themselves powerful competitors of the Indian Factories.

In the beginning the European Suppliers of metal did not fare well against American aggression in their individual efforts. So they soon formed an Aluminium Convention for India. This European Convention (or Cartel) consisted of metal manufacturers in England, France, Switzerland and Germany. The European Cartel appointed the British representatives in India as their sole representatives for this country. So the British Company here, controls the supply of not only British metal but also Swiss, German and French metal. So soon after the formation of the abovesaid European Cartel, a few of the Indian Factories that survived the competition of the foreign factories in India directly came under the control of the British who are themselves factory owners in India. This irony of the Indian factories being directly or indirectly controlled by their competitors still continues.

The Americans immediately realised that the European Producers had joined hands together to offer

a united fight to them. Therefore they lost no time in meeting this. They set themselves quickly to the task of absorbing or otherwise closely allying with themselves as many Indian Factories as possible.

From Suppliers of Raw Material to Manufacturers

The British also decided to go a-head with their plans of increasing manufacture of Utensils. It was clearly understood all along that this foreign competition will be confined only to the sale of metal, the manufacture of utensils remaining largely in the hands of indigenous manufacturers who had already built up their factories in Bombay, Calcutta, Madras, Rangoon, Amritsar, Gujranwala, Benares etc. In spite of this understanding arrived at and followed for a long period of time, the British Aluminium Company began to increase their manufacturing plants in India. They bought one utensil factory in Bombay. They already had a factory in Calcutta. And under their direct inspiration and support a new British Factory is being erected in Rangoon, though Burmah offers too narrow a market for the existing two factories, at present. When the British Aluminium Company and the Canadian Interests (which are practically identical with American Interests and which are working in India under denomination Jeevanlal (1929) Ltd.) entered into the field of Manufacture of utensils, the trade began to slip imperceptibly yet unavoidably out of the hands of the Indian manufacturers.

Recently however the Canadian Interests (who have got numerous utensil Factories along with the British Factories in India) have joined the European Cartel and as a consequence thereof the British in

India dissolved their differences with Canadian Interests and promulgated a new policy of mutual Co-operation, leaving the Indian Factories in the lurch.

Foreign Competitors' Hold on Raw Material

So long as the British Aluminium Company had no extensive interests in India in the utensil trade, there was no serious objection to them and in fact the European group of Suppliers was preferred by Indians against the other group, because the latter (Canadian) had factories in India even before the formation of the Cartel in Europe. The objection that the Indian Factories had to the Canadian Group now exists also in the case of the British Aluminium Company who own their own utensil factories and whose main interest now is in the utensil trade rather than the raw metal. In fact Indian Factories as buyers of metal and sellers of utensils are now in competition with foreign producers of raw metal, who are attempting for a rigid monopoly of the utensil manufacturing trade as well. The British and Canadian producers' absorbing interest is now in utensils and no encouragement can be expected by the Indian Factories as buyers of metal. And therefore the purchase of raw metal by Indian Factories has, of late, become a very difficult and sometimes tormenting problem. The matter has gradually come to such a pass that some Indian Factories are not even allowed unrestricted supply of raw metal. It is notorious how supplies of raw material etc., are cut off practically from a Bengali factory by Foreign Interests in Calcutta. Besides the dealers of Calcutta are pressed by the foreign interests not to keep any business relations with the above Indian Factory under disguised threats.

So a Bengali Factory owner cannot continue his usual manufacturing business in Bengal. Attempts are made to stop all supply from Bombay to the above Indian concern by the interested Foreign Factory owners.

Now have they also begun to sell their pots at disastrously low rates in relation to the cost of Metal. The prices of utensils are lowered while maintaining raw metal at a higher level resulting in a fearful discrepancy of price between raw metal and utensils. All this manipulation of utensil rates is done at the sweetwill of the foreign makers without the least reference to the Indian factory owners and in some cases in spite of the warnings and protests of these owners. The actual sale proceeds of certain important items of utensils are practically the same as that of the price of metal charged from the Indian factories, which fact does not leave any margin for manufacturing cost. As a natural result of this rate-war the Indian factories have found it impossible to work at the rates fixed by others. These foreign factories (The British and the Canadian) backed by vast resources of their Home Offices are deliberately pursuing a similar policy with a view to scare away a few surviving Indian Factories and driving them out of trade permanently, although for the present they are likely to be losing very heavily. They are inclined to do this in anticipation of the monopoly of Indian Aluminium trade in utensils.

Indian Industry at Mercy of Foreign Interests

The worst feature of this foreign control of the Indian Aluminium business, is that the foreign investors are themselves producers of metal in foreign countries.

Both the British and Canadian Interests are Metal producers and at the same time owners of many utensil Factories in India. And consequently they are always on the vantage ground in relation to independent Indian utensil Factories. Formerly the Indians controlled nearly 85 per cent. of utensil Manufacturing Trade of India whereas now the Indians have barely 15 per cent. of the entire Indian trade left to them and 85 per cent. has gone into the hands (directly or indirectly) of the British and the Canadian Producers of metal owning utensil factories here. And what little business still remains in the hands of the Indians is at the mercy of their foreign manufacturing Competitors who control the supply of metal in India. The Indian factories have to meet every now and then with fresh difficulties in the matter of purchase of raw metal from their Competitor-Suppliers. Over and above this the danger of Imperial Preference for import of British Aluminium and Canadian Aluminium is there with its far reaching effects.

Danger of Monopoly by Imperial Preference

The new aspect of the present situation is not less menacing. Aluminium is one of the items selected for Empire Preference by the nominated delegates at Ottawa, along with other metals. In case of Aluminium the parties selected for grant of preference have their factories in competition with Indian Factories, whereas in case of Copper, Brass etc., the danger of foreign investments direct from producers of metal (as in Aluminium) is likely as a result of Imperial Preference. But in case of Aluminium the danger of foreign impact is already there. So the ruin of Indian trade in

Aluminium is a foregone conclusion if the Non-Empire sources are unable to sell their metal to India on account of the imposition of Imperial preference. Both the British and the Canadian Groups owning many factories of utensils in India are in a position to import their raw Aluminium from Empire sources. The British Aluminium Company have their manufacturing Plants in England and the American Interests have great producing plants in Canada in addition to those in U. S. A. So Imperial Preference is sought to be given to the foreign concerns who have their utensils factories in India against Indian Factories. Imperial Preference is bound to strengthen the already secure position of the foreign factory owners in India. It will without doubt sound the death-knell of the Indian Factories because the sources of supply of raw metal will be narrowed and restricted even if the European Cartel is affected. The few Indian factories will be compelled to rely upon their own competitors for their supply of metal. This is sheer injustice to the Indian Factories and this injustice will be perpetuated if the Indian public and their spokesmen in the Indian Legislature are not wide awake to the evil effects of the the unfair preference and undue advantage sought to be given to the British and Canadian Interests. Immediately this preference becomes a law of the land the Indian factories of Aluminium utensils will have to close their business and go to the scrap-heap with disastrous consequences to Capital Investment in Lakhs.

Unrestricted open supply of Raw Metal wanted

The deliverance of the independent Indian

Aluminium Trade lies in free supply of metal to all Factories working in India on equal terms. And this preference for the British and the Canadian Aluminium cannot maintain equality of advantage for all as it is bound to improve the position of the utensil factories of the British and Canadian Interests in India. Possibly the Cartel in Europe may be affected as a result of this preference move. Still the Indian factories will be faced with the menace of preference for their British and Canadian Competitors.

It has been reported that some countries outside the foreign Cartel have recently begun to produce Aluminium. And if this preference for the British and Canadian Aluminium is refused by the Indian Legislature, the Indian factories which are still struggling to exist might try to live by drawing upon their supply of raw metal from other sources suitable to themselves. Otherwise the confusion will be worse confounded.

**Great agitation required. M. L. A.s must
Watch and Oppose Tooth and Nail**

It is for the Legislative Assembly to keep a vigilant watch and unceremoniously turn down proposals for preference on items like Aluminium and also Brass, Copper, Germansilver etc., which are sure to react disastrously on Indian Industries and Trade. An exhaustive scrutiny of such items of preference is required and the errors of India's nominated Delegates unassisted by Genuine representatives of the Indian Trades and Industries, should be rectified. Now that the principle of protection to industries is fully accepted

by the Government of India the words uttered by the Hon. Mr. G. K. Gokhale in the Imperial Legislative Council, many years ago, were almost prophetic. He observed "*The right kind of Protection*" is that under which the growing industries of a country receive the necessary stimulus and encouragement and support that they require, but under which care is taken that *no influential combinations, prejudicial to the interest of the community come into existence.*" This very danger has materialised. It is much worse than what has happened in the sad chapter of the death of many indigenous industries. It is absolutely essential that a great cry be raised from every part of India and united and uncompromising opposition be presented on the floor of the Legislative Assembly to save Utensil industries of India from the embrace of Empire Preference.

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