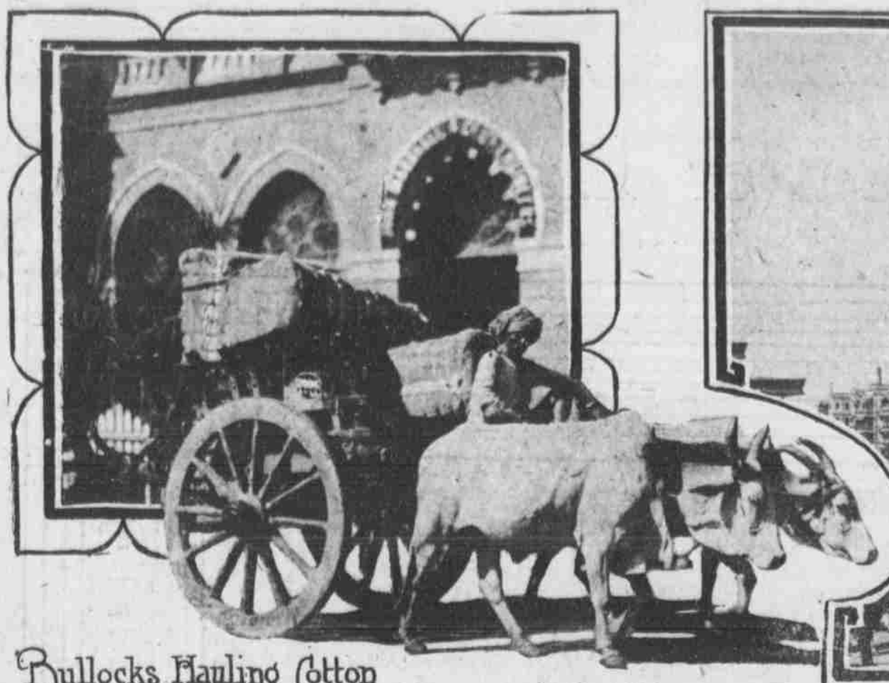
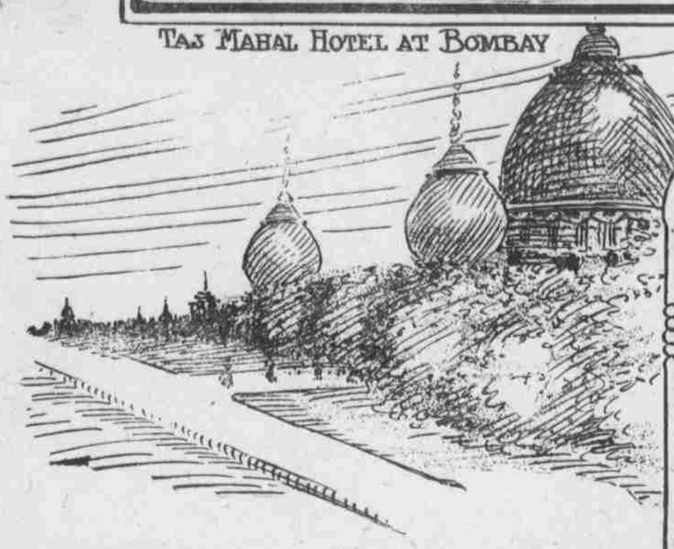
Carnegies of India and the Great Steel Industry They Are Developing



Bullocks Hauling Cotton

TAJ MAHAL HOTEL AT BOMBAY

D. J. Tata—Head of the Steel Works.



Samsetjee Nusserwanjee Tata
India's Millionaire Philanthropist.

BOMBAY, 1910.—(Special Correspondence to The Bee.)—I have had a chat with one of the most progressive millionaires of the Asiatic continent. I refer to D. J. Tata, the head of the rich Tata family, which owns the Taj Mahal at Bombay, the biggest hotel of the far east; which holds the majority of stock in the largest cotton mills of India, and which is about starting a steel and iron industry here in Hindustan which may make them the Carnegies of Asia.

Have you ever heard of the Tatas? Their family is to Hindustan what the Mitsuis are to Japan, the Rothschilds to Europe or the Vanderbilts and Astors to the United States. It is a family of millionaires which makes its money breed like Australian rabbits and whose every touch turns all things to gold.

It is one of the oldest families of history. It comes from the rich sect of fire worshipers known as Parsees. Its ancestors were priests of that religion and they are supposed to have descended from the kings of Persia. The Tatas were driven out of Persia with the other Parsees and they settled on the coast above Bombay. By and by they drifted away from the priesthood and went into trade. The great-grandfather of the present heads of the family was a government contractor at the time of our civil war. He made and lost several fortunes and gave hundreds of thousands of rupees to the support of his faith.

Jamsetjee Nusserwanjee Tata, this man's son, came to Bombay as a boy and engaged in general trading. He made money and invested in cotton mills and later on established a spinning and weaving industry which has revolutionized that business in India. He established mills not only at Bombay, but in different parts of the interior, and handled them so well that the stockholders got on the average 20 per cent a year as well as stock dividends worth millions. In one mill he paid back in profits more than thirteen times the original capital and he founded other enterprises equally as good. The man became a multimillionaire and when he died he had interests in all parts of India as well as in England and in China, Japan and other countries of the far east.

J. N. Tata introduced all sorts of modern inventions into the cotton industry. He believed in throwing old machinery on the scrap heap, and he had everything up-to-date. It was to benefit Indian travelers that he founded the Taj Mahal hotel at a cost of one or two millions, and he had his own steamers to fight the great liners, which were charging high freight rates. He was a charitable millionaire. He gave away great sums to the church and he established the Tata Research institute at Bangalore, for the education of Parsee young men.

One of the big schemes of this man was to utilize the rivers of the hills back of Bombay to generate electricity for the cotton mills. This is now being done by the building of great dams across the necks of three valleys, thus making reservoirs with a surface area of 5,000 acres, and a storage capacity of 8,000,000,000 cubic feet. The power will be conducted to Bombay, a distance of forty-three miles, by overhead wires.

More important than all the above are the plans of the elder Tata for a steel and iron industry for Hindustan. I first heard of them through the viceroy's minister of commerce and industry at Calcutta, and I have learned more from D. J. Tata, the son of J. N. Tata, here at Bombay. I met Mr. Tata in his office and we talked for an hour about these steel works. They have been started with a capital of $8,000,000, and are already well under way. They are situated about 150 miles from Calcutta and not far from great beds of iron and coal. American managers, metallurgists and engineers have been employed, and the enterprise is being pushed for all it is worth. The company has made a contract with the government to take 20,000 tons of steel rails per annum for a term of ten years, and the officials have also agreed to build a railroad for them at a cost of $2,000,000, to carry their ore to the mills. Mr. Tata says that the company will probably pay dividends within four or five years. He thinks the profits will be at least 15 per cent and that the business will steadily grow. He tells me the plant will consist of two blast furnaces, six open hearth basic steel furnaces of forty tons each, three merchant bar mills and blooming and rail mills. It will produce 120,000 tons of pig iron and 72,000 tons of finished steel per year.

If these works succeed they will be the beginning of an industry which may run high into the millions. India is already importing something like $25,000,000 worth of iron and steel. It annually takes $15,000,000 worth of railway steel and rolling stock, as well as machinery and hardware to the amount of $50,000,000 more. The government demands are enormous. Its railways are longer than those of the United Kingdom, and it has eighty-seven railway shops, whose average force is 1,000 hands. It has arsenals and dockyards employing 28,000 men, and it imports great quantities of such materials as these works demand. In addition to this, factories and mills are now springing up over India, and they all need machinery. There are almost 1,000 cotton mills, as well as jute mills, sugar mills and foundries making iron and brass. At present Great Britain is monopolizing the importations. It ships about all the machinery and mill work, the most of the railway materials and the greater part of the iron and steel. If India can make its own goods of this kind it will result in the employment of millions of the natives and will increase the wealth and prosperity of the country.

During my talk with Mr. Tata I asked him to tell me about the mineral resources of India. He said:

"We had to study them before planning the steel works. My father, you know, originated the idea. He took it up twenty-five years ago with the hope of making this a great manufacturing nation. He had made some study of England and believed that its greatness came from its iron and coal. He wanted to see whether India had similar possibilities and hired prospectors to go over the peninsula. He finally found certain deposits which he thought might be used for pig metal. The coal, however, was of a low grade and it needed special processes to fit it for cooking. He offered prizes for the invention of such processes, and when they were discovered he proposed to the government that it should grant him concessions for starting the industry, but he could get no satisfaction. He was then forced to drop the matter. Twenty years later he again took it up with Lord Hamilton, the secretary of state for India, and interested him. Lord Hamilton told him that the government would be glad to aid him in such an undertaking, and as a result he again began his investigations, spending $100,000 or so upon them in the last years of his life. We have continued his investigations."

"What did you find?" I asked.

"Much that no one imagined existed," was the reply. "The geological survey had mentioned several iron deposits. We reprospected them and finally thought we had some large enough for our purpose. We sent to the United States for experts, and among others secured Charles Page Perin to tell us whether it would pay to work the mines. The first deposits we examined were not far from Nagpur, and upon our arrival at that place we went into the Mineral Museum. As we looked at it, Mr. Weld, one of uor American mining engineers, observed some fine ore labeled with the location of the deposit. We looked it up in the geological survey and found the ore was described in three lines of print.

"We went to the place and discovered there two great hills of almost solid iron. The ore was 70 per cent pure and superior to the best of your ores. It was the equal of almost any ore of the world. In testing it we used a diamond drill, sinking it into the ore bodies to a depth of 100 feet. We assayed the borings and found the ore good throughout. We reported this to the geological survey, but they claimed there must be a mistake. They sent out their own investigators, and they reported that the iron was even better than we had represented.

"At the same time," continued Mr. Tata, "we found deposits of good coking coal not far away, and also limestone and the other necessary conditions for iron manufacturers. We were granted concessions for these various deposits, and as a result our steel plant is now going up. We have coke ovens, which will turn out 500 tons per day, and our blast furnaces will have a capacity of 200 tons every twenty-four hours."

"Your works should succeed the better on account of the Swadeshi movement," said I.

"They will be favored by the East Indians on that account," was the reply. "Our people will patronize home industry and Swadeshi goods or goods made by such industries will undoubtedly be purchased in preference to imports from abroad of the same quality and of the same price. When our works begin operation, India will be taking about 400,000 tons of foundry iron, 200,000 tons of steel rails and 100,000 tons of bars and plates. It will have to increase its imports of locomotives, bridges and steel materials. If we get only a small percentage of this trade we shall have more than we can do."

"Will India ever export steel to China and Japan?"

"I doubt it," was the reply. "China has already started a big steel works of its own at Han-Yang. It has far greater mineral deposits than we have, and it might supply Japan, although that country has already established an extensive steel industry. Our home market will take all that we or any native institution can make for generations to come."

"But has India the money to establish such institutions?"

"There is no doubt of that fact," replied the Parsee capitalist. "There are millions in India awaiting investment if the people can be sure that the money will pay dividends without danger of loss. I don't know that you have heard of India's buried wealth. It is enormous. I have seen estimates that gold to the amount of three billion dollars is buried under the ground. There are millions which are hoarded in the shape of jewelry, and a great amount is hidden away in small sums. We want to get this money into circulation and we hope to do so some day. At the same time we have many rich men; and there is no reason why we should go outside for capital."

The conversation here turned to the cotton mills in which the Tatas are so largely interested and which the father of D. J. Tata built up. I asked Mr. Tata as to the condition of the business.

"It is rapidly growing," said he. "We now have here in India over 200 mills, and 200 more could be established and run at a profit. Most of our mills work day and night, and we cannot supply the demand. Our home market is enormous. We have 300,000,000 people, and they all dress in cottons. Just over the way is China, which is waking up to the western civilization and increasing its wants. There are 400,000,000 there who wear cottons. There is a big market in Farther India, and to the west of us as well as in Africa. Indeed the markets for the cotton mills of this part of the world are so great that we do not need those of either Europe or America."

"Your father established some of the first spinning mills, did he not?"

"Not the first. There was a cotton mill at Calcutta in 1818, and the first at Bombay was established in 1851. My father established his original mill much later. He was one of the first to start mills in the interior. He founded one at Nagpur in 1874, and, when he died, he was interested in many, not only here, but in other parts of the country. He was then employing altogether in his cotton mills alone about 8,000 hands. These mills are still working and are doing well. My father was the first to introduce ring spinning into India, and in this he revolutionized the industry."

"Tell me something about your labor element, Mr. Tata. Can the Hindoos handle machinery?"

"Yes. They are excellent factory hands. Our boys are especially good. We have many little children of 10 or 12 in the mills whose supple fingers can do quite as well as those of the full-grown women employed at Manchester. Indeed, I think they do better."

"What are the wages paid in the mills?"

"The average is 15 rupees a month, that means about $5, or over 15 cents a day. That is good wages for India. A native can live on less than $3 a month, and all he makes over that is clear profit. Our chief trouble is that the hands will stop work if they get money ahead. They will labor for two or three months and then lay off and spend what they have saved. If a man has 100 rupees ($33) ahead, he will, like as not, leave the mills and go back to his native village and spend a year or more in riotous living. When he has spent all he has, and all he can borrow, he will come back half starving and ask for a place. We do what we can to keep our hands and to educate them for their work. We have a pension fund and also a savings fund, to which the men can contribute a certain percentage of their incomes, the company paying them dividends upon their savings."

Coming back from my interview with Mr. Tata to the Taj Mahal hotel, I passed long lines of bullock carts carrying cotton through the city. A continuous procession of these may be seen here at all hours of the day throughout the year. Bombay's prosperity is founded upon cotton. It has an enormous market, and its shipments of raw cottons and cotton goods approximate $50,000,000 a year. It has cotton mills here and there throughout the city, and their smokestacks are to be seen everywhere. This province is one of the largest of the cotton producers, and it does more spinning and weaving than any other. There are about ninety mills in Bombay alone, or more than one-third of all the cotton mills of the country. The largest mill owners are the Tatas, the Sassoons and other millionaire Parsees. The capital invested in the business all told amounts to $60,000,000, or more.

The cotton industry of India was made by our civil war. They were growing cotton long before that, but the exports never averaged more than $15,000,000 a year. When the war began and our cottons were shut out of England, those of India leaped to the front, and the year the war closed they had reached the enormous total of $185,000,000. That was the booming time for Bombay. The people thought there would be no end to their prosperity. Land went up several hundred per cent, and every one thought that this would be the great port of the world. Then came the surrender of Lee, and cotton dropped like a shot. It was 40 cents a pound, and it went down to 22 and continued to drop. This made a panic in Bombay. The Parsee banks failed for millions, and thousands were bankrupt. The cotton exports steadily fell, and in 1879 they amounted to only $40,000,000. Since that time most of the present mills have been built, and the exports of raw cotton have risen. The latter are now running at something like $50,000,000 a year, while the exports of manufactured goods are $35,000,000.

What the industry needs is a protective tariff, and especially so against England. The Manchester mill men, however, will not allow Parliament to grant this, and by so doing they are keeping India back. If the British would give the country the same rights that we of the United States have as to such matters, India could not only make all the cotton goods used by her 300,000,000, but could export goods to China and the other countries of Asia. A protective tariff would turn Hindustan into a beehive, and would make it one of the richest instead of, as it is now, one of the poorest of lands.

FRANK G. CARPENTER.

Omaha Knights Templar on Their Way to Conclave

MEMBERS OF MT. CALVARY COMMANDERY OF OMAHA

SEEING THEM OFF

ABOUT 150 men, many of them accompanied by their wives and members of their family, departed from Omaha on a special train Sunday afternoon bound for the great thirty-first triennial conclave of the Knights Templar at Chicago. Delegates from a half dozen towns outside of Omaha were in the delegation.

The special train was a splendidly luxurious one composed of eight pullmans and several baggage and express cars. It was manned by a crew of Knights Templar, chosen especially for the duty.

It was promised by most of the happy delegates who departed, that they would remain away on their vacations in parts of the country after the conclave had come to an end.

Those who had charge of the delegation were Eminent Commander Richard C. Jordan, John Kelly, generalissimo, and the following officers of the Mount Calvary Commandery conclave club: President, Charles B. Shook; Zora B. Clark, secretary, and Victor White, treasurer. J. W. Maynard, past commander and Union Pacific agent, and George West, city agent of the Northwestern, directed the management of the train as far as Boone.

Among the out-of-town delegates in the party were James Howard of Benson, L. D. Richards and J. H. Keene of Fremont and Henry Gibbons and Charles Finch of Kearney.

The special made a three-hour stop at Boone, Ia., and its passengers enjoyed a gorgeous time as guests of the Boone Knights Templar. A big banquet was served and a number of automobiles were then pressed into service in taking the visiting delegates on a sightseeing tour of the little city.

Several of the local delegates were named on the staff of directors in charge of various parts of the conclave program. The local men agreed before departing that they would make no attempt to get the next conclave, inasmuch as the stupendous event possibly could not be carried out here, and because two other cities were to make an overpowering effort in that direction.

When the votes were counted and it was found that Denver had secured the next conclave, there was rejoicing amongst the Omaha delegation as the members would rather see it held in the west than go east.